

# Exploring the Gig Economy: Implications for Workforce Management

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## ABSTRACT

The gig economy represents a significant shift in the traditional employment landscape, characterized by short-term contracts and freelance work facilitated by digital platforms. This paper explores the gig economy's implications for workforce management, focusing on employment relations and algorithmic management within app-work. By examining the benefits and challenges of gig work, as well as its impact on traditional workforce management, this study aims to provide insights into effective strategies for integrating gig workers into broader organizational frameworks. The findings highlight the need for a nuanced understanding of gig work dynamics and propose practical solutions for managing this evolving labor market.

**Keywords:** Gig Economy, Workforce Management, App-Work, Algorithmic Management, Employment Relations.

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## INTRODUCTION

The gig economy is a term that is increasingly used to describe a new, rapidly emerging and unregulated labour market which allows employers to recruit workers from across the globe, irrespective of borders. On one hand such globalisation gives workers, or 'gig' workers, unprecedented choice and flexibility in the work offers they accept. On the other hand, workers now compete with millions of possible replacements for jobs, which threatens to lower their bargaining power and erode income. The gig economy raises many questions, such as where and how it will evolve, how it will affect individual workers, and what strategies they can adopt to increase income and job stability [1]. The paper examines two critical, and interrelated, facets of the gig economy: employment relations and algorithmic management, using app-work as a specific exemplar of gig work. App-work refers to the labour conducted for online platforms that use mobile applications to intermediate transactions between workers and customers. Two objectives are pursued: to elucidate the parsing of employment relations within app-work organisations, and to unpack, conceptually and empirically, the task of algorithmic management vis-à-vis the workforce. In achieving both objectives, several significant issues are raised for future enquiry that merit the attention of employment relations and HRM [2].

## UNDERSTANDING THE GIG ECONOMY

This section delves into the concept of the gig economy, aiming to provide a comprehensive understanding of its nature and dynamics. It covers the definition and characteristics of gig work, shedding light on the key elements that distinguish it from traditional employment arrangements. Additionally, it explores the various types of gig work that exist within the gig economy, offering insights into the diverse forms of independent work prevalent in this space [3]. The term "gig economy" is used to describe a market in which companies hire independent workers for short-term contracts and one-time projects. With the rise of technology, gig work has become increasingly popular because companies can search for talent all over the world. Workers often enjoy the flexibility and independence associated with gig work, and companies gain access to a broader talent pool. Traditional employment

arrangements are typically characterized by formal contracts, job stability, fixed working hours, and predictable monthly pay. However, gig work can entail a variety of business models and labor market arrangements. Furthermore, gig work is not new and has existed much earlier than the emergence of the gig economy. Workers with specialized expertise such as corporate lawyers, IT consultants, and graphic designers typically had the options to work as freelancers or provide "on-demand" services for a fixed term. However, with the rise of digital platforms, gig work has gained new characteristics that distinguish it from traditional independent work [4]. There are four key characteristics of gig work that set it apart from traditional temporary or independent work. First, gig work offers greater flexibility. Workers can choose when, where, and how much to offer their service after setting their availability. While platform companies provide suggestions regarding working hours, these are just recommendations. A substantial portion of workers chooses not to follow these recommendations and instead work on an ad-hoc basis. Second, gig work often relies on online platforms to mediate employment relationships. A worker may provide services through Upwork, results may be commissioned through Amazon Mechanical Turk, and passengers may be picked up through Uber or Didi Chuxing. As a result, the terms of employment, including payment ranges and task specifications, are established online and accessed by many workers simultaneously. This is very different from traditional employment arrangements, where workers typically have been recruited through a single organization within a determined geographic market and where few observed the details of employment contracts. Third, gig platforms offer a wide range of services that vary in remuneration and skill level. These include easy-to-perform tasks such as delivering food or taking surveys, mid-skill tasks such as language translation or graphic design, and complex tasks such as software programming or consultation. Fourth, last-minute service provision is common. Passengers' requests may need to be responded to quickly within a few minutes or within a fixed window of time after offering a service, such as at most five minutes after requesting a food delivery [5].

#### **DEFINITION AND CHARACTERISTICS**

Within the current climate of innovation-driven development, mobility and flexibility are often favoured over long-term stability. Contractual arrangements that fall short of traditional full-time engagement are increasingly common, prompting numerous expressions of this new form of work from home. This term is typically understood in three different ways, one being the "gig economy" or "on-demand economy". However, questions remain about how these gig work pixels pan out outside of these glitzy terms, what the trends are for gig work in brim conditions, and how they are intentionally institutionalized or spontaneously organized under various forms of platform technologies on expectation [6]. With these prod questions, there is a growing cadre of research focusing on the gig economy, a relatively novel phenomenon that sees people hired for 'gigs' or 'tasks' - short-term, rejigged work that can be done independently. There has been tremendous interest in exploring the gig economy, the motivations behind gig work, the experiences of gig workers and their gig work journeys. It is also pitched as a potential mode of contesting gig work as a vehicle of innovation. However, less attention has been paid to the critical technology formats that render gig work feasible and enabled the service provision of gig work. For example, people browse or sign up for gigs via apps such as Uber or TaskRabbit, or find them on sites like Fiverr or UpWork [4].

