



A STUDY ON THE TRANSITION FROM TRADITIONAL LABOUR TO GIG WORKERS: AN OVERVIEW

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Abstract

In the current economy, the transition from regular employment to gig work has gained substantial traction. This study examines the variables that have led to the growth of gig work, with a particular emphasis on how labour markets are evolving and technology developments. Gig work, characterized by short-term, flexible, and task-based employment, contrasts sharply with the long-term, stable employment typical of traditional labour. The paper examines the benefits and challenges associated with gig work for both workers and employers, including the appeal of flexibility, autonomy, and income potential for workers, as well as cost-efficiency for employers. However, the gig economy also presents issues related to job security, income instability, and the lack of social protections that are commonly available in traditional employment. This study offers an overview of the socio-economic implications of this transition, highlighting the need for regulatory frameworks that balance flexibility with fair labour practices in the evolving employment landscape.

Index Terms: Traditional Labour, Technology, Gig Workers.

INTRODUCTION

The landscape of employment has undergone significant transformations in recent years, with a marked shift from traditional labour to gig work. This transition is driven by technological advancements, economic shifts, and changing workforce preferences. Understanding this evolution is crucial for comprehending the modern labour market and its implications for workers, employers, and policymakers.

TRADITIONAL LABOUR AND GIG WORK

Traditional labour typically refers to full-time, permanent employment where workers have fixed hours, job security, and benefits such as health insurance, retirement plans, and paid leave. These roles are often characterized by long-term commitments and a stable relationship between employer and employee.

Gig work, on the other hand, encompasses short-term, flexible jobs often facilitated by digital platforms. Gig workers are usually independent contractors or freelancers who provide services on a per-task basis. This

model includes ride-sharing drivers, freelance writers, delivery couriers, and many others who leverage platforms like Uber, Upwork, and Door Dash to find work.

Broadly, there are two categories of Gig Work;

- a) 'Independent contractors' – individuals who consider themselves as self-employed and their 'own boss', and
- b) 'Contingent workers' and under certain obligations with a company, a bit similar to full-time 'workers' except the right, security and usual benefits.

It has been further classified as, gig work in the 'web-based platforms' (e.g., software developers and multimedia, sales and marketing support, professional services) and those who are 'non-platform' or 'location-based (e.g., Airbnb, Uber, Ola, DiDi).

FACTORS INFLUENCING THE SHIFT

The gig economy has become more popular due to a number of factors.

1. Technological Advancements

Technological advancements have been a significant driver of the shift from traditional labour to gig work. The widespread adoption of smartphones and internet connectivity has been instrumental in creating and expanding digital platforms that facilitate gig work. These platforms, such as Uber, Upwork, and Door Dash, provide a seamless connection between gig workers and clients or customers, making it easier for individuals to find and perform gig work.

One of the critical aspects of this technological revolution is the development of user-friendly apps and websites that streamline the process of matching supply with demand. For instance, ride-sharing apps allow drivers to find passengers efficiently, while freelance job platforms enable skilled workers to bid on various projects. This ease of access has lowered barriers to entry, enabling more people to participate in the gig economy.

Moreover, technological advancements have enhanced the efficiency and effectiveness of gig work. Features like real-time GPS tracking, automated payment systems, and customer reviews ensure that transactions are smooth and reliable. These tools help build trust and accountability, which are crucial for the success of the gig economy.

Additionally, the use of big data and artificial intelligence has revolutionized how gig platforms operate. These technologies analyse vast amounts of data to optimize matching algorithms, predict demand, and personalize user experiences. For example, AI-driven recommendations can suggest gigs that best fit a worker's skills and preferences, increasing their chances of securing work and earning a stable income.

Hence, technological advancements have been pivotal in enabling the growth and sustainability of the gig economy. By providing efficient, accessible, and reliable platforms, technology has transformed how work is found and performed, offering new opportunities and challenges for workers and employers alike.

2. Economic Changes

The transition from traditional labour to gig work is significantly influenced by various economic changes. Economic downturns and recessions have led to job losses and a decrease in opportunities within traditional employment sectors. For many individuals, gig work has become a vital source of income during these periods of economic uncertainty.

