

Reshaping Careers for the Next Generation: The Gig Economy

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Article Info

Volume 83

Page Number: 7337 - 7340

Publication Issue:

March - April 2020

Article History

Article Received: 24 July 2019

Revised: 12 September 2019

Accepted: 15 February 2020

Publication: 07 April 2020

Abstract

In the present business environment, technology has replaced old methods of doing work and this has paved the way for so-called 'gig-economy' in the current business dynamics. The gig economy has led to the establishment of an entire industry called co-working where physical facilities and shared work spaces are dedicated to house various free-lancers. Gig economy is a boon for individuals who want to be their own boss. The present study focuses on the emerging need of gig-workers and the various categories of gig-workers in the current economy. This paper also elaborates on discussing the emerging challenges of gig-economy. The major implication for the top management is to understand the dynamics of gig-economy in order to achieve sustainable success and take best advantage of gig-economy culture.

Keywords; *gig-economy, gig-worker, global competition, millennials..*

I. INTRODUCTION

In the later half of 2000, a new phenomenon named "gig economy" came into existence which has far reaching consequences on organization. Gig Economy or commonly called as 'on-demand work' or 'sharing economy' or 'fissured workplace' has become the buzz-word in present corporate world. The Bureau of Labor Statistics defined gig economy as a workforce based on "single projects or tasks for which an individual is hired, more commonly through a digital marketplace, to work on demand." By performing 'gigs' for other people the gig workers get a great opportunity to earn money. The enhanced technology and increased customer's expectations than ever before are two major reasons which has accelerated the way gig economy is seen now.

In order to challenge these unexpected demands the business market requires highly skilled professionals for short-term projects which drives innovation and brings rapid changes. Irrespective of the size of the

organization, gig economy is becoming a global phenomenon. It was reported that United States leads the race with 53 million independent workers; India has 15 million free-lancers with its gig economy workers increasingly gaining independent contracts in industries like finance, marketing, design, IT, sales, animation and many more. Upwork.com, Uber, AirBnB, Fiverr.com, etc. are some examples of the companies which fall under gig-economy category of business.

The gig economy has led to the establishment of an entire industry called co-working where physical facilities and shared work spaces are dedicated to house various free-lancers. Independent workers seek flexibility, extroversion and liberty while developing and marketing their personal skills at the same time.

II. TYPES OF GIG WORKERS

A report by McKinsey (2016), highlights the different reasons for workers possess for signing up

‘gigs’. Based on this, three categories of gig workers are formed, which are as follows:

The Hobbyist: Hobbyist are represented either by a retired baby boomer who likes meeting people or it can be a millennial who wants to have fun apart from their current workplace. Individuals sign up with various gig platforms more for social reasons rather than financial motive. Hobbyists look for having a pleasant experience with their gigs. Although they become the part of their gig workplace for fun but that does not undermine their seriousness towards their skills. McKinsey reported that this group of ‘gig’ workers is the one with high level of job satisfaction, because their working is not coupled with monetary intention. Thus, an organization can reap big benefits from the Hobbyist category of gig workers.

The Side Hustler: This category is represented by the people who don’t work full time and for them gigs are not their primary sources of income. For them money as well as fun acts as a motivating factor. By working as ‘gigs’ they add up to their extra income and can find some relaxation in doing what they love apart from their regular nine to five job. Thus, for retaining a side-hustler, an organization needs to create a fair equilibrium between fun and finance.

The All-In Player: This category is represented by the individual’s who take up gigs as full-time employment. Workers in this category are mostly 100% committed and are working for creating a good living and also searching for different opportunities.

The Hobbyist and Side-Hustlers are not much committed to their employers whereas all-in players are quite serious and committed to their employer and work. This category contributes more to the brand of an organization, thus, for retaining this category companies need to have a fair and timely wage policy.

Some people confuse gig-workers with contractors. A major difference between the two is; gig-workers can perform multiple contracts at a time with different clients whereas a contractor cannot work for different people at a time.

