

EMBRACING GIG CULTURE – A PARADIGM SHIFT IN WORKING CULTURE AND ITS ECOSYSTEM

Dr. Amol Murgai, Associate Professor – Department of Management, Tilak Maharashtra Vidyapeeth, Pune, Maharashtra Email – amolmurgai@yahoo.com

Abstract

The Indian gig economy has been growing year after year, and with it, has come an increase in the blue-collar workforce. According to ASSOCHAM, India's gig economy is predicted to reach \$455 billion by 2024, growing at a compound annual growth rate of 17%, with the potential to grow at least double the pre-Covid-19 forecasts. According to studies, the total need for jobs in 2021 will be 14 lakh, with the gig economy accounting for 80% of that demand. Needless to say that the gig economy prevailed for sometime earlier but then this industry has never seen such rapid expansion. The objective is to ride this wave of expansion and leverage this sector with all of the necessary components. This paper provides insights into Gig economy as well as mentions the latest trends that are taking place in Gig economy.

Keywords – Gig economy, covid-19, work culture.

INTRODUCTION TO GIG ECONOMY

The gig economy is more focused towards the jobs that are flexible in nature, transitory in timings, part-time or freelance, and frequently include communicating with clients or customers via an internet platform. By making labour more responsive to the requirements of the moment and need for flexible lifestyles, the gig economy can and has benefited workers, firms, and consumers. A large number of people work part-time, transitory, or as independent contractors are directly or indirectly involved into gig economy. For people willing to use services like Uber or Uber or Airbnb, the consequence of the gig economy is cheaper, more efficient services can be delivered perfectly. The benefits of the gig economy may be of great disadvantage for those who do not use technical services such as the Internet.

Metro cities are the quite developed in terms of services and are the most involved in the gig economy. A gig is a broad term that encompasses a wide range of jobs, especially the service sector. Work can range from driving or restaurant delivery or supplying goods/ products to developing code or writing freelance articles or developing good content for advertising companies. In contrast to the tenure-track and tenured professors, adjunct and part-time professors are contract employees or termed as hired on adhoc basis. By hiring more adjunct and part-time teaching staff, colleges and universities can save money and better match instructors to their academic needs. Not only this, the overhead expenses of using internet services, electricity, stationery items, etc are drastically reduced.

OBJECTIVES OF THE PAPER

1. To understand the concept of Gig Economy and it's importance especially during COVID-19 pandemic era.
2. To study the factors responsible for the growth of Gig economy in India.
3. To explore the potential of Indian market for Gigs.

RESEARCH METHODOLOGY

The study has been purely conducted with the help of secondary data i.e. collecting information from relevant research articles, magazines, journals, blogs and websites.

MERITS OF GIG ECONOMY

1. The gig economy grew significantly in 2020. Gig workers provided goods to homebound customers and individuals who lost their jobs turned to part-time and contract labour to supplement their income.

Once the crisis is over, the employers will need to prepare for changes in the workplace, including the gig economy.

2. India's IT sector is well on its way to becoming a gig economy, with estimates indicating that as much as a third of the working population is already in gig capacity in the aftermath of the COVID-19 outbreak. Experts assume this figure to climb since these types of jobs make it easier and convenient for freelancers to work independently, as many of them don't require their staff to personally come into their respective office. Part-time and remote workers are substantially more common among gig workers.

3. Employers have a larger pool of candidates to pick from because they aren't limited to hiring based on proximity or their convenience. Furthermore, computers have advanced to the point that they can either replace people's former professions or allow them to work just as efficiently from home as they could in person.

4. The emergence of a gig economy is mostly influenced by economic factors. Employers who can't afford to recruit full-time personnel to handle all of the work may frequently engage part-time or temporary workers to cover busy periods or specific projects.

5. On the employee side of the equation, people frequently discover that they must relocate or work on numerous jobs in order to finance the lifestyle they desire. It's also normal for people to change occupations several times over their lives, thus the gig economy can be seen as a reflection of this on a large scale.

DEMERITS OF THE GIG ECONOMY

1. Because temporary/ contractual employees are generally cheaper to hire and more flexible in their availability, the gig economy trend may make it more difficult for full-time employees to advance in their careers. In other businesses, workers who desire a traditional career path and the stability and security that comes with it are being pushed out.

