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A STUDY ON THE IMPLICATIONS OF GIG ECONOMY IN CONVENTIONAL HUMAN RESOURCE

Ms. Kaviya V¹, Dr. D.Chithra²

¹ II MBA Student, Panimalar Engineering College.

² Professor, Department of Master of Business Administration, Panimalar Engineering College.

ABSTRACT

The gig economy has emerged as a transformative force, reshaping traditional employment paradigms and posing unique challenges and opportunities for conventional human resource (HR) practices. This study explores the implications of the gig economy on conventional HR, focusing on key dimensions such as workforce flexibility, skill matching, training and development, performance evaluation, and organizational integration. This study comes under Descriptive Research and it is performed by Survey method using Questionnaire and collect responses from the people who working along with the gig workers includes Managers, Supervisors, Executives, Representatives and Conventional workers. The sample size for the study is 140 which is determined by formulae and also verified by morgan's chart. The research provides valuable insights for HR professionals and business leaders on navigating the gig economy's impact on conventional HR practices. The findings highlight the importance of adaptability, technology adoption, continuous learning, and innovative HR strategies to create a harmonious and efficient workforce in this evolving employment landscape.

Keywords: Gig Economy, Human Resource, Workforce Flexibility, Skill Matching, Training and Development, Performance Evaluation and Organizational Integration.

INTRODUCTION

A Gig economy is a free labor market where temporary jobs are filled by freelance workers who make short-term commitments. The term "gig" itself is New World slang, referring to a "one-time" job, a temporary job that lasts for a limited time. Freelancers are hired for the duration of the project, usually short-term. It's a flexible and seamless platform where employers leverage talent as needed. The competitive economy is a labor market that relies heavily on temporary and part-time jobs, rather than independent contractors and freelancers filling out the workforce. - permanent employees. These dependent contractors move from gig to gig only at their own discretion. Gig workers enjoy flexibility and independence, but little or no job security. Many employers save money by not avoiding benefits like health insurance and paid vacation time. According to a NITI Aayog report (June 2022), the gig economy employs 7.7 million workers. Gig workers are more like the creative craftsmen of the modern era. They are flexible and independent workers. They adapt to different niches of work and have an entrepreneurial spirit. Gig workers can be seen as the vanguards of productivity in the 21st century who thrive in an ever-evolving professional landscape.

The different forms of Gig workers are:

- Independent contractors: they work and are paid according to a contract.
- Project workers: they are paid based on the completion of certain projects.
- Temporary workers: they work for a fixed period of time.
- Part-time employees: they work less than full-time..

The gig economy encompasses a wide range of activities across various sectors, including transportation, accommodation, food delivery, professional services, and creative industries. What distinguishes gig work from traditional employment is its transient nature, characterized by short-term engagements, flexible schedules, and a lack of long-term commitments. This model appeals to workers seeking independence, flexibility, and the ability to balance work with other personal or professional pursuits. The gig economy's impact extends beyond individual workers, influencing businesses, industries, and economies on a global scale.

Companies leverage gig workers to access specialized skills, scale operations dynamically, and reduce fixed labor costs, thereby enhancing efficiency and agility in a competitive marketplace. However, this reliance on gig labor also raises ethical, legal, and reputational concerns regarding worker rights, fair compensation, and corporate responsibility. Gig economy represents a paradigm shift in how work is organized,

performed, and valued in the 21st century. Its rise reflects a growing demand for flexibility, autonomy, and on-demand services in an increasingly interconnected and fast-paced society. As the gig economy continues to evolve and expand, understanding its dynamics, implications, and potential consequences is essential for individuals, businesses, policymakers, and society at large.

NEED OF THE STUDY

HR can tap into a diverse pool of gig workers to meet fluctuating business demands without committing to long-term contracts, enhancing workforce flexibility. Access to gig workers with specialized skills allows HR to quickly fill gaps in expertise, especially for short-term projects or niche tasks. Hiring gig workers on a project basis can be more cost-effective for HR than maintaining a full-time workforce, reducing overhead costs associated with benefits and salaries. HR can easily scale the workforce up or down in response to changes in demand, optimizing resource allocation and maintaining operational efficiency. Embracing gig workers can inject fresh perspectives and ideas into the organization, driving innovation and creativity in HR practices and business operations. Gig workers promotes diversity and inclusion within the workforce, enriching the organizational culture and fostering a more dynamic work environment.

