



OPPORTUNITIES AND CHALLENGES IN DIGITAL HUMAN RESOURCE MANAGEMENT WITH SPECIAL REFERENCE TO GIG ECONOMY WORKERS

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Abstract

Purpose: In the wake of Pandemic and contemporary slowdown in the economy, it created a dearth in the perspective of jobs. In order to find opportunities according to the situation, most of the skilled and semi-skilled have opted to enter in to the Gig opportunities. The purpose of this study is to find the challenges and opportunities of digital HRM with respect to the Gig economy.

Methodology: the paper consists of practical findings related to the opportunities and challenges of Digital Human Resource Management with respect to the GIG Economy. The data is collected offline through the questionnaires on likert scale from the Zomato delivery workers in Ghaziabad. The data is then analysed using the quantitative methods of analysis.

Findings: a proper mechanism and policies are required for the Human Resource Department in order to recruit and manage GIG economy. The present mechanism is not on par with the standards that could meet and enhance the Gig economy to provide better opportunities and futuristic approach for the workers. To overcome these challenges Human Resource Department have to come up with policies and strategies to manage and cope up with the contemporary scenario of Gig economy.

Practical implications: The result of the research implies that Human Resource Management being the separate function in order to recruit employees for an organisation and on the other note, GIG economy, being the popular term now a days, is considered to integrate with the strategic Human Resource Decision making.

Originality/value: This empirical research tends to get better understand the relationship between the Strategic Human Resource management decision-making and GIG economy. Empirical research in finding the challenges and opportunities of Digital Human Resource Management with respect to the GIG economy is rare and almost of non-existent. The studies evaluates and analyses the values among the above and lays a further way for the betterment of GIG economy in upcoming future.

Key words: Digital Human Resource Management, GIG Economy, GIG workers, Organisational Performance.

1. Introduction

In the present day scenario, few organisations tend to recruit GIG workers instead of recruiting regular employees. Organisations recruiting permanent employees are obliged to follow rules and regulations of company and trade laws. Whereas, GIG workers do not tend to bound any of these rules and regulations. These workers are a kind of freelancers, can earn the money depend on their patience and passion towards work. They are not bound by any such limits like time, wages etc. GIG workers earnings solely depends on each individual efficiency and how much they can grab the work to complete from the market or project. In the case of regular employees, as the wages were regularised, even though some employees of an organisation performs excellent where as some to some extent but the pay and opportunities will be equal for all the set of employees working in the same grade. This, in some or the other ways makes the organisations to be less efficient and alters the profitability and expected outcomes of the organisation. In order to generate competitive environment among the employees of internal as well as to that of external environment, GIG economy is the best solution. In the GIG economy, workers compete each other and they do not have any bounds on them that they have to complete this particular task at that particular time. There are many alternatives to carry forward that particular project where exactly the other are not willing. This kind of competitive environment enables organisations to lead the efficiency and profits with minimal losses.

Unlike traditional way of recruiting the employees, in the present day scenario, employees were recruited on digital platforms and they are not bound by any such rules like time bound, working hours etc. they are free to explore by themselves. In the process of Gig economy employer recruits employee who are of independent contractors to hire employees to the organisation. In the earlier system of employment, the employees were bound to serve for particular period and to leave the organisation they must notify them and have serve for particular period. However, in the case of Gig economy, there are short contracts, employees can switch to other jobs are they can do multiple jobs at a time. For example, OLA and UBER are two leading joints in providing taxi services in the transport sector. An employee can enrol in both the big joint companies and can accept the rides which ever it is profitable and feasible for him. Suppose if a driver got booking from OLA and the other one from UBER, he considers the distance, road, traffic and price with profitability and accepts the ride in the earlier or later. The employee is not bound to work only particular organisation, it is up to their will, which one they want to choose by optimisation of profit considering other factors too.