The flexibility of gig work allows people to quickly adapt to changing economic conditions. During times of economic stress, traditional jobs can be scarce, and the gig economy offers a means for people to

earn money without the need for long-term commitments. This shift is partly driven by the need for immediate income and the inability of the traditional job market to provide enough opportunities.

Moreover, globalization and the increased interconnectedness of economies have played a role. As businesses expand and compete on a global scale, they often seek ways to reduce labour costs and increase efficiency. Gig work provides an attractive solution, enabling companies to tap into a global pool of talent and adjust their workforce according to demand without the financial burden associated with permanent employees.

Overall, these economic changes highlight the growing importance of gig work as a flexible, responsive alternative to traditional employment, especially in times of economic instability and transformation.

3. Changing Workforce Preferences

One of the pivotal factors driving the growth of the gig economy is the shifting preferences of the workforce, particularly among younger generations such as millennials and Generation Z. These workers increasingly prioritize flexibility, autonomy, and work-life balance over the traditional notions of job security and long-term employment.

Younger workers are more likely to value experiences and personal fulfilment, seeking opportunities that allow them to pursue diverse interests and balance professional and personal goals. Gig work offers the flexibility to choose when and where to work, which appeals to those who prefer non-traditional work schedules and environments. This trend is supported by the rise in remote work and the increasing importance of digital platforms that facilitate gig employment.

Moreover, the gig economy provides opportunities for workers to develop a broad range of skills by engaging in various short-term projects across different industries. This not only enhances their employability but also satisfies their desire for continuous learning and development. The autonomy associated with gig work also empowers individuals to be their own bosses, allowing them to take control of their careers and professional paths.

4. Business Needs

Companies benefit from the gig economy by reducing labour costs, minimizing employee benefits, and adjusting workforce size according to demand. This model offers businesses the flexibility to scale their operations quickly without the long-term commitments of traditional employment.

BENEFITS AND CHALLENGES OF GIG WORK

Benefits for Workers

- *Flexibility*: Gig workers can set their schedules and take on multiple gigs to suit their needs.
- *Diverse Opportunities*: Gig work allows individuals to explore various fields and gain diverse experiences.
- *Supplemental Income*: Many use gig work to supplement their primary income or as a stopgap during unemployment.

Challenges for Workers:

- *Lack of Job Security*: Gig work does not provide the stability and security of traditional employment.
- *Absence of Benefits*: Gig workers often lack access to health insurance, retirement plans, and other benefits.
- *Income Variability*: Earnings can be unpredictable, leading to financial instability.

Benefits for Employers:

- *Cost Efficiency*: Hiring gig workers reduces expenses related to benefits, office space, and long-term contracts.
- *Scalability*: Businesses can quickly adjust their workforce size in response to market demands.
- *Access to a Global Talent Pool*: Digital platforms enable employers to connect with skilled workers worldwide.

Challenges for Employers:

- *Management Complexity*: Coordinating a dispersed and fluctuating workforce can be challenging.
- *Quality Control*: Ensuring consistent quality and performance across gig workers can be difficult.
- *Legal and Regulatory Issues*: Navigating the legalities of employing gig workers, including classification and labour laws, poses significant challenges.

