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Gig Economy: Shaping the Future of Employment during the Pandemic.

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Abstract

The word "gig economy "is precise by a market that is based on an assured agreement or that is remunerated as per the project through a company, mediator, or online trade. The rise of the "gig economy" fascinated wide attention. The influence of the gig economy on the workforce is very insistent and affected across industries. It has completely transformed the mode of engaging individuals at work and has taken an essential modification in how our economy runs. Because of its supreme qualities, the figure of gig workers will keep growing, as various of the finest and brightest workers turn to gigs for their primary services. Though the gig economy provides enormous benefits to the workers in terms of flexibility, employment, freedom, etc. At the same time, it poses an adverse effect on the industry's working atmosphere. In this study, we have discussed the current trends of the gig economy along with its merits and demerits in the global as well as the Indian context.

Keywords: gig economy, employment satisfaction, ability, employment engagement, project-based work.

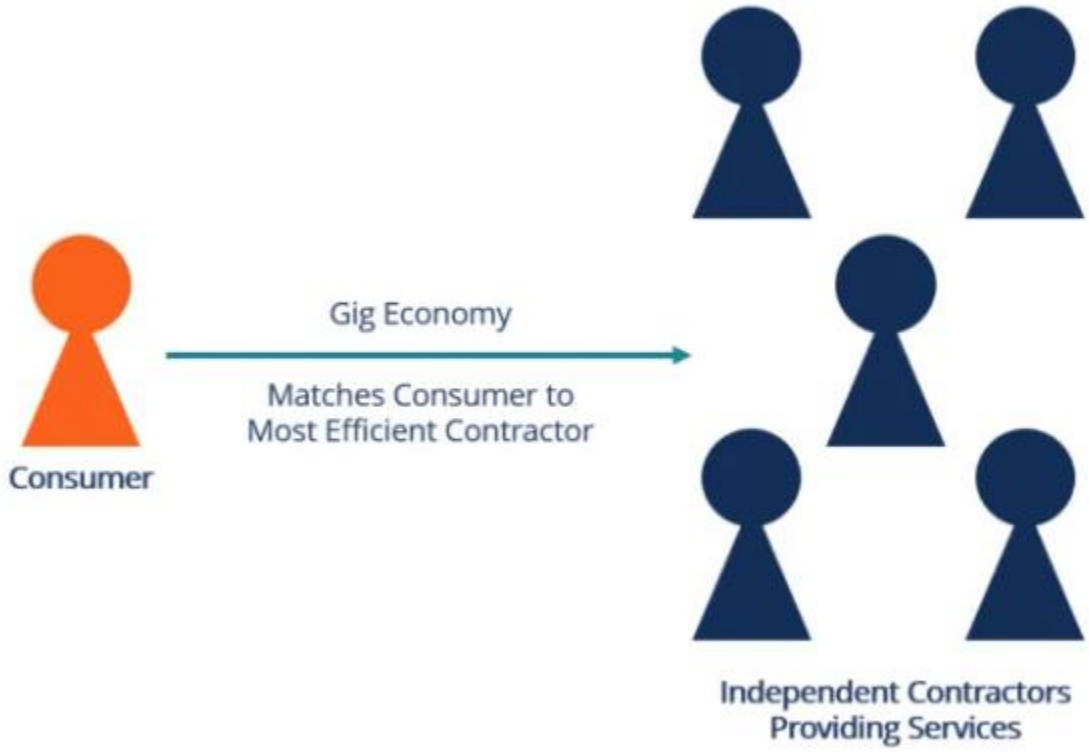
Introduction:

Rapid digitalization, hybrid working models, a prosperous startup atmosphere, and a rising talent scenery - all reinvigorated by the Covid-19 pandemic, have upset the labor market. The world of work is countersigning a paradigm transfer in their workforce, workstation, and work platforms. Forced by the next-generation technology and new-age workers, the environmental boundaries of work are distorting each day. The outburst of the universal pandemic untethered work from the office revealed a new economy- Gig Economy.