In the wake of GIG economy, it has transformed the workers lives across the globe. Organisations, either it may be small or big, has shown keen interest in adapting the GIG workers recruiting them in digital format. There are two kind of workers related to study has described over here. The one semi-skilled and the other workers are skilled or professional workers. Semi-skilled workers include food delivery agents and the services related to home appliances and other services. Example of these services are Zomato, Swiggy, Eatsree etc. food delivery agents and courier services such as e-kart, delivery, and doorstep services are of +Urban Clap etc. Whereas the skilled and professional workers are different from these workers. These people work as freelancers and the projects lasts for long when compared to the above workers. In the present day scenario, many of the workers are learning the software and other organisational specifications but they do not have enough qualification to qualify for the organisation. In such scenario, the employees recruited with enough qualifications must fulfil the organisations requirement and at the backhand, these

workers used to solve the projects to fulfil the obligations of an organisation. At the same time, it is the win-win solution for all the parties. The term “GIG Economy” covers wide range of works in it. Aloisi, A. (2015). Human Resource Management has paved way for the recruitment of temporary employees in order to meet the target in fast and efficient manner with lower investments. Cappelli, P., & Keller, J. R. (2013). In the boost to the usage of advanced technologies, it propagated to hire employees through digital recruitment. This kind of recruitment have no bounds regarding the work, interest and time. The work can be chose by the employee and can work for the time he required and can leave it at any time. This kind of work is of target based and the minimum time he takes to complete the maximum he earns by reaching the target.

Organisational decision makers such as line managers, executives, and human resource managers focus on the GIG workers in order to overcome the lacuna in the traditional way of recruitment. In the earlier way of recruitment process employee recruited tends to possess certain allowances facilities were bound to give for them. Whereas for the GIG workers there is no such compulsion to provide all these allowances. They were tending to work for projects, which are of short term in nature. Once the project completes the human resource management search for other talent, which is in line with the newer project for achieving target. It is not such easy to organise these GIG workers because there are many challenges involved starting from the recruitment process to that of maintaining these workers. While the project is in process, the human resource department cannot fire or retain workers. Doing so will affects the organisations performance. There must be proper human resource strategies to enact policies and strategies for the GIG workers to organise the workforce. The executives, line managers or human resource managers can take the decisions. For taking such decisions there is no need of special training for that.

Generally, GIG workers are self-employed workers. They do find clients based on the apps, which developed are mediating between the client and service provider. In some kind of services, no intermediaries or agents involved in between. The only medium is digital platform is involved to connect in between them. GIG workers do not cover under any employment guarantee scheme, or any other special allowances are assigned to them. GIG workers bear greater risks with limited opportunities. In other cases, these workers are set free to choose their work according to their interest and expertise. The number of employees are increasing day by day because of the income generated by this way is so flexible. For many of the employees, this source of generating income became as a primary source. Even though it boosts the remote economy but at the same, there many risks involved in it like predatory intermediaries and social isolation.

Technologies emerging at a faster pace but the adoptability of employees to these technologies are not up to the expectations. In order to upgrade a technology, organisation have to invest in the technology and moreover to train their existing employees to adopt it, the organisation need to invest multiple times of the technology cost in training the employees to adopt these technologies. This affects the cost and profit efficiency of an organisation. In order to find the solution for this cutting edge costs to train employees for the newer technologies, GIG works are the better possible solution for optimistic output. These GIG workers are hired, based on project requirements. The workers with high expertise in the technology are hired. This kind of hiring is for a short period of time and relays with the organisation until the project completes.

2. Literature Review

In the wake of pandemic situation, nations with well-developed economies are also subject to see job losses in their nation. In this situation, many of the workers have adopted for the GIG system of employment. The income generated by this system has become primary income for the most of the workers. To get of this job losses at pandemic situation, one must new ways and methods of employment like GIG economy, which includes new types of organisations with algorithmic control and managerial oversight. The workers or employees have to adopt for the new nature of work because in the GIG economy, the workers are not entitled to have any allowances or social relations and they do not even cover the legal protection. Along with the shift in positions, the status of the employee also changes by distinguishing between employees and independent contract labour or workers. Behl, A., Sheorey, P., Jain, K., Chavan, M., Jajodia, I., & Zhang, Z. J. (2021).

