

Millennial of Gig Economy: An Alternate Model for Sustainable Business Environment

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Abstract

Purpose- The disruption caused in the service sector due to the invasion of gig economy has created a burgeoning public interest. The existing business models and labor management practices have been challenged. Recent studies suggest that millennials prefer to work Flexi-time rather than a full time job. In the 21st century a large workforce may not be required and labor flexibility by hiring independent and self-scheduling workers may be the choice. Labor markets are thought to be in a transformation stage where standard employment is increasingly supplemented or substituted by temporary work. This paper aims to highlight the recent trends in gig economy; the challenge faced by gig workers and proposes strategies to address those challenges.

Design/Methodology/Approach

It is a viewpoint paper that reflects the opinions of HR practitioners and gig workers across industries in India.

Findings - Strategizing by organizational heads to tap into the open source of talent in gig economy will result in optimal performance.

Originality/Value – This study focuses on the need to rework on the HR policy concerning Gig workers by the organizations so that the gig workers blend well with regular workforce. **Keywords:** Gig workers, millennials, flexibility, sustainable, business environment **Type:** Viewpoint

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Julie works as a part time worker in a restaurant as a music player in a band in the hotel. She enjoyed both her roles.

Maria does online tutoring in the morning and teaches few children in the evening.

This job gives her lot of flexibility and she prefers tutoring to a full time teaching job.

Shiela works as a proofreader and content writer on an online portal and earns sufficient income.

She enjoys this work as it gives her a lot of flexibility.

A freelancer digital photographer earns 10 lakhs in a campaign. He enjoys creativity at his assignments.

A stay at home mom sells high quality plastic ware to her friends in her kitty parties.

What do these workers have in common? They are all gig workers. With a rapid change in technology, new business models have come up. Welcome to the age of gig economy.

Literature Review- The term 'gig ' was ascribed to musical jazz performances in 1920s where musicians moved from one bar to another. In 2009, journalist Tina Brown coined the term 'gig economy' for 'The Daily Beast' where she mentions gig workers as people ,post-crash, who were pursuing work as" a bunch of free floating project, consultancies and part- time bits and pieces while they transacted in a digital market place."

The world has witnessed three industrial revolutions so far (Schwab 2017; Horowitz 2011) and the fourth industrial revolution seems to be the gig economy. How is a'gig worker' different from a regular one. The workers in a gig economy may be freelancers, consultants, trades people who are independent contractor. They choose to freelance as driver partners, hackers contractors, delivery executives, graphic artists, developers, designers and content writers . The gig economy workers can be categorized into “crowd work” and “work on demand via apps” (Cardon and Casilli, 2015; Kessler, 2015a; Said 2015; Smith and Leberstein, 2015). They may obtain assignments through projects such as Uber, Lyft, Up work and they may engage directly with individuals that need their talent thereby support informal economy. Swiggy has 1,25,000 delivery executives on its payroll. Amidst a sluggish job market and organizational downsizing, gig economy holds a promise.

Statistics show that Bangalore added 15 million gig workers in India in 2018 up from 11.7 million in 2017. The capital city Delhi added 560,000 people to its sharing economy in the six month that ends on 31 March, 2018, an 88% jump from the 298,000 it attracted in the first half of the last fiscal data from human resource firm, Team Lease Services added. The new jobs being generated in the gig slice of India informal economy could be close to three million a year.

Amazon, Reliance Retail, Flipkart are on hiring spree for gig workers. Statistics reveal that jobs in Graphic Design, HTML, Word Press, Internet Marketing, Website Design (Phani Raj, 2017) has all gone to the Indians because of their talent. According to Freelancer.com most of the employers who hire Indian freelancers come from India, US, Australia, U.K and Canada. It also states that India accounts for 50% of the global freelancers, a majority of them are under the age of 40. Undoubtedly, it appears that gig workers fit in the growing demands better.

Research Gap- The challenges of getting data from grey literature which is not always documented, may have also led to some missed documents. Employment data about the gig economy is neither mentioned in National Sample Survey Office nor Center for Monitoring Indian Economy. The challenge in collecting data for Gig Economy is that the data available is based on self declaration by the organizations and there is no formal mechanism to establish the authenticity of the data of gig segment.

The rules and regulations about the gig economy workers are unclear. Most jobs are tracked in formal economy but it is in informal economy where many jobs in economy have been created. The rules and regulations about the gig economy workers are unclear. For instance in U.S it is expected that Gig workers must report their income and pay taxes on it whereas the other idea is that the gig worker must be entitled to special tax breaks for not having a regular

income. We still have to grapple with the question of how to deal with a workforce that is not made of full time employees and full time jobs.