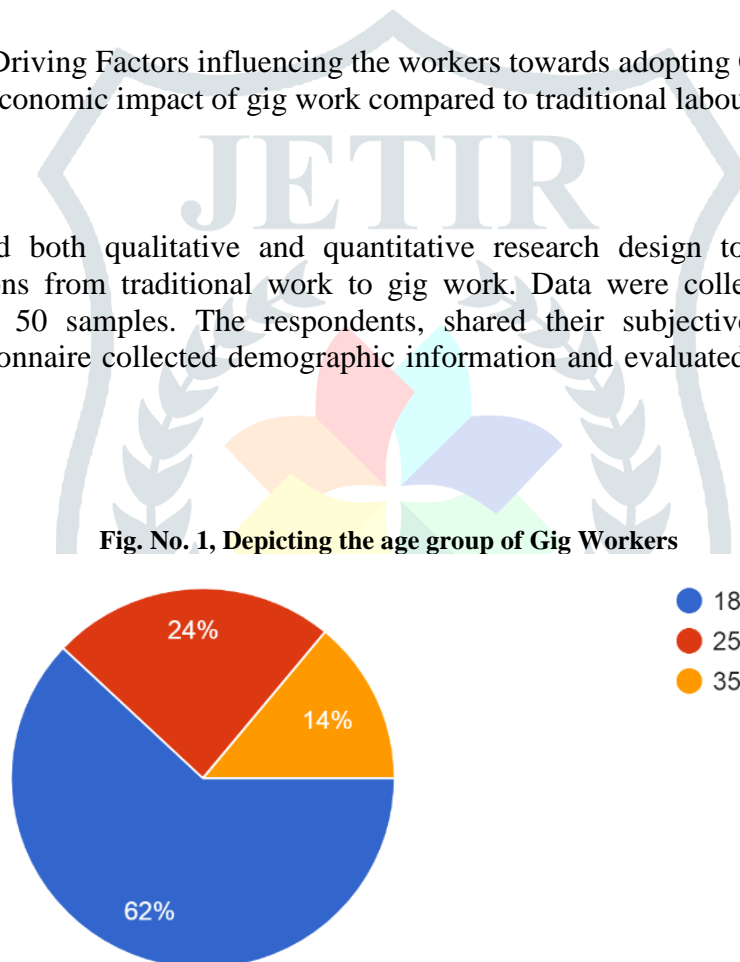
OBJECTIVES OF THE STUDY:

1. To identify Driving Factors influencing the workers towards adopting Gig work.
2. To analyse economic impact of gig work compared to traditional labour models.

METHODOLOGY

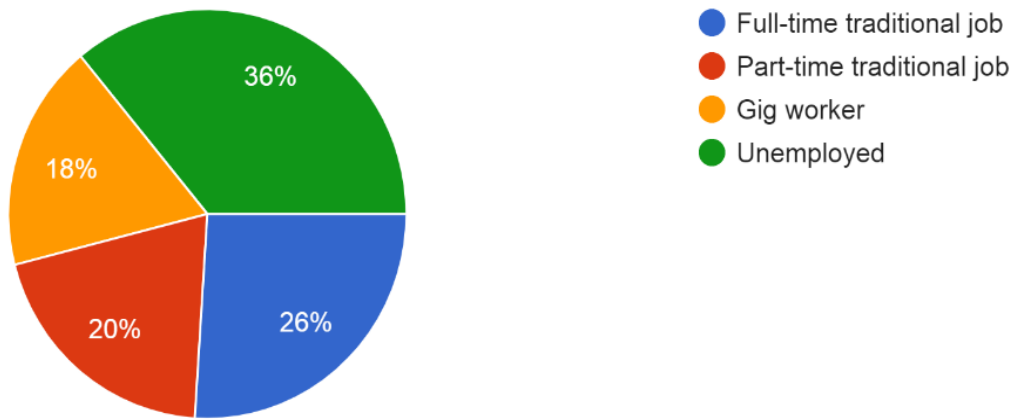
This study used both qualitative and quantitative research design to investigate gig workers perceptions of transitions from traditional work to gig work. Data were collected through a structured questionnaire, yielding 50 samples. The respondents, shared their subjective opinions on their self-perceptions. The questionnaire collected demographic information and evaluated the respondents' attitudes and satisfaction.

RESULTS:



The data indicates a notable trend in the age distribution of gig workers. A significant majority, 62%, are in the 18 to 24 age range, suggesting that younger individuals are more likely to engage in gig work, possibly due to greater flexibility and fewer long-term career commitments. In contrast, the 25 to 34 age group comprises 24% of gig workers, showing a decline as individuals potentially seek more stable employment or advance in their careers. The smallest proportion, 14%, is seen in the 34 to 44 age range, indicating that as people age, they may prioritize traditional employment or have greater access to career stability, reducing their participation in the gig economy.