Even though the GIG economy has created alternate source of income across the world, it has to number of challenges and hurdles such as low pay, uncertain income, risk of termination, and poor remuneration. These GIG platform workers need third party support to renew their contracts and to enforce their rights. Hardy, T., & McCrystal, S. (2022).

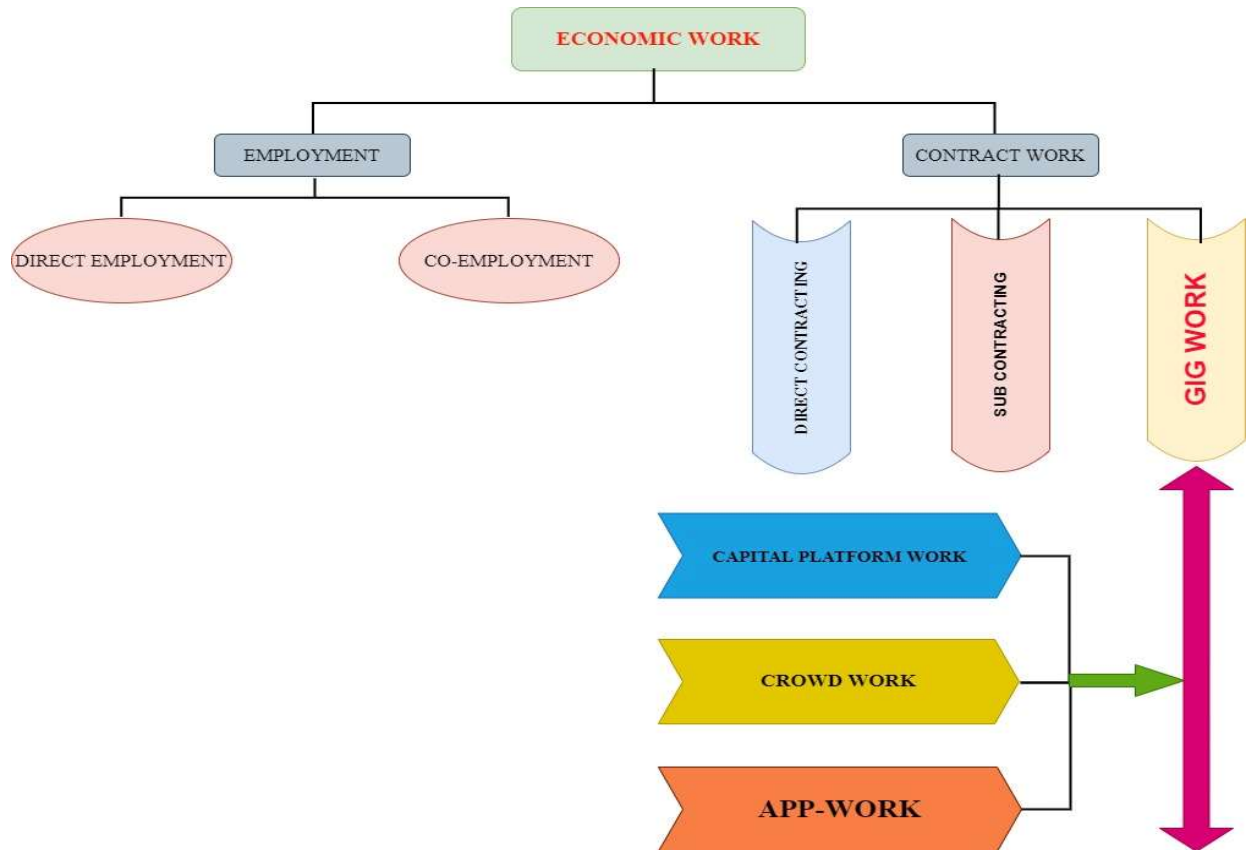
In the present day scenario, starting from the news to the dinner at night is everything available in digital form and other in digital services. Majority of our daily life is in connection with the digitalised platforms in order to avail services, like news, education, food delivery, medical services etc. Osburg, T., & Lohrmann, C. (2017).