OBJECTIVES OF THE STUDY

- To study the workforce flexibility of gig workers in staffing levels to meet fluctuating production demands and to analyse the efficiency of gig workers in matching skills.
- To evaluate the effectiveness of training and development initiatives and performance evaluation criteria for improving gig workers performance.
- To study the inclusivity and collaboration among gig workers and other employee.

REVIEW OF LITERATURE

- **Simant Pratap and Sarvesh (2023)**, The gig economy, with its flexible and temporary work models, is significantly disrupting traditional employment in India. This study explores its effects on HRM practices and large-scale industries. Technological advancements, diverse job opportunities, and digital platforms have fueled the gig economy's growth in India. Key HR impacts include changes in talent acquisition, workforce planning, legal compliance, flexibility, cost optimization, innovation, and diversity. To adapt, HR departments must revamp recruitment strategies, adopt agile management practices, and tackle legal challenges. Large companies can gain from cost savings, innovation, and diversity but must navigate the evolving labor market's challenges.
- **R. Michael Brannock (2023)**, The gig economy has gained momentum worldwide, extending its reach beyond traditional sectors like technology and services into manufacturing. This shift towards project-based or temporary work arrangements presents unique opportunities for both businesses and workers in the manufacturing industry. However, in the Southeast, manufacturing companies have been slower to fully adopt gig-based scheduling, often requiring staff to work full shifts with some emerging flexibility in shift options. Despite this gradual adoption, there is a growing recognition of the benefits of embracing the flexibility of the gig economy. This presents significant opportunities for manufacturing companies to expand their candidate pool and enhance workforce agility.
- **M.A Tripathi and U S Yadav (2022)**, The arrival of the digital age transformed the traditional work scenario into a digital framework and thereby created new employer-employee relationships. This article focuses on introducing digital HR practices affecting the gig economy. The gig economy is challenging current HR practices by creating a new platform-based digital workspace. This in turn requires repositioning HRM from a gig economy perspective, changing HRM practices to adapt to dynamic work situations, and also provides insights into how HRM practices should be structured to fit the increasingly digital climate of the gig economy.
- **Kristine M. Kuhn and Anne E Keegan (2021)**, This paper investigate how traditional HR management intersects with new work arrangements in the expanding gig economy. While much of the existing literature focuses on gig workers' experiences, Kuhn and Keegan shift attention to the roles of executives, managers, and HR professionals in digital work environments. They examine the unique HRM practices needed for these settings, the challenges and opportunities of outsourcing to external workforce platforms, and the HR functions for companies that run these platforms. Additionally, they address HR policies for organizations creating their own digital workforce platforms. The authors highlight common themes, identify knowledge gaps, suggest areas for future research, and propose ways to gather empirical data on HRM in the gig economy.

RESEARCH METHODOLOGY

The Research Design used for this study is **Descriptive Research**, an exploratory research method which enables researchers to precisely and methodically describe a population, circumstance, or phenomenon. **Non-Probability Sampling Technique** is used which refers to the probability sampling method in which not all the population members have an equal chance of participating in the study, unlike probability sampling. Under Non-Probability Sampling Technique, this **Convenience sampling** apt for the research, a qualitative research sampling strategy that involves selecting participants based on their accessibility and availability to the researcher. The population size is 220. By referring Morgan's table, the sample size is determined. The sample size is 140 for this research paper. The primary data for this study is collected through sending a questionnaire regarding the topic and getting responses directly from the Employees, Supervisors, Executives and Managers. This study used certain journals and research papers as secondary data to gain information and depth understanding about the research topic.

MANN-WHITNEY U-TEST

NULL HYPOTHESIS (H₀): There is no significant difference between mean ranks of Gender with respect to Workforce Flexibility, Skill Matching, Training and Development, Performance Evaluation and Organisational Integration.

ALTERNATE HYPOTHESIS (H₁): There is significant difference between mean ranks of Gender with respect to Workforce Flexibility, Skill Matching, Training and Development, Performance Evaluation and Organisational Integration.