Fig. No. 2, Depicting the current employment status of Gig Workers



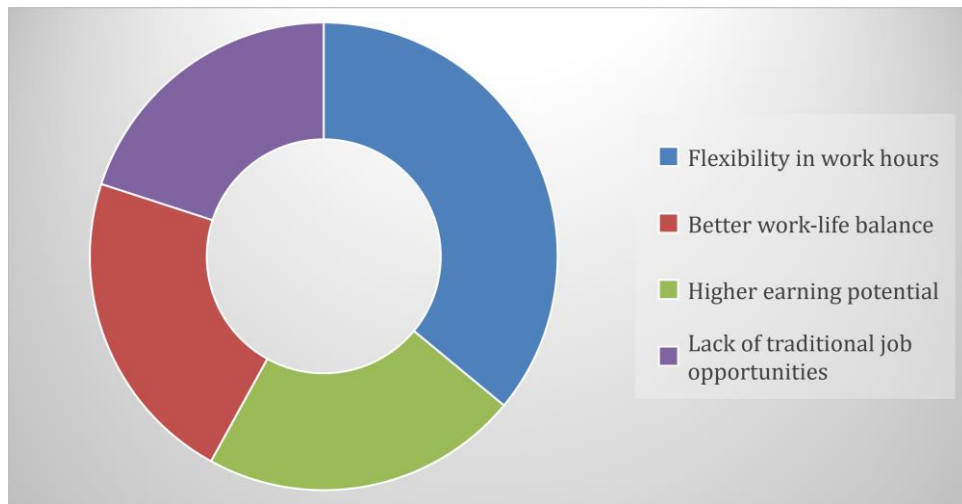
The current employment status of the 50 respondents reveals a diverse workforce landscape. Among them, 26% hold full-time traditional jobs, indicating that a quarter of the group is engaged in standard employment with likely stable hours and benefits. Part-time traditional jobs account for 20%, showing a significant portion working fewer hours, possibly to accommodate other commitments or due to limited full-time opportunities. Gig workers make up 18%, reflecting the growing trend of flexible, short-term jobs in the gig economy. However, the most striking figure is the 36% unemployment rate, which underscores a substantial challenge in securing employment among the respondents. This high unemployment rate may signal economic difficulties, lack of job opportunities, or other barriers to employment within this group.

Fig. No. 3, Depicting the reasons for transition from traditional labour to Gig Works



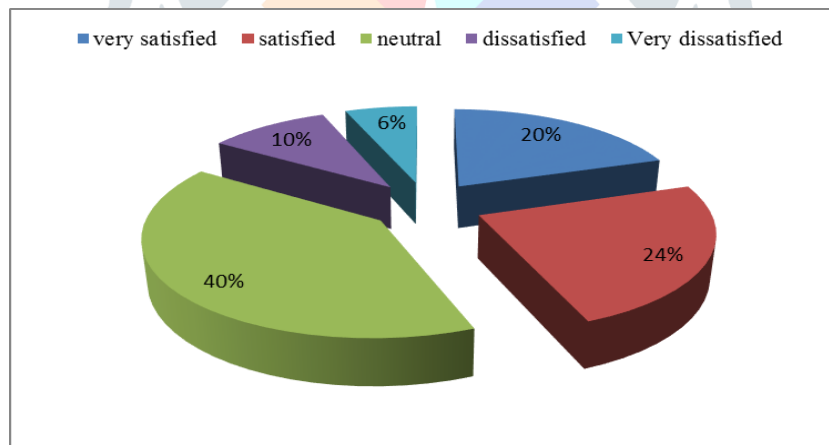
The transition from traditional labour to gig work among the 50 respondents can be attributed to several key factors. The most significant reason, cited by 36% of respondents, is the flexibility in work hours that gig work offers, allowing individuals to tailor their schedules to better fit their personal needs and preferences. Additionally, 22% of respondents highlighted the appeal of a better work-life balance, which gig work can provide by enabling workers to manage their time more effectively and reduce stress associated with rigid work hours. Another 22% pointed to the potential for higher earnings, suggesting that gig work can offer more lucrative opportunities compared to traditional employment. Finally, 20% of respondents noted the lack of traditional job opportunities as a driving factor, indicating that for some, gig work is a necessary alternative due to the unavailability of conventional employment options. Together, these factors illustrate the diverse motivations behind the shift from traditional labour to gig work.

