"Role of Human Resource Policies in Nurturing a Supportive and Inclusive Environment for Gig Workers"

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Abstract

"Gig workers have freedoms that most full-timers only dream of setting their hours, working from home, being their bosses". The phrase "gig economy" refers to the increasing trend of people working independently for multiple clients, frequently on a short-term basis. The burgeoning gig economy has ushered in a transformative era of employment, offering flexibility and diverse opportunities. Several variables are contributing to this growth, such as the development of technology, which has made it easier for people to find work online, the rise in demand for flexible work schedules, which facilitate people to balance work and personal life, and the mounting number of young individuals in India, who are more likely to be willing to work in the gig economy. Promoting the well-being and contentment of employees falls within the purview of the human resource department. Without an efficient framework for managing human resources, the gig economy may face several challenges as it grows. As gig workers become integral to organizational success, understanding and addressing their unique needs is paramount. This research paper conducts a thorough investigation, drawing insights from a multitude of secondary sources, including e-journals, magazines, and government reports to examine the pivotal role of Human Resource (HR) policies in creating an environment where gig workers feel supported, included, and valued. Comparing the efficacy of HR policies employed across these contexts, the study identifies successful strategies and challenges encountered in recognizing and adapting to the unique needs of gig workers.

Keyword: Gig economy, Gig workers, HR policies.

1. INTRODUCTION

The gig economy has revolutionized how individuals engage with work, offering short-term, flexible, and independent work arrangements. This shift is driven by technological advancements, increasing demand for flexible work schedules, and a surge in young individuals embracing non-traditional employment structures. As the gig economy grows, a fresh perspective on human resource (HR) management is necessary. How traditional HR framework must adapt to gig workers' dynamic and diverse needs, and understanding HR policies' pivotal role becomes paramount. [1]

Gig workers can be classified into platform- and non-platform-based workers. Non-platform gig workers are casual wage workers and own-account workers in conventional sectors, working part-time or full-time. Platform workers work on online software apps or digital platforms, while location-based platforms allow in-person work at specific locations.

Gig workers differ from conventional workers in terms of individual characteristics. They are comparatively young, work fewer hours daily, prefer flexible work schedules, and often hold another regular job. They value transparent, timely, and assured payments, while non-wage benefits are unattractive.

Specific characteristics include women preferring high-skill segments with flexible work hours, students looking how for additional income, and students looking for partial incomes with flexible schedules. Understanding the role of HR policies in creating an environment where gig workers feel valued and contribute to organizational success is crucial.

Objectives

1. To assess the current status of gig work
2. To identify the challenges faced by gig workers
3. To identify the HR policies and practices for the improvement of gig workers
4. To identify the Challenges in implementing HR policies

2. Research Methodology

This research utilizes a combination of secondary data sources to investigate and analyse the role of Human Resource (HR) policies in nurturing a supportive and inclusive environment for gig workers. The secondary data is collected from reputable sources, including the National Sample Survey Office (NSSO), NITI Aayog, e-journals, magazines, and government reports. The methodology outlines the steps taken to gather, analyse, and interpret the data for achieving the research objectives.

3. Gig Economy

The gig economy is a free market system in which businesses frequently use independent contractors for brief assignments. The word "gig" describes an employment that lasts for a certain amount of time; musicians have historically used it to describe performing engagements. The change in the workforce toward more mobile and remote labour done via digital platforms has led to an increase in the gig economy. It provides customers with a more convenient option, better service, or both as compared to commercial goods and industries. Jobs in the gig economy may be found in many different sectors, such as accountancy, finance, the arts, construction, education, and more.

Flexibility, temporary assignments, independent contractor status, and technological assistance are characteristics of the gig economy. It enables employees to manage their personal and professional lives by giving them the freedom to choose when, where, and how much they work. Gig labour differs from regular employment in that it is usually project-based, with tasks lasting anything from a few hours to many months. regular employment involves long-term contracts with a single company. [2]

Independent contractors, who handle their own taxes, benefits, and other facets of their work life, are sometimes referred to as gig workers. Through online platforms and digital markets, technology connects workers with clients or consumers, facilitating the gig economy. People may seek employment that fits their interests and skill set thanks to the gig economy, which encompasses a wide range of professions and sectors.