In the era of technological advancement Information and Communication Technology plays an important role in disseminating and gathering the information. The internet has paved the way for new emerging trends of economy such as “access economy”, “platform economy”, “sharing economy”, and “GIG economy”. Scuto, V., Lemaire, S. L. L., Magni, D., & Maalaoui, A. (2022). The term GIG economy is a decade old and among all the above-mentioned economies GIG economy is the fast growing economy. However, the definition of the GIG economy is not at all clear and it is vague. The term GIG economy got popular among Airbnb, Uber, Lyft, TaskRabbit and Upwork. These made the term GIG very popular among the entire world and led to rise of new trend called “GIG economy”. Vallas, S., & Schor, J. B. (2020).

The term GIG economy was not at all new it was termed during the period of 1915 where jazz musicians worked as GIGs during that period. From there it has laid its foundation to emerge as a new trend in the present day economy. Friedman, G. (2014). The new technological advances has moulded the GIG economy to next level of trending pattern, though it exists since industrial revolution. Addition of technology to the earlier GIG system has brought new changes like “old wine in a new bottle”. In the recent times, to optimise the profitability and investments of on organisation the human resource department is focusing on their talent and workforce, how to cut costs and get target achieved. The solution find for that in the form of GIG economy. In this the workers are of purely on contract basis and no allowances and legal rights were given to these workers. In other words they are called freelancers. Healy, J., Nicholson, D., & Pekarek, A. (2017).

3. Conceptual Framework of Working Environments

The conceptual framework of working environment is adopted from, Cappelli and Keller 2013. It shows how different working environments are there and how organisations deal with workforce at each level of working environment. The following is the framework, which shows different working environments.



Conceptual Framework of Working Environment, adopted from Cappelli and Keller 2013.

3.1. Economic Work: Economic work is an activity undertaken by the other party in exchange for compensation and further divided in to two groups namely 1. Employment and 2. Contract work.

3.1.1. Employment: The organisations have direct control on the employees and these employees recruited directly by the organisations Human resource department. The employees avails all the allowances provided by the organisation. This kind of employment is further divided in to, 1. Direct employment and 2. Co-employment

3.1.1.a. Direct Employment: in the direct employment only two parties were involved. The employer and the employee. The employer have direct control on the employees. Full time employees, part-time employees etc come under this employment.

3.1.1.b. Co-employment: these employees share directive control but they do not have any direct relationship between the employer and the employee. Here in this process, three parties are involved. The employer, third party agency and the employee.

3.1.2. Contract Work: organisations lack direct control on these employees. Traditional employment relationship does not exist in between the employee and employer. The contract work is further divided into, a. Direct Contracting, b. Sub-Contracting and c. GIG work.

3.1.2.a. Direct Contracting: the contract is fixed for certain tenure. It may be either short-term contract or long-term contract. There is direct relationship involving in between the two parties namely client organisation and workers. e.g., independent contractors, day labourers.

3.1.2.b. Sub-Contracting: In this sub-contracting, three parties are involved. The initial one is client organisation and the end one are workers. In between them third party vendor acts as a catalyst in between them for recruiting workers according to the specifications of client organisation. These contracts last for a fixed time depending on the client organisation.

3.1.2.c. GIG Work: Aftermath of pandemic situation, due to heavy job losses across the world, including developing nations are facing this adversity in their economy. To overcome those adversities, GIG working system is the profitable solution and it has become prime income generation for many workers across the world. Adding technology in implementing the hiring of GIG workers have taken a new shape and emerging in the present trends. The GIG Workers are further classified into three clusters. A). Capital Platform Work, B). Crowd Work and C). App-Work.

A) Capital Platform Work: Capital Platform Work enables each individual to sell his or her goods and services using the above platform. This platform used for leasing the assets.

B) Crowd Work: The labour acquired through digital platforms are geographically dispersed crowd. Digital platform acts as mediating factor in providing and communicating about the work in between workers and the clients.

C) APP-Work: Technology is used in organising the workforce. The service providing platforms provides data of the service seekers too and able to match by an Algorithm. The algorithm checks for the feasibility of service seekers and service providers, matches the optimal option, and suggests it to the end users to choose.