Fig.No.4, Illustrates motivational things for transition

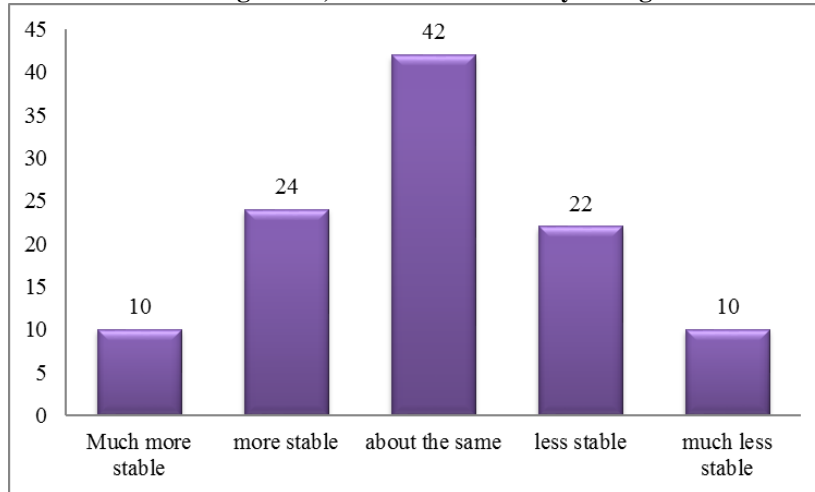


The transition from traditional labour to gig work is primarily driven by the desire for flexibility in working hours, with 36% of workers citing this as their main motivation. This indicates that the ability to set their own schedules is a significant factor for many individuals. Additionally, 22% of workers are motivated by the pursuit of a better work-life balance, highlighting the appeal of managing personal and professional commitments more effectively. Another 22% are drawn to gig work by the prospect of higher earning potential, suggesting that financial incentives also play a crucial role. Lastly, 20% of respondents transitioned to gig work due to a lack of traditional job opportunities, reflecting the role of economic necessity in their decision. Overall, these factors underscore the diverse motivations behind the shift to gig work, with flexibility being the most compelling reason.

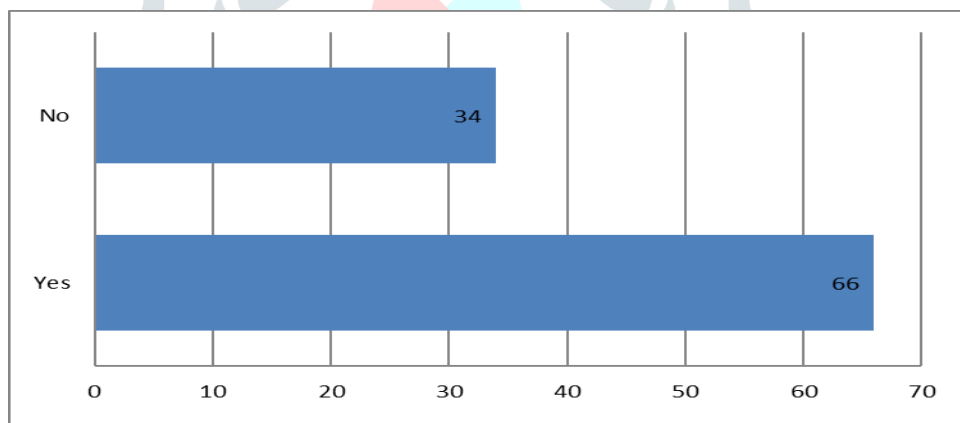
Fig. No.5, Satisfaction Level of Transitioned Labourers



The majority of gig workers express a neutral stance toward the flexibility offered by gig work compared to traditional jobs, with 40% reporting they feel neither particularly satisfied nor dissatisfied. However, a significant portion of gig workers do appreciate this aspect, with 20% feeling very satisfied and 24% satisfied, indicating that nearly half of the respondents view the flexibility of gig work positively. On the other hand, 16% of workers are dissatisfied, with 10% feeling dissatisfied and 6% very dissatisfied, suggesting that for a minority, the flexibility in gig work may not meet their expectations or needs. Overall, while opinions vary, the data suggests that most gig workers either view the flexibility of their work neutrally or favourably.