Ranks

	GENDER	N	Mean Rank	Sum of Ranks
WORKFORCE FLEXIBILITY	Male	81	65.86	5334.50
	Female	59	76.87	4535.50
	Total	140		
SKILL MATCHING	Male	81	69.19	5604.50
	Female	59	72.30	4265.50
	Total	140		
TRAINING AND DEVELOPMENT	Male	81	66.91	5419.50
	Female	59	75.43	4450.50
	Total	140		
PERFORMANCE EVALUATION	Male	81	68.55	5552.50
	Female	59	73.18	4317.50
	Total	140		
ORGANISATONAL INTEGRATION	Male	81	70.93	5745.50
	Female	59	69.91	4124.50
	Total	140		

Test Statistics^a

	WORKFORCE FLEXIBILITY	SKILL MATCHING	TRAINING AND DEVELOPMENT	PERFORMANCE EVALUATION	ORGANISATONAL INTEGRATION
Mann-Whitney U	2013.500	2283.500	2098.500	2231.500	2354.500
Wilcoxon W	5334.500	5604.500	5419.500	5552.500	4124.500
Z	-1.600	-.450	-1.232	-.671	-.149
Asymp. Sig. (2-tailed)	.109	.653	.218	.502	.882

a. Grouping Variable: GENDER

INFERENCE

From the above Test statistics, it is inferred that **P(sig) > 0.05**, **Accept Null Hypothesis (H₀)**. So, There is no significant difference between mean ranks of Gender with respect Workforce Flexibility, Skill Matching, Training and Development, Performance Evaluation and Organisational Integration.

SPEARMAN'S CORRELATION

NULL HYPOTHESIS (H₀): There is no association between Workforce Flexibility, Skill Matching, Training and Development, Performance Evaluation and Organisational Integration

ALTERNATE HYPOTHESIS (H₁): There is association between Workforce Flexibility, Skill Matching, Training and Development, Performance Evaluation and Organisational Integration.

		WORKFORCE FLEXIBILITY	SKILL MATCHING	TRAINING AND DEVELOPMENT	PERFORMANCE EVALUATION	ORGANISATONAL INTEGRATION
WORKFORCE FLEXIBILITY	Pearson Correlation	1	.709**	.731**	.691**	.607**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	140	140	140	140	140
SKILL MATCHING	Pearson Correlation	.709**	1	.728**	.639**	.586**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	140	140	140	140	140
TRAINING AND DEVELOPMENT	Pearson Correlation	.731**	.728**	1	.726**	.607**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	140	140	140	140	140
PERFORMANCE EVALUATION	Pearson Correlation	.691**	.639**	.726**	1	.725**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	140	140	140	140	140

ORGANISATONAL INTEGRATION	Pearson Correlation	.607**	.586**	.607**	.725**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	140	140	140	140	140

** . Correlation is significant at the 0.01 level (2-tailed).

INTERPRETATION

Workforce Flexibility is Highly Correlated (0.709) with Skill Matching, Skill Matching is Highly Correlated (0.728) with Training and Development Training and Development is Highly Correlated (0.731) with Workforce Flexibility Performance Evaluation is Highly Correlated (0.726) with Training and Development and Organisational Integration is Highly Correlated (0.725) with Performance Evaluation.

SUMMARY OF THE FINDINGS

From the Questionnaire and tests, it is found that Gig Workers enables the manufacturing plant to quickly adapt to changing production demands and ability to scale production up or down efficiently. The skillsets of gig workers are well-aligned with the requirements and Gig workers are

effectively utilizing their skills in their assigned tasks. Gig workers receive adequate training to perform their assigned tasks effectively in the manufacturing plant and there is improvement in their works. The performance metrics used for evaluating gig workers' performance are relevant and the constructive feedbacks are given. There is a sense of teamwork and collaboration between gig workers and traditional employees.

SUGGESTIONS

Create a hybrid work models where gig workers and full-time employees collaborate, allowing companies to adjust workforce size based on business needs. Recommending to use technology platforms or software to match workers' skills with available tasks, similar to gig platforms. By Providing cross-training for employees to enhance their skill sets which allows them to adapt to different roles as needed. Encouraging the use of online learning platforms to provide gig workers with accessible training resources, enabling continuous skill development. Implementation of mentorship programs where experienced employees can guide and train gig workers, fostering a culture of learning and development.

CONCLUSION

In conclusion, HRM practices have significantly changed as a result of the rise of the gig economy. The characteristics of the gig economy have changed the makeup of the workforce and called for modifications to the recruiting, talent acquisition, and performance management procedures. While successfully engaging and integrating gig workers into their organisations, HR departments must navigate complex legal and compliance hurdles. The gig economy's influence on big industries has led to cost savings, scalability, and increased competition. By developing inclusive policies, investing in skill development, fostering collaboration and communication, and creating supportive environments, HR departments can tap into the potential of gig workers, leverage their skills, and ensure their successful integration into the organisation.

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