III. GIG WORKFORCE: IS IT A PASSING FAD OR PRESENT TREND

Earlier it was thought that gig-economy is just a passing fad. But the data reveals altogether a different story. A study conducted in UK indicates in the year 2016 indicates that the number of gig workers has touched a record high at 4.8 million, which is drastically 28% more in comparison to just 6% increase in UK employees for the same period. This trend is also commonly seen in countries like Netherland, Australia, France, etc. Thus, gig economy is now a global phenomenon. BBC also pointed that in UK more than five million people are working as gigs (Garimella & Jolly, 2017). It is predicted that gig work culture is the “future for American Work” especially for millennial generation (Graham, Hjorth & Lehdonvirta, 2017). By 2020, 43% of the USA working population is envisaged to work as ‘gig’ workers (Heller, 2017). In Asia the concept of the open-talent or gig economy is in it’s infancy, though it has definitely become part of a changing culture and business environment.

The above statistics indicates a strong inclination of individuals towards ‘gig’ work culture. Gig economy is a boon for individuals who want to be their own boss. A study was done for 601 Uber drivers and they were asked their preference for a 9 to 5 job with fixed salary or they want to work as gig worker. 73% of the drivers prefer flexibility i.e. working as ‘gigs’ over a fixed job. Gig work culture offers people a wide range of career paths, where people can explore their different skill sets both for fun and income reasons.

A gig-worker need not adhere to the culture, working environment or work schedules of the organization. Instead he tends to choose the kind of

work which he wants to perform. Also he takes up his own decisions regarding when to work or when to relax, how much work should be done, etc. In a way gig working style helps an individual to take up the work which suits his personality and needs the best.

Gig-economy opens the various doors for people who are creative or who are just starting their career where their resume is more or less a blank slate. By doing the activities which interest them the most can help them market themselves with right platforms in corporate world. This way the gig workers get an opportunity to create their own customer niche, without taking help from any third-party. Undoubtedly, this employment model helps an individual to create a perfect work-life balance by getting indulged in to the work which they prefer. Not only it benefits the gig-worker alone; in fact the employer can save unnecessary labor cost by paying them for specific work and time for which they perform their task (Degryse, 2016).

IV. EMERGING CHALLENGES IN GIG-ECONOMY

Gig work culture has become the global phenomenon but still organizations are lacking an optimal operating model in order to manage gig workforce. This has led to increase in inefficiencies at workplace and posing serious potential threats to employers. Organizations are using fragmented governance models. For instance, many employers are using manual systems for managing on-boarding and off-boarding processes. Apart from this, proper corporate model for managing the hiring of gig-workers, their talent, measuring performance, etc. does not exist. Also challenges like security of information, impact of gig employees on existing full-time employees, intellectual property, etc. exists.

In addition to this, Brainard (2016) in a study claimed that gig workers lack access to equal benefits and fair wages at their workplace. Moreover, it is believed that millennials who

possess more positive attitude towards gig-working culture are deprived of learning skills such as leadership, communication, teamwork, group dynamics, etc (Brown, 2017). This is one serious concern, because millennials working as gigs will not be able to understand the full-fledged corporate culture which is very much required for becoming a true master in corporate.

In a study by E&Y Global (2018) which is a multidisciplinary services organization, found that gig-employees feel themselves as outsiders as compared to permanent workers. Gig-employees are also not entitled to get extra benefits from the organization in terms of job security, health benefits, etc.

V. CONCLUSION

The ongoing global dynamics is in favor of gig-economy and thereby, gig-workers. If present organizations want to beat prevailing cut-throat competition at global market level, then 'gig' culture needs to be strategized properly. Moreover, the known fact is that gig-workers have gained momentum in the present market dynamics.

Although the gig economy comes with some definite drawbacks, but it is sure; that it's going to grow. An organization's ability to engage with talent can truly help reshape the way businesses work. Every company is looking forward to reap benefits out of gig. But what needs to be borne in mind is careful implementation with an open mind set and well-articulated expectations. Some stringent employment regulations are in line, in order to safeguard the basic rights of gig workers as an employee of organization. The world is hopeful in providing more equitable and fair regulations in order to manage gig workforce globally.

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