Considering that project-based assignments might result in pay changes; income unpredictability is a prevalent problem in gig labour. Job workers frequently take on an entrepreneurial attitude, handling their marketing, customer relations, and business operations, and viewing each job as a small business opportunity.

The gig economy has become increasingly popular due to various factors, including advancements in technology, a desire for more flexibility among workers, and changes in work. While it offers opportunities for autonomy and varied work experiences, it also comes with challenges such as job insecurity, lack of employment benefits, and the need for gig workers to navigate a complex landscape of contracts and client relationships. The rise of the gig economy has led to discussions about labour rights, worker protections, and the need for adaptable employment regulations to address this evolving employment model. [3]

i. *Estimates of Gig Workers in India*

There were approximately 6.8 million gig workers in India during 2019-20, which accounted for 2.4% of the non-farm workforce and 1.3% of the total livelihood. It was observed that around half of these gig workers were employed in retail trade and transportation, while the other half were engaged in sales and driving occupations. Gig work is expanding and diversifying into more industries and occupations. Most of the gig workers in India are informal, which is surprising given that over 90% of India's workforce is informal. In 2020-21, there were approximately 7.7 million gig workers in India, making up 2.6% of the non-agricultural workforce and 1.5% of the total livelihood. The study predicts that the number of gig workers in India will increase to 23.5 million by 2030, which would account for 6.7% of the non-agricultural workforce and 4.1% of the total workforce. [4]

ii.   Unique needs and Challenges faced by Gig workers

Needs of Gig Workers

The demands of gig workers differ from those of full-time employees. These include financial stability, independence and self-governance, eligibility for benefits, professional growth, clear communication, connections to the community and social network, legal protections, and recognition and appreciation.

Gig workers like having autonomy over their projects and flexible work hours because it helps them manage their personal and professional commitments. Due to the project-based nature of their work, they also need a consistent source of revenue, which might be provided by regular project opportunities or fixed-term agreements. [5]

Social gatherings and virtual collaboration tools can help gig workers feel more connected to one another, and occasional get-togethers can reduce feelings of isolation. For gig workers, legal status and protections – such as assurance against discrimination and unjust treatment – are critical.

Recognizing and valuing the contributions made by gig workers can improve their job satisfaction and benefit both the worker and the company they work for. Employers and organizations can create an environment that attracts and supports gig workers and enhances their overall performance by addressing these specific demands. [6]

Challenges Faced by Gig & Platform Workers:

The gig economy in India faces a variety of challenges, including limited access to internet services and digital technology, job and income insecurity, occupational safety and health risks, and skills mismatch. Platform workers in India are mostly paid a piece rate and classified as "independent contractors" or "driver/delivery partners," which deprives them of labour regulations concerning wages, hours, working conditions, and the right to collective bargaining.

Occupational safety and health risks are also prevalent, particularly for women workers in the app-based taxi and delivery sectors. ILO global surveys reveal that 83% of workers in these sectors report having safety concerns about their work, often related to road safety, theft, and physical assault. A high proportion of respondents from India, Mexico, and Morocco reported facing discrimination or harassment.

Job and income insecurity is also a significant issue for platform workers in India, as they are typically paid per task and classified as independent contractors. As a result, they do not receive benefits from labour regulations, such as income security and social protection. This classification leaves many workers without job security or a work-based identity. [7]

Studies have shown that workers in the digital platform industry, specifically women in the app-based taxi and delivery sectors, face various occupational safety and health risks. ILO global surveys on freelance platforms reveal that workers in these sectors, particularly women, face several occupational safety and health risks. Approximately 83% of app-based taxi workers and 89% of app-based delivery workers reported these risks. [8]

iii.   HR policies for Gig workers

Effective HR policies are crucial for ensuring the well-being, motivation, and engagement of gig workers. Some key HR policies that can help are flexible work arrangements, clear contractual agreements, inclusive communication, performance feedback and recognition, professional development opportunities, access to benefits, fair compensation practices, legal protections and compliance, community building and networking, technology support, termination and exit procedures, and conflict resolution mechanisms.