Research methodology

Data used in this paper is purely secondary data and is sourced from various articles of different scholars, case studies, books, journals and websites. Peer-Review Literature, Scopus, Web of Science was searched for peer-reviewed articles. The electronic search included sources published between January 2012 and July 1, 2018 across all databases. The search strategy was developed around four main research questions: 1. Who is a gig economy worker? 2. Why does the Millennial choose to be gig worker? 3. how is this trend valuable in a sustainable business environment 4. What are the policies followed by the government towards the gig worker?. Only articles directly examining millennial as gig workers, their experiences, and ways their participation in the gig economy were included. While the majority of articles were published after 2012, expanding the date range to include work published since 2000 allowed certain a full picture of the gig economy.

Objectives of study

- To analyze the impact of gig workers on today's economy.
- To critically examine the changing attitude of millennial toward their work.
- To understand how organizations can best use gig workers and make friendly policy towards them

Gig economy is here to stay. The young generation today looks for a job with interesting assignments and flexible schedule and not a rigid workspace. Career mobility, hyperconnectivity, flexible work dynamics are playing a vital role further contributing to the growth of the gig economy. Workers get to choose the hours, a freedom that may not come with traditional employment. With the emergence of crowd sourcing and freelancing platforms the work landscape in India and overseas is revolutionized to a great extent. The gig wave is democratizing the workspace in India in nascent gig economy at a momentum pace. The rise of the concept of co-working spaces, efficient block-chain based payments, steady flow of work opportunities in the market are some of the driving factors contributing towards this transformation.(Agarwal, 2018)

With gig economy comes the choice of working space. The space is not limited to offices on rent rather the collaborative space is the choice. Karan Virwani,CEO Weworks,believes that co working spaces is very useful as,"a budding entrepreneur and an established business owner can get to know one another and, perhaps, come to realize that their businesses can complement one another, that often leads to mutually beneficial partnerships, as one can bounce ideas off each other, collaborate, and expand your business."As we transition to a service base economy, workers not only have new challenges but new opportunities too.

Is Gig work for everyone? Unless a person is creative and fiercely independent, the gig worker may suffer from ‘the loneliness epidemic’. Most of them have felt at one point or other that having regular routine increases productivity at workplace. A purpose in life keeps them motivated. As a gig worker is solopreneur so additional responsibilities like marketing, client relations, contracts and other finance aspects of running the business is on the gig worker. Anna Travis emphasizes the need for HR to embrace the new set up, ‘HR professionals must embrace the new economy and step up to the leadership challenge as experts, architects, engineers and the orchestrators of the “boundary-less global workplace.”’ Mills a professor at Harvard Business School said that gig economy can benefit companies. Hiring gig workers for confidential work may be a challenge. Where confidentiality is paramount in some industries as IT and pharmaceuticals; control over actions of gig worker will be challenging. Nevertheless in India, the Union government hired freelancers to digitize documents as part of Digital India initiative. The results were positive. More such instances show that more and more gig workers are trusted for confidential assignments. This is a good sign.

Are Giggers less creative? Some critics have the opinion that Gig Economy workers are less creative as they are solopreneurs; research shows that collaboration of the teams in an organization does not ensure productivity always? Collaborative economies give ordinary people chance to compete with big chains. Former Ogilvy CEO Charlotte Beers was famous for saying, “Collaboration is highly overrated when you don’t have the right thing to do.” Collaboration is

suitable for certain tasks and unsuitable for others. Too often, people will try to collaborate on everything, and wind up in endless meetings, debating ideas and struggling to find consensus. However, **Gianpiero Petriglieri**, INSEAD Associate Professor of Organizational Behavior, says there’s more to the story. He cites a **recent McKinsey report** suggesting that most independent workers in Europe and the U.S. are knowledge workers or creative, i.e. people who presumably have options. Many could re-join organizations, and those who succeed in securing a steady stream of work claim to make more money than when they were employed, though at increased risk. For this group, independent work provides an irreplaceable set of satisfaction. “Freefall, after all, can be incredibly thrilling, if one is packed to a parachute or tethered to a bungee’.” adds Professor Gianpiero.

Trends in Gig Economy-Some trends seen in the behavior of those independent workers who work in gig economy is that work becomes their identity. Their work speaks for them. If the work succeeds, they succeed. Giaannprio aptly observes that the independent worker has two types of anxieties-social anxiety-will he be accepted .And existential anxiety- can he be the type of person he aspires to be. The companies will create gig economy both inside and outside the company and organizations would expect from workers to stay up skilled. Despite the challenges, gig economy worker is here to stay? Undeniably, Gig working has several challenges: control over day-to-day work schedule, the ability to lean in (or out) to accommodate life, and the chance to develop a niche expertise which might not have been possible in a traditional job.

