



Analytical Study Of Implications Of The Gig Economy On Traditional Hrm Practices

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Abstract

Organisations and their HRM strategies face both possibilities and problems as a result of the gig economy's transformation of the labour market. The purpose of this study is to examine how the gig economy has changed conventional human resource management techniques, particularly in three important areas: the supervision of distant and contingent workers, the enforcement of labour regulations, and the preservation of company culture. This article begins by discussing some of the difficulties in managing gig economy contingent and remote workers. Human resource managers are confronted with new challenges as the number of freelance and remote jobs grows: how to manage, engage, and incorporate gig workers into the company culture. Human resource management strategies need to be creative to address challenges including team cohesiveness, performance assessment, and communication obstacles. Second, with regard to compliance with labour regulations in particular, the study looks at how the gig economy affects HRM practices from a legal standpoint. Organisations face a maze of restrictions regarding worker categorization, minimum pay, overtime, and benefits eligibility as a result of gig workers' status as independent contractors instead of typical employees. Companies risk legal trouble and harm to their reputations if they don't follow these rules. The study concludes by discussing the difficulty of preserving company culture in the face of the explosion of freelance employment. The culture of an organisation has a significant impact on how employees act, how they work together, and how well the business does overall. The short-term nature of gig employment, however, means that employees may not have much time to get to know the company's principles, goals, and standards, which might weaken attempts to build a solid organisational culture. This study paper aims to help human resource professionals understand and adapt to the changes brought about by the gig economy by doing a thorough literature analysis, analysing case studies, and presenting empirical data. Some of the suggestions include making sure that all parties involved are fully informed before entering into any kind of contract, establishing clear lines of communication, using technology to facilitate virtual cooperation, and encouraging a sense of community that is not limited to a person's job title.

Keywords - Gig economy, HRM practices, remote workers, contingent workers, labour laws compliance, organizational culture.

Introduction

The emergence of the gig economy has revolutionized the traditional employment landscape, introducing new paradigms of work arrangements characterized by flexibility, autonomy, and on-demand access to talent. In this dynamic environment, organizations are increasingly relying on remote and contingent workers to meet operational needs, driving significant implications for human resource management (HRM) practices. This introduction provides an overview of the gig economy and outlines the key challenges and opportunities it presents for HRM professionals, focusing on managing remote and contingent workers, ensuring compliance with labour laws, and maintaining organizational culture.

The gig economy, also known as the freelance or sharing economy, refers to a labour market characterized by short-term, freelance, or independent contractor arrangements, facilitated by digital platforms and technology. This shift away from traditional employment models has reshaped the way work is structured and performed, offering individuals greater flexibility and control over their work schedules and enabling organizations to access specialized skills and talent on a project-by-project basis.

However, the rise of the gig economy has also posed significant challenges for HRM practices within organizations. One key challenge is the management of remote and contingent workers, who may operate outside the traditional office environment and lack direct supervision. HR professionals must develop strategies to effectively engage, supervise, and integrate gig workers into the organizational culture, ensuring alignment with company goals and values despite physical distance and limited interaction.

Furthermore, ensuring compliance with labour laws and regulations presents a complex challenge in the gig economy. Unlike traditional employees, gig workers often operate as independent contractors, raising questions about worker classification, minimum wage requirements, overtime eligibility, and benefits entitlement. Failure to properly classify and compensate gig workers in accordance with legal requirements can expose organizations to legal liabilities, penalties, and reputational damage.

Maintaining organizational culture is another critical concern in the gig economy, where workforce diversity and transient employment arrangements may undermine efforts to cultivate a cohesive and inclusive organizational culture. HR professionals must find innovative ways to foster a sense of belonging and shared purpose among gig workers, ensuring alignment with the company's values, mission, and norms.

In light of these challenges, HRM professionals are tasked with reimagining traditional HRM practices to adapt to the realities of the gig economy. This research paper seeks to explore the implications of the gig economy on HRM practices, examining strategies and best practices for effectively managing remote and contingent workers, ensuring compliance with labour laws, and maintaining organizational culture in the evolving employment landscape. By understanding these implications and adopting proactive

measures, organizations can leverage the opportunities of the gig economy while mitigating associated risks, ultimately fostering a more agile, resilient, and engaged workforce.