Flexible work arrangements can help gig workers set their work hours and decide where they work, which can increase their satisfaction and productivity. Clear contractual agreements are important as they outline project expectations, deliverables, timelines, and compensation, reducing misunderstandings and disputes. Inclusive communication can help gig workers feel included and a part of the team, even when they work remotely.

Regular performance reviews and timely feedback can encourage continuous improvement and strengthen the working partnership. Professional development opportunities can provide training and resources to support the continuous learning and skill development of gig workers, contributing to their long-term success. Access to essential benefits, such as healthcare, insurance, and retirement plans, should be provided based on the nature and duration of their engagements. Fair compensation structures ensure that gig workers are paid competitively, attracting high-quality talent. [9]

Technological support is important as it can provide gig workers with the necessary tools, software, and support to effectively carry out their responsibilities, ensuring smooth collaboration and communication. Termination and exit procedures should be outlined transparently and respectfully, demonstrating professionalism and fairness after the working relationship. A clear conflict resolution mechanism should be established to promote a healthy working relationship and provide a structured approach to conflict resolution.

Tailoring HR policies to meet gig workers' unique needs fosters a positive work environment, enhances their experience, and contributes to the success of both individual gig workers and the organization engaging them.

iv. Challenges faced by organizations in managing Gig workers through HR policies

The gig economy poses several challenges for organizations in terms of managing gig workers through HR policies. These challenges include meeting legal and regulatory compliance, which, when not adhered to, can lead to legal problems, fines, or reputational damage. Inconsistent HR policies can also be problematic as they may lead to a perception of unfair treatment, which can affect morale and engagement. [10]

Furthermore, onboarding and integration can be challenging, as inadequate onboarding can result in delays, miscommunication, and a slower start to gig projects. Communication barriers can also be a problem, particularly when working remotely. Measuring performance is another challenge, as developing fair and objective performance metrics for gig workers can hinder growth and recognition. Data security and confidentiality are significant challenges as data breaches can lead to legal consequences and damage the organization's reputation. [11]

Benefits and well-being for gig workers are also a challenge, as limited benefits may affect their job satisfaction. Cultural integration and alignment with organizational values can be challenging, leading to reduced commitment and engagement. Training and skill development opportunities may also be limited due to the short-term nature of gig workers' engagements, impacting the quality of work and competitiveness. [12]

Coordination and collaboration among geographically dispersed gig workers can be challenging, as ineffective collaboration may result in project delays and suboptimal outcomes. Retention and turnover strategies can be challenging, as frequent turnover may disrupt project continuity and increase recruitment costs. Employee engagement can also be a challenge, especially when gig workers are not physically present.

To address these challenges, organizations need to continuously evaluate and adapt their HR policies, establish clear communication channels, and prioritize the well-being and integration of gig workers into the organizational culture. A flexible and proactive approach to managing gig workers can contribute to a more harmonious and productive working relationship. [13]

4. Conclusions

The increasing number of gig workers in the workforce requires organizations to adopt a strategic and adaptive approach to their Human Resource (HR) policies. These workers have unique needs, such as flexibility, autonomy, financial stability, and access to benefits, which HR policies need to consider. Clear communication, fair compensation practices, and recognition mechanisms are crucial for HR policies. However, organizations face challenges such as legal and regulatory compliance, inconsistent HR policies, and communication barriers that require strategic solutions. Managing a diverse and often remote gig workforce also involves cultural integration, performance measurement, and data security concerns.

To overcome these challenges and leverage the benefits of the gig workforce, organizations must continuously adapt and respond to their evolving needs. A proactive approach to refining HR policies, fostering open communication channels, and prioritizing the well-being and professional development of gig workers is crucial. Organizations must embrace a holistic view of talent management that blurs the boundaries between traditional and gig work arrangements. This approach will position them as employers of choice, attract top gig talent, enhance workforce agility, and contribute to a more inclusive and resilient organizational culture.

In conclusion, the successful integration of gig workers into the organizational fabric requires HR policies that are adaptive, supportive, and grounded in a deep understanding of the unique dynamics of the gig economy. Organizations that embrace flexibility, foster inclusivity, and proactively address the needs of their gig workers through strategic HR policies are poised to thrive in this dynamic and transformative era.

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