#### **TYPES OF GIG WORK**

This section delves deeper into the diversity of gig work by scrutinizing the different forms of independent work that are on offer in today's labor markets. The problematics of gig work are not homogenous; they manifest in different forms that require different responses. The intent is to provide a plurality of types of gig work in order to spur further research into the specific challenges and implications of each type of gig employment [7]. There is no standard classification of types of gig work. Several categorization approaches exist, from a simple binary one that distinguishes platform-based from non-platform work, to more elaborate multi-dimensional classifications. This section adopts a thematic approach for the analysis of types of gig work. First, it focuses on the two types of gig work that most readily spring to mind: platform-based and non-platform gig work. The popularly conceived gig economy is often mistakenly narrowed to fit the definition of platform-based work. This is the case with many scholarly articles on gig work (or similar terms like 'crowd work') that focus solely on this particular type. However, non-platform work like recycling, street art and sex work has long existed, thriving in the underground economy, and the outsourced work of artists, bounty hunters, amateur actors and academic article proofreaders existed way before the first machines and early adopter companies appeared [8].

#### **BENEFITS AND CHALLENGES OF THE GIG ECONOMY**

Nevertheless, it is important to highlight that potential drawbacks were still considered important by workers in all contexts examined, and there are variations in the extent to which the gig economy is

perceived as offering attractive options. Overall, the gig economy appears to offer several attractive options for those workers who can navigate the challenges, and many have left the safety net of traditional employment in order to do so. It is imperative for employment relations and HR practitioners to appreciate the nuances of this new employment model in order to navigate the gig economy's adoption, enforcement, and implications. Outside the highest skill cohort of workers, the emergence of gig work is generally interpreted as detrimental to formal worker protections in circumstances where workers experience greater pressures and risks than those employed through traditional arrangements [9].

### **IMPACT ON TRADITIONAL WORKFORCE MANAGEMENT**

The emergence and growth of the gig economy is leading to significant changes in the dynamics and practices of workforce management. Traditionally, businesses and organisations would seek to standardise contracts and policies in dealing with their workforce. The gig economy disrupts this process by presenting a structure that largely escapes standardisation. This issue contributes to an emerging body of work exploring the shift in workforce management as the gig economy grows. Such explorations grant insight into understanding the complex early workforce management practices for gig-economy firms, which present as newly important questions regarding the implications of gig work for businesses and organisations [10]. The gig economy challenges traditional understandings of employment by introducing new forms of work and employment that are often characterised by lower levels of legal protection and security. Firms such as Uber and Airtasker enlist a workforce that performs acts through phone applications, navigating this digital marketplace tightly regulates the procedures performing the acts, including defining the price and duration of the acts, governing communications between the task allocators and the workers, governing the transaction of payments, and monitoring the execution of the acts. The fundamental nature of carving out a marketplace for just-in-time work impacts traditional employment practices and management styles. It provides newfound capabilities to regulate when, where, and how tasks are completed and allows firms to leverage the "digital labour brokers" [11].

### **STRATEGIES FOR INTEGRATING GIG WORKERS**

Recent developments in workplace technologies have empowered organizations to unlock the potential of gig workers, the differentiate outcome of which by organization has relevance not only for the individuals' productivity but also for firm's competitive advantage. To optimize those management capabilities, organizations need to engage in a deliberate approach of integrating gig workers into their broader workforce. Nevertheless, little insight is available regarding how organizations might pursue such integration. Research on how gig work is used within organizations and the associated management strategies – the gig work inorganization – is in its infancy. Addressing this, the concept of the gig work in-organization is delineated and managerial challenges are elaborated. To further the knowledge of how organizations might address the gig work in-organization, five general design strategies that employers may adopt are presented. The study furthers the understanding of the gig economy's implications for workforce management, both theoretically and practically. While there is no consensus on the definition of the gig economy or who qualifies as a gig worker, gig work is characterized by incidental contracts, few obligations beyond task completion, and volatile income. Such work typically involves the provision of a service via online platforms to a client who is not the worker's employer, which, when developed further, is often termed crowd work or online gig work. In contrast, on-site gig work encompasses manual worker services such as cleaning, security, and handyman work undertaken for a call company and mediated via a platform [12, 13].

### **CONCLUSION**

The gig economy presents both opportunities and challenges for workforce management. While it offers flexibility and access to a global talent pool, it also introduces complexities related to employment relations and algorithmic management. Organizations must develop strategies to effectively integrate gig workers, addressing issues such as job stability, fair compensation, and worker protection. By understanding the unique dynamics of the gig economy and leveraging best practices, businesses can optimize their workforce management approaches and harness the full potential of this rapidly growing labor market. The future of work will increasingly depend on how well organizations adapt to and manage the evolving gig economy landscape.

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