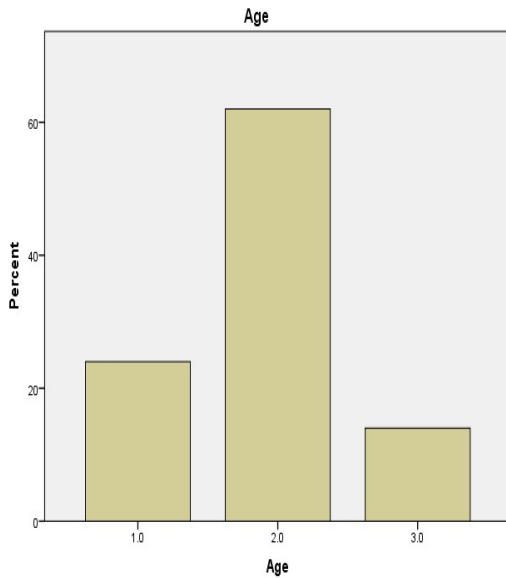
4. Research Methodology

In the wake of globalization, all the organisations are set to compete on one platform with the motive of profit. In order to get upper hand, one must update by themselves to face the present competitive environment. The profit can be achieved, only when the workforce in organisation is efficient. To maintain such workforce, organisations are striving to manage them by adopting better Technological tools, because in the earlier system of maintaining workforce is a huge task for the organisations, also time and cost is involved in a huge quantity. To find the better solution now the organisations are setting up GIG working systems, in order to improve organisations performance for better efficiency. This paper tried to find the efficiency of organisations after adopting GIG working system technology. In order to find out the solution the primary data is collected from the GIG workers of different disciplined companies in different locations across India. The data is further scrutinised and analysed on “SPSS” to know what kind of relation it has

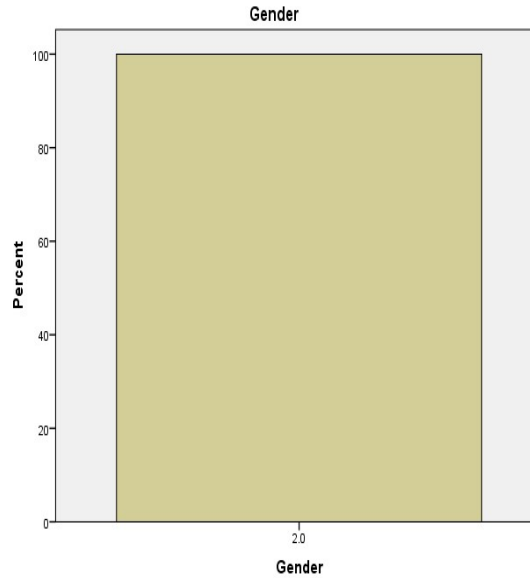
on the performance of organisations with the implementation of GIG workers in their workforce. The data collected based on the questionnaire after validation, and the data is directly collected. By interviewing them about the satisfaction and socio economic conditions.

5. Data Interpretation

The collected primary data is further scrutinised and encoded to the mode of SPSS software. Using SPSS software, data is further analysed to get results.