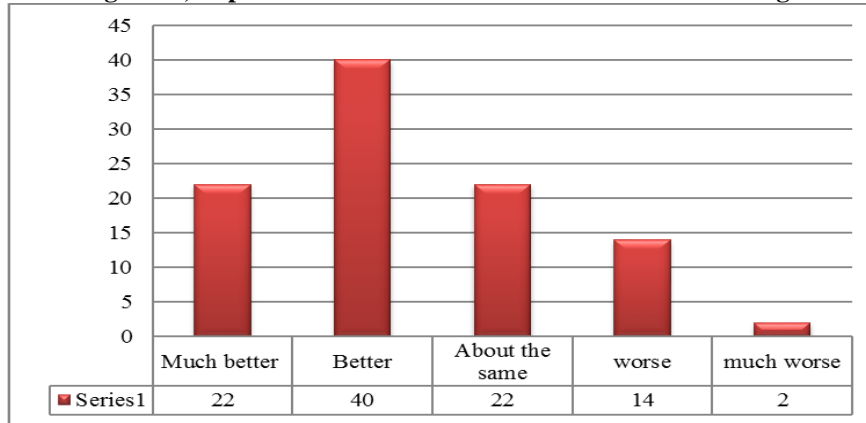
Fig. No. 6, The Income Stability of Gig work

When comparing the income stability of gig work to traditional employment, opinions are mixed. The largest group, 42%, believes that income stability is about the same in both types of work, indicating that for many, gig work provides a level of financial predictability similar to traditional jobs. However, a notable 26% find gig work to be more stable or much more stable than traditional employment, which suggests that some workers experience greater financial security in the gig economy. Conversely, 24% perceive gig work as less stable, with 22% seeing it as less stable and 2% as much less stable, reflecting concerns about the unpredictable nature of gig earnings for a minority. Overall, while income stability in gig work is viewed positively or neutrally.

Fig. No.7, Opportunities for Skill Development and Career Advancement

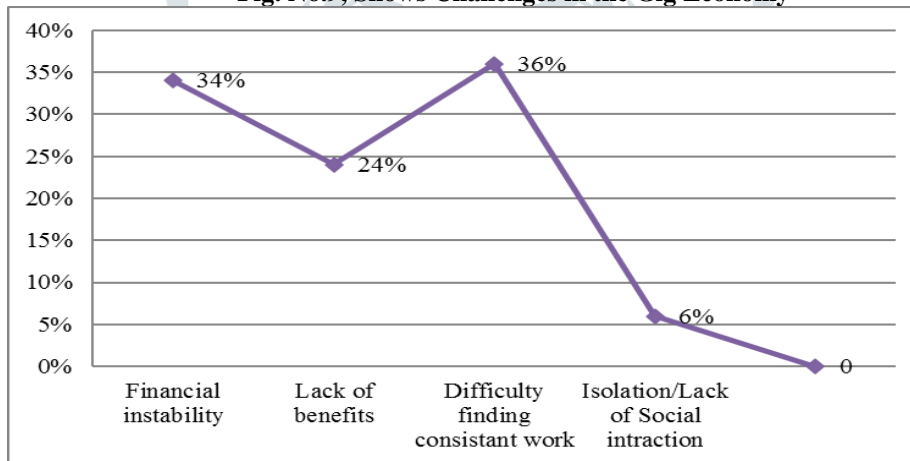
The majority of gig workers, 66%, believe that gig work provides sufficient opportunities for skill development and career advancement, indicating that many view the gig economy as a viable path for professional growth. This positive perception suggests that gig work can offer valuable experiences and learning opportunities that contribute to long-term career development. However, 34% of workers feel that gig work falls short in this area, highlighting a concern among a significant minority that the gig economy may not fully support their aspirations for advancing their skills and careers. Overall, while many find gig work to be enriching, there remains a notable gap in perceived opportunities for advancement.