The gig economy has only now extended and fascinated care worldwide. Developing opportunities and dynamics of today's working population, increasing battle for ability, and globalization of labor have rejuvenated the gig economy. However, India's gig economy is at a promising stage, ASSOCHAM expects the gig sector to surpass $455 billion by 2024 in India. As businesses and employees observe the profits of contractual The term "gig economy "is well-defined by a market that is based on a certain agreement or that is paid per project by a company, third party, or online marketplace. The rise of the "gig economy" has fascinated wide attention. The effect of the gig economy on the workforce is very persistent and affects industries working styles. It's entirely transformed the method of engaging people at work and take a necessary reform in how our economy runs. Because of its extreme advantages, the number of gig workers will keep growing, and many of the finest and brightest workers turn to gigs from their primary employment. Though the gig economy provides enormous benefits to the workers in terms of flexibility, employment, freedom, etc. On the other hand, it imposed an adverse impact on the industry functioning environment. In this study, we have discussed the current trends of the gig economy along with its merits and demerits in the global as well as the Indian context.

What is a Gig Economy?

A gig economy can be well-defined as an economic movement that carries in provisional, contractual, or freelance workers to achieve certain jobs or projects. It covers all platforms that hire free contractors, freelancers, consultants, and gig workers from different fields such as IT, digital marketing, communication, food and beverages, service industries, art, and design. Therefore, a gig economy deduces the employment of temporary or part-time professionals instead of conventional employees by the organization.



Source: https://corporatefinanceinstitute.com/resources/knowledge/other/gig-economy/

First-choice for millennials and Gen Z workers

According to the report of CMIE Economic Outlook, around 30 million Indians between the age of 20-29 were recounted to be jobless in 2021. The Covid-19 pandemic bound the burgeoning millennial and Gen Z workforce to reconsider their career pathways, work calendars, and workstation preferences. Allowing for flexibility, the gig economy deals with competitive payouts, selection of projects, and self-rule, it has become the primary choice for the young working people. Seeing to break away from the hustle and grind of office principles, the gig economy offers the futuristic workforce them to enter into agreements with leading organizations across the globe, work on projects they like best and provide accommodations with healthy work-life stability. freelance opportunities, the gig economy is established to become the future of work.

As the pandemic hit the earth, establishments turned practically overnight to remote working models, causing delayed tasks, lost patrons and consumers, and rising harm, damage, and losses. At a time like this, many industries, MNCs, and startups are similarly motivated freelancers and contractual and gig workers for several technical and non-technical tasks. This structure permits organizations to decrease operational, organizational, and operative costs. Moreover, by contracting assignments to trained professionals, organizations can exploit their capability and productivity without having to tolerate the costs of permanent employees such as annual salary, training, development, etc.

The introduction of startup culture in India

The startup environment in India has been stirring on an exponential progress flight for the last few years. With the third-largest startup network in the world, India has recorded over 14,000 startups in the prior six years. Modified to break contracts, Indian startups have been renovating their workforce and working models. In place of procuring extensive fixed costs by engaging full-time teams, associations are selecting to influence the capability offered by freelance and gig workers at reduced costs. Accordingly, startups with partial capital and assets are able to outsource assignments to field authorities and encourage their technology platforms.

Technology- a key enabler

Conflicting with the current belief that technology has interrupted trades and employments, technology has instead shaped a swing of new jobs and enhanced numerous business processes. Accordingly, companies are suffering a universal and widespread mandate for tech talent. Additionally, the global pandemic has motivated demand for quick digitalization crossways all industries. Given the perpetual tech talent crunch, many organizations are contracting tech projects to freelance and gig workers to speed their technological transformation. Technological empowerment has also empowered many skillful professionals to move into the gig economy instead of being anchored to the conventional job market.

Rise of online freelancing platforms

In recent, the figure of online freelancing platforms and markets has grown globally. In India, freelancing boards have fully-fledged from 80 in 2009 to 330 in 2021. Boards such as UniGigs and Upwork have produced a mutually-beneficial network where freelancers and gig workers, as well as big and small establishments, can connect with each other. These online platforms are helping in the future of work where professional associations are mutual and allow both enterprises and

workers equivalent freedom and flexibility. The developing background of work is shifting business reproductions and authorizing the employees towards self-employment, creating a more excellent gig economy.

The Road Ahead

Through prosperous technical revolutions, the persistently progressing nature of work, and the universal pandemic, the gig economy is on the rise and estimated to at least double the pre-pandemic levels. With an expected entry of gig workers and freelancers to move into the gig economy, the gig economy is actually publicized as the new working-class norm. Directed by technical authorization and supported by government policies and initiatives, the gig economy can transform the world of work.

Literature Review

As per Cambridge Dictionary (2020), the nature of work and efforts in the gig economy indicates "a way of working that is based on people having temporary jobs or doing separate sections of work, paid separately, slightly working for an employer". Research studies labeled it as an innovative avatar of Taylorism (Scientific management) in the form of micro fragmentation of the labor market based on hyper momentary responsibilities called gig work or micro-task (Aloisi, 2015).