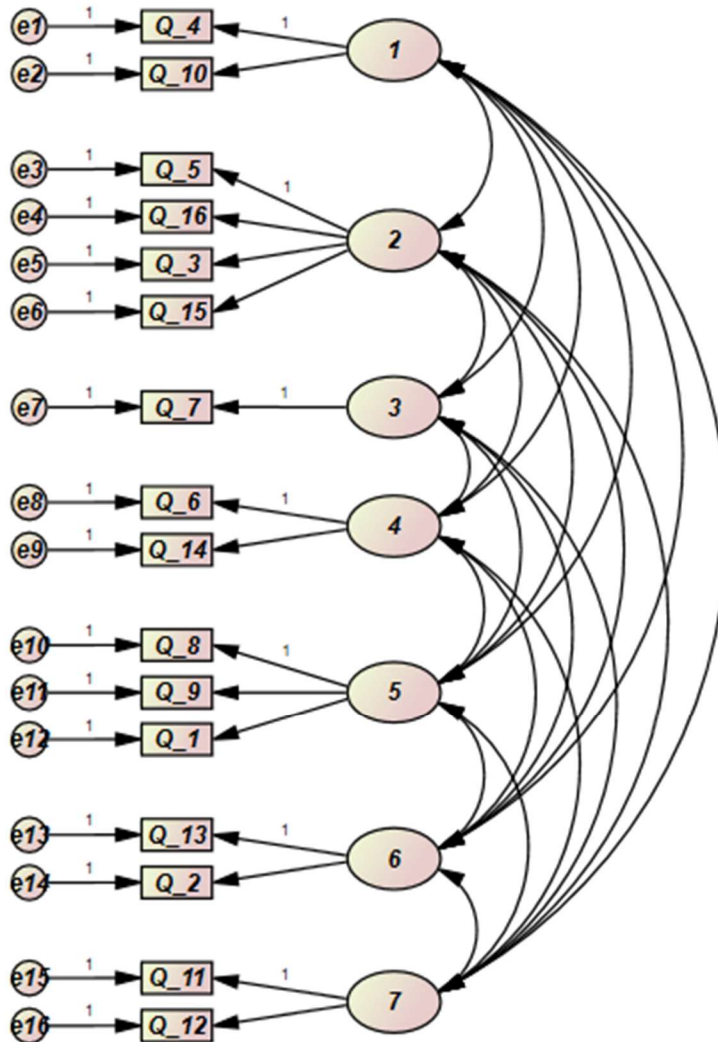


Graph: 5.1



Graph: 5.2

In the above Graph.5.1 and Graph.5.2, it shows that majority of the GIG workers are in between the age group of 20 to 30 and they all are male workers. No female GIG workers are seen in the Zomato Company. This shows there is no gender equality in the above Company. This may happens because of many external factors such as having a bike is compulsory and they need it to deliver to the doorstep. Even societal factors involved also involved to see such in between the male and Female GIG workers. The Human Resource department in an organization is lacking behind in case of temporary workforce because of which there is not enough measures for the job security and development. The organization only deals with profit which they are earning from the temporary manpower. Although the Human resource processes are becoming online so because of that the people who are not having the knowledge of technology and are not able to afford smart phones are suffering as the whole job requires keeping up with the technology.



Matrix.5.1

From the above matrix, it is clear that the questions asked in collecting the data have co-relation with each other. They do possess the impact of each individual factor on the other factors. The matrix represents that the socio economic condition of the Zomato Gig workers are not up to the standard they are expecting to be. There is no job security and legal assistance to them in dealing their difficulties. In some responses, the outcome is such “something is better than nothing”. Even though the earnings made by this are not sufficient to lead, a decent life but it fulfil the daily needs to carry forward the lively hood. From questions sequencing at the last gives the interpretation that Human Resource intervention is necessary in organising these Gig workers and have to come up with proper set of policies and strategies to organise the Gig workers.

6. Conclusion

In the era of digitalisation and technological advancement, internet has become the part of daily livelihood. Inception of internet in all the disciplines has drastically changed the services either it may be administrative or executive or any other discipline. The technological advancement has created more accountability and hassle free to access information. These technological advancements can also be seen the human resource department. A paradigm shift took place from the traditional way of recruitment to that of technological based recruitment. Among which GIG economy was the part of it where recruitment done through online process by using advanced technologies and apps. Aftermath of pandemic situation the shift in recruitment is invariably increased. This led increase in the status and outcomes of GIG workers and to the power digital labour platforms. Hasija, S., Padmanabhan, V., & Rampal, P. (2020). Moulds, J. (2020). Intermediary platform firms does not want to take risk of establishing employment relationship between the GIG workers. These GIG workers are of freelancers and does not have any bound on them. To organise these workforce Human Resource Department has to come up with set of policies and strategies, in order to regulate these workers. Unless they were fired from their jobs, soon after the completion of projects. Unless or until the human resource department take keen interest to make policies and strategies for organising this workforce, the socio economic status of these GIG workers will remain same. In order to up bring the standard of living status of GIG workers, job security and other allowances must be included in the process of their recruitment. Organisations have to be responsible for upbringing the standards of GIG workers.

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