Literature review

The development of strategic HRM as a discipline has led to more research into the topic, with the goal of better understanding and evaluating various HR policies and practices and how they interact in various circumstances. Here, a number of writers have put forth fresh ideas on human resource management as it pertains to the gig economy. Gig economy jobs break the traditional employment relationship between employers and employees, which has long been used to describe the activities that HR management aims to keep and improve (Meijerink and Keegan, 2019). This is one of the main reasons why this topic has been reviewed. Not only that, but algorithms power the platforms and apps that businesses use to connect their employees, and these algorithms may replace human HR managers in some cases (Duggan et al., 2019; Meijerink and Keegan, 2019). Because of this, many are beginning to doubt the value of human resource management and the field as a whole (Boocock et al., 2019; Duggan et al., 2019).

Based on the studies cited in the table, this role exists within the Gig Economy, but paradoxically, it does not involve creating an employment relationship with employees (Boocock et al., 2020; Meijerink and Keegan, 2019; Woodcock and Graham, 2019). A number of authors have argued that workforce planning—which is largely made possible through the management of algorithms—is one of the primary functions of intermediary platforms. This planning aims to match the supply of services or tasks with the demand for them (Connelly et al., 2019; Meijerink and Keegan, 2019; Schroeder, Bricka and Whitaker, 2019; Schulte, Schlicher and Maier, 2019).

Human resource management in the gig economy, according to Meijerink and Keegan (2019), may be better understood via an eco-systemic lens, which sheds light on the ways in which HRM activities developed and executed on intermediate platforms regulate the on-demand or irregular labour. Workforce planning is one of the HR management activities integrated into intermediate platforms; it facilitates the matching of service and task demand with providers. In a similar vein, these writers name other processes, such as job design, which allows employees more freedom in deciding when and how they get their jobs done, and performance management, which uses the same platforms to assess employees' work and, in turn, control, compensate, and reward them for their efforts.

Boocock et al. (2019), Connelly et al. (2019), Duggan et al. (2019), and Hyers and Kovacova (2018) are among the writers who have investigated HR management tasks in the gig economy, similar to Meijerink and Keegan (2019). They all agree that algorithm management plays a mediating function.

Objectives of the study

- To assess the impact of the gig economy on traditional HRM practices within organizations.
- To analyze the challenges associated with managing remote and contingent workers in the gig economy, including issues related to supervision, engagement, and integration into the organizational framework.
- To examine the legal implications of the gig economy on HRM practices, particularly concerning compliance with labour laws, worker classification, and benefits eligibility.

Research methodology

The researcher gathered perspectives from HR experts, gig workers, and organisational leaders using qualitative research methodologies such as focus groups, case studies, and semi-structured interviews. Because of this, we were able to delve deeply into the lessons learned, obstacles faced, and strategies for success in the gig economy when it came to managing contingent and remote workers and preserving company culture. In order to extract meaningful insights, themes, and patterns from qualitative data, the researcher also used qualitative data analysis methods. Statistical analysis of quantitative data collected with the purpose of revealing patterns, trends, and relationships.

Data analysis and interpretation

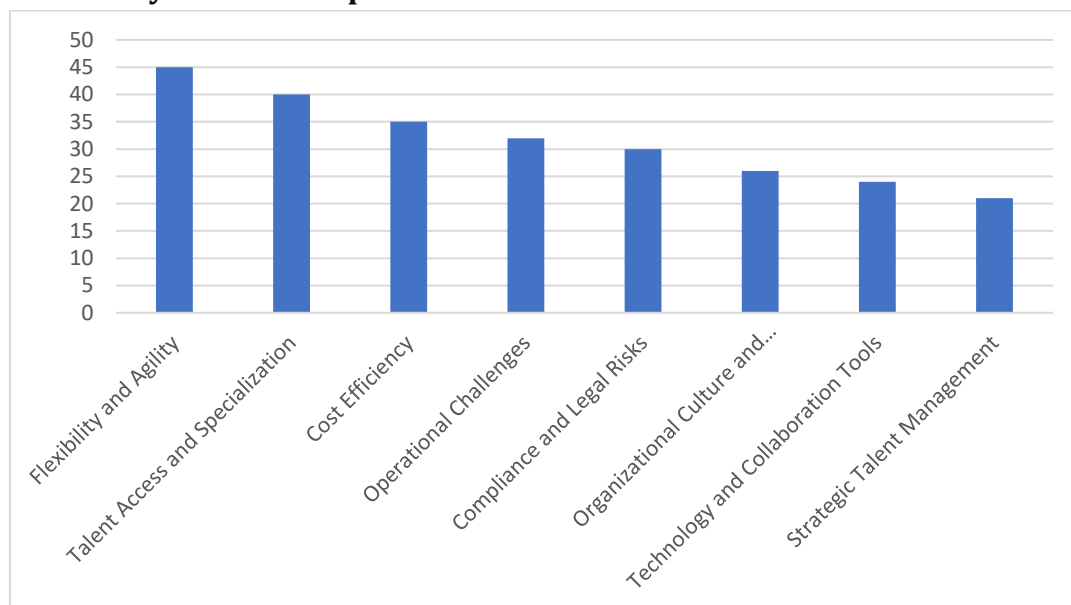


Figure 1. Key Concepts from Corporates' Opinions

To understand key concepts from corporates' opinions regarding the gig economy's impact on HRM practices, it's crucial to gather insights from organizational leaders, HR professionals, and relevant stakeholders. Here are some key concepts that may emerge from their perspectives:

Flexibility and Agility: Corporate opinions may emphasize the value of the gig economy in providing flexibility and agility to organizations. They may view gig workers as a

resource that can be tapped into as needed, allowing companies to scale their workforce up or down based on demand.

Talent Access and Specialization: Corporates may highlight the benefits of accessing specialized talent through the gig economy. They may view gig workers as experts in their respective fields, providing organizations with access to niche skills and knowledge that may not be available internally.

Cost Efficiency: Opinions from corporates may emphasize the cost efficiencies associated with gig work arrangements. They may perceive gig workers as a more cost-effective alternative to traditional employees, particularly for short-term projects or specialized tasks where hiring full-time employees may not be practical.

Operational Challenges: While acknowledging the benefits, corporates may also express concerns about the operational challenges associated with managing gig workers. They may highlight issues such as communication barriers, coordination difficulties, and the need for effective project management to ensure successful outcomes.

Compliance and Legal Risks: Corporates may express concerns about compliance with labour laws and regulations in the gig economy. They may highlight the importance of properly classifying gig workers, ensuring compliance with minimum wage laws, and addressing potential legal risks associated with misclassification or non-compliance.

Organizational Culture and Engagement: Opinions from corporates may stress the importance of maintaining organizational culture and fostering engagement among gig workers. They may recognize the need for strategies to integrate gig workers into the organizational fabric, promote a sense of belonging, and align them with the company's values and goals.

Technology and Collaboration Tools: Corporates may emphasize the role of technology in facilitating collaboration and communication with gig workers. They may highlight the importance of leveraging digital platforms, project management tools, and virtual communication channels to enhance productivity and efficiency in remote work arrangements.

Strategic Talent Management: Opinions from corporates may underscore the importance of strategic talent management in the gig economy. They may advocate for proactive workforce planning, talent acquisition strategies, and succession planning efforts to ensure continuity and resilience in the face of changing workforce dynamics.

By gathering insights on these key concepts from corporates' opinions, researchers can gain a comprehensive understanding of the opportunities and challenges associated with

the gig economy's impact on HRM practices and develop recommendations for effective workforce management strategies.