Gig economy workers will differ from utmost basic freelance contractors to suppliers and short-term recruitment firms who work for specific hours throughout the week at certain time frames. Some of the regularly used boards for gigs are - Uber, Swiggy, Zomato, Eat sure, Qmin, etc. (Brustein, 2019). The gig economy in home-based service adds extended historical context and highlights continuities and changes in relation to the intermediaries' role. The gig economy also cares about different gig-based work and the normal employment relationship. (Noronha, 2020). Gig work offers multipurpose and independent work, as the gig employees set their own working time, packages and remunerations, job roles as well as their own social networks and groups, and business associates liable upon their separate cultural and sociological credentials (Jarrahi et al., 2020)

A Gig Economy is likewise a method where each employee works in provisional period assignation or as a freelancer in place of a full-time agreement. It is not only the employee who desires such jobs but, nevertheless, the employers also appoint the employee for a brief-lived purpose.

The appearance of the digital era also facilitated the roles to travel short-termed; currently, it authorized variant individuals to figure from their home itself. The gig economy is suitable for women as they feel insecure at intervals in some work settings, as a result of which gigs offer social protection for ladies' staff. In a study conducted on gigs that surveyed women, respondents indicated that they are able to earn through continuing within the flexible native atmosphere and this singularity makes their work more comfortable. Employees who retired from fixed services are also using these platforms to connect with opportunities for continuing their earnings (Duggan et al., 2020)). Flexible work can at times be less innovative and original, but, given the timelines, commitment, and other restrictions, gig work faces challenges between work and leisure (Oyer, n.d.).

Challenges of the Gig Economy

Economic downturns place more pressure on the nature and quality of service of freelancers, like fewer work offers, and additional work with poor packages. Through increasing uncertainties around, job losses and earning losses are tackled by older gig workers. Such losses lead to longstanding negative penalties and often they are surveyed by low packages, poor work culture, and unreliable timelines. While freelancers are fewer businesses to such a kind of hazardous damage, at the same time they face salary risk (Koustas et al., 2018). Some gig jobs are one-time and informed on short time edges which often lack clear work reports of responsibilities. Such work sometimes leads to hazards and leads to brittle worker-client relationships. In addition to the above, gig workers are sometimes placed in precarious and recursive working conditions which restricts their work autonomy and the privilege of better work demands. This phenomenon leads to fewer opportunities for gig workers (Anwar & Graham, 2020) Individuals with gig work backgrounds may seem less appealing to recruiters of archaic organizations. persistent refusal or a least the magnified fight to secure employment may lead gig staff to abstain from applying to jobs outer of the gig economy with the same vitality they may otherwise use. (Vansteenkiste et al., 2016). Mechanisms of administration are generally studied in many ancient organizations, but, amplifying the gig economy differs from ancient organizations in that the role of a personality's supervisor is replaced with digital systems. Thus, there is reason to suspect that our ancient theories of management won't hold for completely fresh styles adopted in the gig economy. (Flanagan, 2019) Most freelancers are not protected against the quality risks of operating life. the lack of communal insurance for self-used is not a standby development however it's increased additional public attention with the “digital economy and mass functioning” subsequently, the evolution of platform work is reproducing cracks at interims in the coverage of social shield for the freelance, that has already been recognized as a growing drawback across employment additional typically. (Pérezetal., 2017). Even though the insignificant quality of gig work is working flexibility, this merit is overlooked in many cases, as the work is allocated in short durations with inadequate prior notice.

In several circumstances, employers desire quicker results, where flexibility is challenged. Moreover, as the gig employees are functioning in their own locations, they are denied the prospect of coordination, training, preparation, chances for skill development, on-the-job and off-the-job training facilities, knowledge of skills, and interpersonal skills. Training supports improve the capabilities to moderate the unemployment risk and doubts at intervals of the assignment. This phenomenon makes their work sedentary and in due course of time may lead to being less productive and more repetitive. One main weakness of the gig economy is the unavailability of worker engagement. The gig workforce has regulated face-to-face communication with their supervisors and colleagues compared with the traditional workplace location, which offers daily interaction with superiors and peers, additionally as a result of the flexibility to make robust relationships.