2. For some people, the flexibility of freelance employment can actually disturb work-life balance, sleep patterns, and everyday activities, which will affect the overall health of the employees in the long run.

3. Gig economy workers are more entrepreneurial than regular workers. While this may provide individual workers more freedom, it also means that the stability of a steady employment with regular salary, benefits (including a retirement account), and a daily routine that has characterised work for decades is fast fading.

4. Long-term ties between employees, employers, clients, and vendors might dissolve due to the fluid nature of gig economy transactions and relationships. This could negate the advantages of long-term trust, customary practise, and familiarity with clients and employers.

5. Creativity among the people gets lagging as the people are more involved in serving multiple clients and they don't have mindset to grow with their creative ideas.

A GLOBAL OVERVIEW OF GIG ECONOMY TRENDS

In 2018, the digital gig economy generated a gross volume of around \$204 billion from customers spread all over the world. Transportation-related services accounted for more than half of the total economy. By 2023, the gig economy is forecasted to increase at a 17 percent compound annual growth rate (CAGR) and it may generate a gross volume of \$455 billion. After the United States, China, Brazil, and Japan, India has risen to become the fifth largest country for flexi-staffing. In terms of flexi-worker growth, Haryana, Madhya Pradesh, Andhra Pradesh, Gujarat, and Telangana have shown the biggest prospects. In the absence of middlemen, digital platforms have emerged as accelerators for job creation, with the ability to quickly connect job searchers and employers. According to the McKinsey Global Institute, digital labour platforms might boost US GDP by 2.3 percent and full-time equivalent

employment by 2.7 percent by 2025. Because of increasing technological advancements, the transaction cost of outsourcing non-core operations is decreasing, allowing for an increase in the number of tasks that one person can accomplish. As a result, enterprises are shrinking in size, and we are seeing an increase in start-ups that contract out various functions to expert service providers.

While the gig economy is more famous among India's blue-collar work force – especially among Uber/Ola/ Cool cab drivers, there seems to be a lot of potential for white-collar employees as well. Thanks to increased demand in industries such as project-specific consultants, logo/content design, web design, and so on (for example, Tapchief in India). The gig economy is evolving from low-wage services (for example, household chores at BookMyChotu in India, TaskRabbit in the United States) to higher-wage occupations (for example, Guru in India, Upwork in the United States).

CHANGING WORKPLACE CULTURE

Factors such as freedom to work as per one's will, technological advancement, skilled focus, increased money and availability of human capital, all contribute to a preference for flexible work. Task ownership, ease, and flexibility are all advantages of the gig economy. One can choose the number and type of projects he/ she want to work on, the amount of money he/ she may like to earn, and thus their work-life balance gets maintained based on their individual tastes and preferences. For example, to optimize revenue, one might want to take on five assignments one month and in the next month, he/ she may want to work on only two assignments, owing to their personal priorities. Similarly, one can have the ability to decline a task if he/ she don't agree with the work's underlying cause – a typical flexibility which one cannot have in a typical job. Gig freelancers can now offer a variety of professional services via tech-based platforms, thanks to an increase in the adoption of smart phones and the rate of digitization. Gig workers might sign up for projects in which they have a higher level of expertise. For example, instead of taking a full-time interior design work at a corporation, he/ she may execute interior decoration on a freelance basis for several clients and that too globally. With rising costs and a high number of people looking for free-lance work, the gig economy provides opportunities to supplement one's income. A surge in educational and technological literacy is further enabling this future economy.

ON-DEMAND SERVICES CONSUMERS

Service seekers are migrating to the gig economy for a variety of reasons, including cost savings and access to a trained workforce. Employing freelancers to undertake specific activities is less expensive for businesses because it avoids the typical administrative and compliance overhead associated with regular workers. With the rise of on-demand services for specialised jobs based on business needs, hiring of personnel who are experienced in such services, has now become more flexible and economical. Instead of hiring a permanent Human Resource team, an organization could hire a freelance branding consultant to rename the company as a one-time exercise. As a result, the gig economy fosters a symbiotic connection in which both the service seeker and the service provider have equal freedom to seek out solutions that meet their unique requirements.