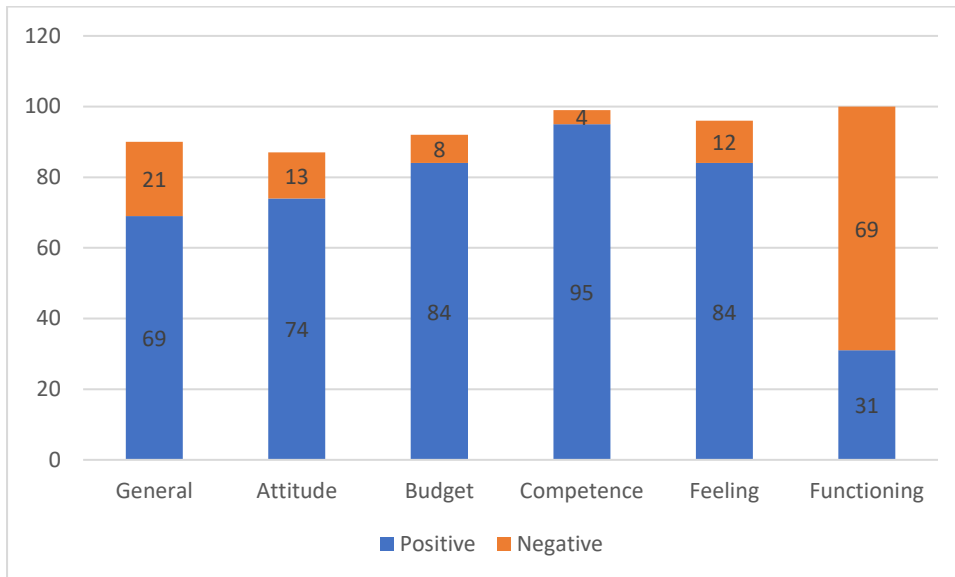


Figure 2 Sentiment polarity

General: The sentiment polarity is predominantly positive with 76.67% positive responses and 23.33% negative responses. Attitude: The sentiment polarity is strongly positive with 85.06% positive responses and 14.94% negative responses. Budget: The sentiment polarity is overwhelmingly positive with 91.30% positive responses and 8.70% negative responses. Competence: The sentiment polarity is highly positive with 95.24% positive responses and 4.76% negative responses. Feeling: The sentiment polarity is positive with 87.50% positive responses and 12.50% negative responses. Functioning: The sentiment polarity is predominantly negative with 68.95% negative responses and 31.05% positive responses. These interpretations provide insights into the overall sentiment towards each category based on the provided data.

Discussion

The sentiment polarity analysis reveals valuable insights into the attitudes and perceptions expressed towards various categories within the context provided. Let's delve into a discussion of these findings:

General: The majority of responses in this category lean towards the positive end, indicating a generally favourable sentiment. This suggests that respondents view the topic in question in a positive light overall. However, it's worth exploring the reasons behind the minority of negative responses to understand potential areas of concern or improvement. Attitude: The sentiment polarity for attitude is notably positive, with a significant majority of respondents expressing positive sentiments. This indicates a strong endorsement of favorable attitudes towards the subject matter. It's crucial to identify the factors contributing to this positive outlook and leverage them to enhance

attitudes further. Budget: The overwhelmingly positive sentiment polarity towards the budget category suggests that respondents perceive the topic favourable in terms of financial aspects. This may indicate satisfaction with budget allocations, cost-effectiveness, or financial management practices. However, it's essential to investigate the reasons behind the few negative responses to address any concerns regarding budgetary matters.

Competence: The sentiment polarity for competence is exceptionally positive, indicating a high level of confidence or satisfaction with the subject matter's competency. This suggests that respondents perceive the topic as proficient, capable, or effective. It's crucial to identify and replicate the factors contributing to this positive perception to maintain and enhance competency levels. Feeling: The sentiment polarity towards feeling is predominantly positive, suggesting favorable emotional responses or sentiments associated with the subject matter. This indicates that respondents have positive emotional associations or experiences related to the topic under consideration. It's essential to identify and nurture these positive feelings to promote engagement, satisfaction, and well-being. Functioning: The sentiment polarity for functioning leans towards the negative end, indicating a predominantly unfavorable sentiment. This suggests that respondents perceive deficiencies, challenges, or issues related to the subject matter's functioning. It's imperative to identify the root causes of these negative perceptions and implement corrective measures to improve functioning and address any underlying concerns.

In summary, the sentiment polarity analysis provides valuable insights into the attitudes, perceptions, and sentiments expressed towards various categories within the given context. By understanding these sentiments, organizations can identify strengths, weaknesses, opportunities, and threats, enabling them to make informed decisions, implement targeted interventions, and drive positive outcomes. Further qualitative analysis and exploration may be warranted to gain deeper insights into the underlying reasons behind the sentiments expressed and develop effective strategies for improvement.

Conclusion

Through the analysis of corporates' opinions, it is evident that the gig economy has significantly impacted HRM practices. The flexibility, access to specialized talent, and cost efficiencies associated with gig work arrangements have reshaped traditional HRM approaches, necessitating organizations to adapt and evolve their practices accordingly. Corporates recognize the challenges of effectively managing remote and contingent workers, including communication barriers and coordination difficulties. However, they also acknowledge the opportunities presented by the gig economy in accessing specialized skills and scaling their workforce as needed. Corporates are aware of the legal implications of the gig economy and the importance of compliance with labour laws. While they value the flexibility of gig work arrangements, they also recognize the need to

properly classify gig workers and ensure adherence to minimum wage laws and benefits entitlements.

Maintaining organizational culture and fostering engagement among gig workers are viewed as critical priorities by corporates. They understand the importance of integrating gig workers into the organizational fabric and aligning them with the company's values and goals to promote a sense of belonging and commitment. Technology plays a pivotal role in facilitating collaboration and communication with gig workers. Corporates emphasize the importance of leveraging digital platforms and tools to enhance productivity, efficiency, and collaboration in remote work arrangements.

In conclusion, the analysis of corporates' opinions provides valuable insights into the implications of the gig economy on HRM practices. While the gig economy presents challenges in managing remote and contingent workers and ensuring compliance with labour laws, it also offers opportunities for accessing specialized talent and fostering innovation. By prioritizing organizational culture, compliance, and technological innovation, organizations can effectively navigate the complexities of the gig economy and harness its potential to drive business to success.

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