Fig. No.8, Depicts Balance Between Traditional Work and Gig Economy



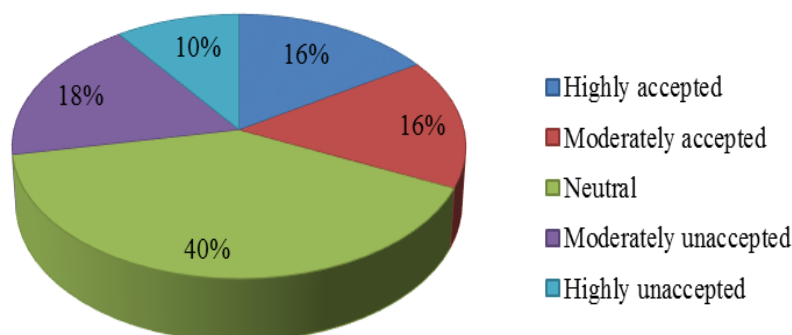
Most gig workers feel that their work-life balance has improved compared to when they were in traditional jobs, with 40% reporting a better balance and 22% saying it is much better. This suggests that the flexibility and autonomy often associated with gig work allow many workers to better manage their personal and professional lives. For 22% of respondents, the work-life balance is about the same, indicating that the shift to gig work hasn't significantly impacted this aspect of their lives. However, 16% of workers feel that their work-life balance has worsened, with 14% reporting it as worse and 2% as much worse, reflecting that for some, the demands of gig work can lead to increased challenges in balancing work and life. Overall, while many experience a positive shift, a small but notable portion struggle with maintaining balance in the gig economy.

Fig. No.9, Shows Challenges in the Gig Economy



The transition from traditional labour to gig work presents several notable challenges for workers. The most significant challenge, faced by 36% of respondents, is difficulty finding consistent work, indicating that maintaining a steady income is a major concern in the gig economy. Financial instability is also a prominent issue, affecting 34% of workers, which underscores the uncertainty of earnings in gig roles. Additionally, 24% of workers experience difficulties due to a lack of benefits, highlighting a gap in essential protections typically provided by traditional jobs. Isolation or lack of social interaction is a challenge for a smaller group, with only 6% affected, suggesting that while it is a concern for some, it is less prevalent compared to finance.

Fig. No.10, Shows the Societal Acceptance of Gig Economy



The societal acceptance of gig work compared to traditional jobs varies considerably. A significant portion, 40%, remains neutral on the issue, suggesting that many people do not hold strong opinions about gig work's acceptance relative to traditional employment. However, only 16% view gig work as highly accepted, and another 16% consider it moderately accepted, indicating that acceptance exists but is not widespread. Conversely, 28% of respondents perceive gig work as unaccepted to some degree, with 18% feeling it is moderately unaccepted and 10% viewing it as highly unaccepted. This indicates a notable segment of society that views gig work less favourably. Overall, while gig work has gained some acceptance, it still faces significant scepticism and mixed perceptions within society.

The Future of Work

The Gig Economy is expected to continue growing, driven by ongoing technological advancements and evolving workforce dynamics. However, it raises important questions about the future of work and the need for new policies to protect gig workers. Governments and businesses must collaborate to create frameworks that balance flexibility with security, ensuring fair wages, benefits, and protections for all workers.

Conclusion

The transition from traditional labour to gig work represents a significant shift in the employment landscape. While it offers numerous advantages, it also presents challenges that need to be addressed. This study found that the flexibility in work which diverse motivations behind the shift from traditional labour to gig work. As the gig economy expands, it is essential to develop policies and practices that support the well-being and sustainability of the workforce in this new era.

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