However, the gig economy is likely to grow, and business leaders must find a way to support and develop all gig workers to ensure that this source of labor remains sustainable.

Why millennials choose to work in gig economy-In India too, the traditional companies cannot close their eye to the need of gig economy. The median age of workforce is 29 years. For millennials, it is a lifestyle choice, where they prefer part-time stints to a regular job and like to command a premium by working with many clients and thereby seek a work-life balance. Indians are now being sourced by some of the world's businesses for their expertise through various platforms. A gig worker is typically paid by the piece or task or engagement they undertake. So gig jobs are app based or skill based. Amazon introduced Flex in India which allows to deliver goods as a part time stint. Women choose gig jobs as it gives them flexible options to pursue their career without missing out on important milestones in their family lives. And this is good option for them. Organizations need not be limited to the idea of identifying talent strategically rather could be open to find talent in an Open Talent Economy (Schwartz, 2013) suggest the emerging trend. The gig worker hone their skills by undertaking diverse projects across multiple organizations. With so many companies hiring for the same position, days will not be far that gig economy workers may be more in demand for their talent. Careful planning and strategy need to be in place.

The number of gig workers is increasing-As the product cycle is reduced and the technology is more disruptive now, data shows that more than 70% employers have used gig workers in 2018 solving organizational issues. Companies do not want to bear the burden of high fixed cost. Gig economy workers have a good experience. About 40% of people in the gig economy have more than 20 years of experience and another 38% have between 11 and 20 years of experience. Men and women have 50:50 split in the gig economy against the traditional workforce of 70:30 a report 'The Future of Work is Anywhere-Gig workforce by Noble House' states. This report data was gathered from 800 HR professionals. About 45% HR heads prefer gig workers so that they can supplement skills of the existing workforce. This helps in reducing the cost and 10% for filling temporary vacancies in their teams. The segment of gig workers in the organizations in Mumbai is at 19% and Bangalore at 18% quotes Sanjay Lakhotia co- founder Noble House Consulting.

The gig workers have been trusted for their talent and training and development function of HR domain. Millennial, those born between 1980-2000(PWC,2017) the generation that is disrupting everything from housing to marriage are more attracted to gig work to have a better work life balance. As a freelancer, one does not need to align with the company culture rather can make

choices that suits one's personality. For a self-starter, the gig life could be just perfect. Gig economy would flourish in countries that have cent percent employment. In the US over 40% of workforce is part of gig economy. It comes up as a lifestyle choice for candidates in such economies and runs as a micro-enterprise. In India, different form of gig

economy is shaping up. It is a livelihood option for students who are seeking jobs, educated but low skilled workers, retirees and women who quit their jobs to fulfil family responsibilities.

Change in labour laws-The gig workers have been trusted for their talent and training and development function of HR domain. The managers agree that gig worker hone their skills by undertaking diverse projects across multiple organizations. Are the employment laws about gig workers still ambiguous? Not anymore. Hermes, the courier company in U.K is now working on workers' rights. Is the gig economy changing? Gig economy does not seem to be exploitative. U.K and U.S are paving the way for flexibility towards gig workers and that is a good sign. The Gig economy drivers have been .guaranteed minimum wages and holiday pay in the first U.K deal. This will protect the rights of 15,000 drivers who will continue to be self-employed yet can opt into contracts with better rights. In September 2019, legislators in California approves a bill which expects online platforms to treat their contract workers as employees. European Union also has approved to give its gig workers minimum rights. It has not become a law yet. During the Covid-19 pandemic, companies like Uber, Lyft and Instacart have decided to pay their gig workers for 14 days of work if they have a coronavirus diagnosis and need to rest at home In India the Central government has drafted a proposal for gig workers. The bill covers life and disability ,old age protection and health and maternity benefits. When companies learn how to thrive with gig workers, everyone wins. (Mishra, 2019) Research studies show that gig economy is here to stay.

Suggestions

As long as millennials' obsession with having the flexibility to choose assignments increases, gig economy will continue to disrupt businesses. The global workforce may have more gig workers with nearly 50% being independent contractors in future. The organizations need to revamp their policy to hire skill based gig workers. At present only small size companies are leveraging gig economy .A blended model where gig workers work along with people on payroll is a long term solution to the economy. Performance Appraisal for gig workers by human resource department could be made more inclusive by evaluating them along with the regular workers. The gig economy worker could be treated in a more friendly way by the labour laws of the country. As Gig Economy looks to be the choice for millennials it is here to stay for long. .

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