Reflections

The Gig Economy is presently flourishing across the globe, also as an outcome of the prevailing current pandemic resulting in no or improper mobility, travel risk, and social distancing. The growth of information and communication technologies, streaming platforms, online solutions, tele networks have extended the possibility and balance of the gig economy across the globe. This phenomenon has opened immense opportunities to gig workers, as the “Work from Home”

culture is still prevailing in many parts of the world. Gigs are presently created as a magic potion for work, exclusively in areas that are deeply affected by the Covid-19 pandemic. Moreover, gigs are considered an effective substitute for traditional work and prove as a replacement pattern for the regular pattern of work from 9 am to 5 pm. Although the gig economy is growing, it is intensifying in an unfettered manner. This phenomenon may lead to an imbalance growth of work and pay, which may pose a major hurdle in the due course of time.

With the growth of technology, new styles of freelancing, and contingent work are on the rise, and the platform economy is pushing back the traditional form of work and working environment. Unbalanced demographic and commercial phenomena also attract the same. (Scully-russ,2020). The gig workforce faces a crowd of difficulties owing to the unregulated plan of the business, like, pay instability, absenteeism of satisfactory functioning conditions, slightest wages, and dissimilar government norms. (Koustas et al., 2018) The present theoretical literature on gigs is in the construction stage, as a maximum of the features are being discovered and in the primary stages. The literature on the gig Model is yet to trace features like – the altered varieties of work-related challenges of gig workers, employer-employee relations, isolated work nature of gig workers, learning by doing, on-the-job training opportunities, peer learning, and team works. Usual literature upkeeps altered gig-based work and the agenda of the work operation. platforms of gig-basis work, etc, rather than highlighting the quality of employment, job safety, and stability, job peril and challenges, consumption and packages, job satisfaction, skill development, and training.

Governance scheme, long period implications of gig work on the contract and on the individuals, coordination vs gig work, the productivity of gig work over regular work, multi-faceted development of gig workers, HRM functioning and gigs, the influence of workspace on work output and efficiency, control mechanisms, work enablers, gigs, and group dynamics are some of the areas still unexplored in the gig economy, which are areas to focus for future research on the gig economy. At the macro level, the economic implications of the gig economy also need to be properly explored, both from the employer side and from the employees' side, which can impact considerably on the dynamics of taxation. At the micro-level, studies on job-related physical, psychological, and emotional aspects of gigs are still unexplored. A virtual study on gig work and traditional work upon individuals will definitely support everyone to distinguish the virtual merit or demerit of one over the other in a more logical and scientific manner.

Where did the Gig Economy Come from (History)?

All throughout history, the word "gig" defined a musical performance. The term was invented in the second era of the 1900s, by jazz musicians who regularly performed in jazz clubs.

Consider the Great Depression of the 1930s. The concept of a smaller amount of protected and less location-based work escalated. Several farmers sold their land-dwelling because of drought and dropping prices. They originate themselves impotent to find sound work. So they were enforced to work as immigrants, moving from farm to farm.

In the 1940s, the first temporary worker agency was started, provided that industries with typists and other clerically skilled staff on a temporary basis.

During the 1990s, 10% of the US labor force was employed as contractors, temporary workers, and on-call workers, as the mandate for more flexible work patterns and non-permanent staff exaggerated.

Gig Economy Travels Up a Gear in the Digital Era

When the digital era actually started to take off in the late 90s and early 90s, so excessively did the gig economy.

The likes of Craigslist is an American classified advertisements website with segments dedicated to jobs, housing, for sale, items wanted, services, community service, gigs, résumés, and discussion forums. With Upwork, the World's work Bazaar unites trades with independent experts and agencies around the globe. Where organizations and freelancers work together in new ways, other remote job boards and cooperation of markets created to surface, providing that gig worker with a place to find work.

In 2008, an American company was launched, Airbnb, Inc. that drives an online marketplace for lodging, primarily homestays for vacation rentals, and tourism activities.

After its establishment in 2018, Airbnb, Inc. was a wealth overwhelming $38 billion.

The gig economy was curved up one more mark in 2010, when Uber launched, recruiting contract drivers. By 2015, more than 1 billion drives had been accomplished by Uber drivers.

Why Is the Gig Economy Very Popular Today?

More than a third of the US labor force now opts for a gig economy lifestyle. So what varieties make this type of work design so prevalent.

Conferring to the infographic design, 30% of gig workforces elect to work this way because it means they are independent and efficiently free agents.

An estimated 40% of the gig workforce uses such contract work. They also receive a complementary income. And 16% use gig works to create the most of their money.