DIFFERENCES IN GIG ECONOMY BETWEEN THE UNITED STATES AND INDIA

Because of their higher rates of digitization, economic development and increased disposable income, developed countries like the United States are early adopters of the gig economy. Leading worldwide companies such as Uber, Airbnb, and Upwork were all created in the United States as a result of these circumstances. Today, United States is currently the global leader in the gig economy. Developing countries, on the other hand, such as India, have a lot of potential as early adopters of the gig economy because of the growing availability of freelancers and lower-skilled labour. In coming days, emerging nations like India will grow at a faster rate in the global gig economy as technology penetration and

human capital improve. As a matter of fact, the United States has a more evolved economy, India also can analyse the developments in the gig economy in the United States in order to promote the potential of gig work in India. For example, in India, there are presence of local brands like Ola and OYO for Uber and Airbnb, respectively. In the United States, the gig economy is being shaped by a shift in workers' attitudes regarding the need for greater job independence. In India, on the other hand, the gig economy is gaining attraction as a result of the enormous number of people looking for ways to put their talent/ expertise to use. Furthermore, due to high unemployment among urban young, rising living costs, rising student aspirations and changing mindsets of women engaged in homemaking, India is seeing an increase in the demand for additional income. The presence and growth of gig platforms like Frapp, Internshala, and Awign very well explains the resurgence of gig economy in India.

INDIA'S TOTAL ADDRESSABLE MARKET

The gig economy has enormous potential to become the market leader in Gig economy. The Associated Chambers of Commerce and Industry of India (Assocham) has forecasted that India's gig economy would grow at a compounded annual rate of 17% so as to reach \$455 billion by 2023, published recently in the Economic Times.

The following calculations were conducted to estimate the market size in India: India's total population is around 1,350 million, with the working-age group ranging from 15 to 65 years. The population of working age (66.8%) is 890 million, while the labour force participation rate (51.8%) is 461 million. The number of workers employed or looking for work as a percentage of the working-age population is known as the labour force participation rate.

Because few people in rural India are well accustomed to using digital platforms to find work, only the urban labour force has been used to estimate the addressable market for the gig economy in India. The country's urban population (30%) is 138 million people. Given that the gig economy allows for the bartering of services, the services sector accounts for 25% of the urban labour force, with 35 million people. The contingent worker population is expected to be 20% of the total, or 6.9 million people.

Now, splitting contingent employees into three income groups – low, middle, and high – and accounting for various compensation levels every year, the market's gross worth is projected to be over \$34 billion. We capture the gross value based on the e-commerce readiness index (10%) to establish the portion of this market that can be deemed the gig market size. This takes into account digital penetration as well as income levels. As a result, the total addressable market is valued at \$3.4 billion.

CONCLUSION

The coronavirus pandemic has widely affected the global labor force, shifting the focus from permanent jobs to contractual or gig economy jobs or may be towards on-demand, part-time work given to contractual workers. There is a structural shift as part of a hybrid workforce that has blended in-person employees with their virtual presence. The pandemic has on the one hand led to large scale loss of traditional 9 am – 5 pm jobs across manufacturing sectors. On the other hand, it has facilitated the growth and development of a flexi- timing gig economy. The U.S. Health ministry data showed that India is the world's second worst-hit country, behind only.

In India, since March 2020, there started a culture of working from home due to the lockdown imposed by the government officials, as a result of wide spread corona virus disease. Even though the first wave of COVID-19 didn't do much damage but the latest surge in the numbers of persons affected by the pandemic is certainly gruesome. Not only this, the death rate during the second wave of COVID-19 pandemic is on the higher side. As a result, the companies were forced to shut down or curtail down their operations. Their emerged an urgent need for shifting the focus from on-site working to work from home. The Information Technology sector was among the premier sector to allow their work force to

work from home. Besides, several other sectors like education sector, health industry, digital marketing industry, content creation industry, etc had underwent a sea change and have successfully adopted work from home culture. COVID-19 pandemic has changed the work profile, the work place, the working culture and has totally established a new normal. We are very well advancing towards an economy in which there will be enormous availability of Gig workers in almost every sector. No doubt, there are certain disadvantages associated with Gig culture but certainly these demerits are negligible as compared to their merits. It is high time for Indians to embrace such a culture and prove themselves as the emerging leader in Gig economy.

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