An estimated 14% of gig workforces acknowledge consuming this type of work reluctantly. They organize it as a means of making ends meet.

The Future

My you love it or dislike it. Nevertheless, the gig economy shows no sign of fading. On the contrary, by 2027, 60% of independent professionals will make up 60% of the workforce.

More workers would elect this working lifestyle if they could. The infographic design discloses an enormous 94% of employees would reflect these non-traditional services. Almost 64% of workers admitted that they prefer gig work to traditional employment.

Certifying Gig Economy Employers Observe to Tighter Regulations but set separately for a moment its fruitful rise. The gig economy fascinates its share of reproach. For example, in 2014, New York City was susceptible to interdict Airbnb and fine hosts. Afterward, a law passed in many cities disqualified short-term rentals unless a host is present.

Similar laws have been accepted and even more are likely to be in the channel, that defends both gig workers' rights and the rights of consumers using gig economy services like Airbnb and Uber.

What Can Small Businesses Learn from the Rising Gig Economy

Small businesses should consider the rising demand from workers for flexible contracts and remote work. This offers them with better freedom, flexibility, and better work and life balance.

However, small businesses should also think about the potential pitfalls of the gig economy. They need assurance that they meet the terms with the latest legislature concerning gig work. They must shield workforces and consumers. And they must protect their own reliability and reputation.

Objectives of the study

To study the increasing usage of the Gig Economy Model for effective recruitment.

To study the responsiveness of the usage of the Gig Model as means of recruitment.

To compare Gig Economy Model with another traditional working model for recruitment.

To discover the effect of the Covid-19 lockdown on the developing use of the Gig Model for recruitment.

Limitations of the study

The study is grounded on the response of a Google form survey and Secondary data.

The study has been completed transversely in all industries but still, there is no accurateness.

The study has to be completed within a restricted time.

Research Methodology

This is descriptive research; this study defines the features of the population or phenomenon studied. This methodology scuffles more with the "what" in the research area than the "why" of the research area. Primary data has been collected directly from the data source without going through any existing sources; the data has been collected through Google form by circulating among employees. Secondary data has been collected by using records through the internet (Google, EBSCO & NASSCOM), articles, blogs, and related project reports. This study is based on a convenience non-probability sampling technique in which samples are selected from the population only because they were conveniently available. The population here basically means employees across all industries. The data has been examined through Statistical Package for the Social Science (SPSS).

Findings

Though the count of gig workers is increasing day by day, these gig professionals have been facing many challenges to get quality work, and projects on a regular base. First, there is a lack of laws in addressing gender discrepancies while getting gig work on online gig platforms. Second, there is a lack of framework and governmental support for creating a conducive environment for quality work, projects, worker protections, and access to benefits as provided by a traditional job. The advent of the gig economy and online talent portals has given a new definition to 'jobs', employees, and employers who do not fit appropriately in the structure of current labor laws, proposing major challenges and the essential for new labor models. Such jobs are known as self-employed or micro-entrepreneurs and are not entitled to the benefits that regular employees enjoy, as is apparent in

United Kingdom Uber's condition. This new-fangled business model harshly negotiated the lasting requirements of the staff.

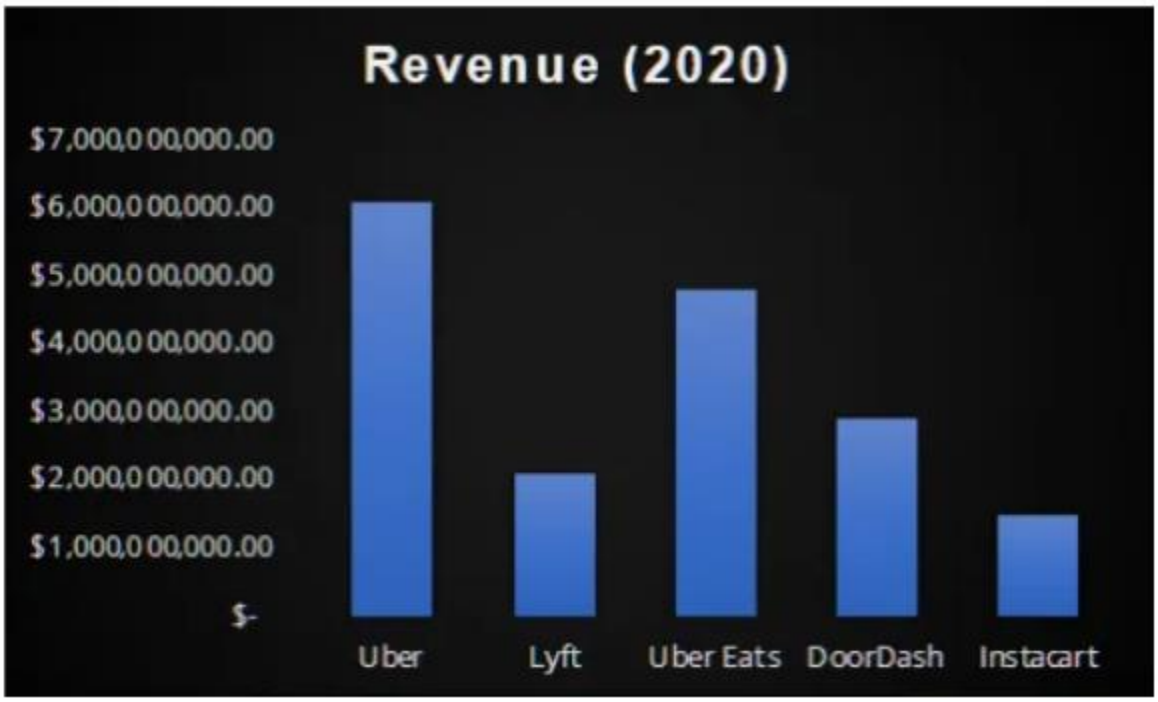
The short allocation model ensures a flow of funds but is viewed as less stable and highly exploitable given the versatility it provides Another problem for gig staff is that there is no guarantee of a steady income and therefore it is hard to ascertain the person's creditworthiness. In the Indian scenario, this issue is important, as there is no social safety net for the unemployed. Logical assets and discretion glitches may generate legal tangles and conflicts. These conditions enhance the complication of the already unformulated relationship. An important challenge to employers is maintaining the confidentiality of data and obtaining the intellectual property of the product/services rendered by freelancers. The freelancers could be working for several competitors at the same time putting the company's interests at risk, as there is no "non-compete" clause in casual work arrangements. Therefore, hiring people on a short-term basis and assigning them with dynamic material could be a cause for concern.

However, the biggest challenge for most freelancers (experienced or novice) is to find consistent work on digital platforms. Additionally, they face issues of payment protection after the successful delivery of work. The gig economy presents some unique challenges for human capital management. Synchronized with the mutable laws surrounding independent contractors, and agreement with the Affordable Care Act requirements, are just a few issues that businesses must face. Moreover, the organization has to dedicate precious time and resources to managing these administrative tasks. There are potential opportunity outlays, that companies may face. Enterprises must have suitable owed diligence for choosing the works which can be executed by gig workers. Alike, it must certify secrecy, budget, and optimization of other resources.

Prominent Gig Model Establishments

The gig economy is reliably developing each day, becoming one of the major sectors of dealings we cooperate with daily.

Some of the recorded well-known gig economy firms and their returns earned in 2020:



Source: https://corporatefinanceinstitute.com/resources/knowledge/other/gig-economy/

Conclusion

This study examines the significant roles of stakeholders in the gig economy and highpoints how a number of factors affect the progress and status of the gig economy in Indian and globally. Explanation of current literature and market review confirm the statistic that opportunity of gig economy not only shields service industry but also manufacturing industry at superior speed. The role of digital boards is critical for fetching gig models in developing countries, and in the remote places of the world. The gig model offers many prospects to gig workers such as a flexible work environment, working according to your interest, and contact to global job appointments. Though, it poses many challenges to freelancers in the form of less payment, lack of social advantage, and job security. The prospects for corporates are linked to hiring freelancers specifically to reduced costs, less compulsion, and talent on demand. However, organizations could face many challenges in certifying the privacy of data, information, and IPR while managing the business functions with the help of freelancers.

Based on the in-depth literature review, we have found little mention of the ways that organizations can use freelancing for ensuring copyright and data security. Hence, future research may look into the role of data privacy and security issues in the gig economy. Similarly, there is a dearth of literature on the analysis of wages and payment protection concerns of freelancers on digital platforms. This warrants further study on protecting the rights of freelancers in the gig economy. Further, very little research focuses on how gig professionals can build their online brands and use various marketing channels for long-term growth and career opportunity in this economy. So future research direction should include the study of the important factors that influence the marketing of freelance products and building a strong brand in the gig economy.

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