

The Gig Economy: An Impact to Employee Employer Relationship

Manisha Goswami

Assistant Professor, GLA University

Manisha.goswami@gla.ac.in

Abstract

A large number of workers are no longer employed, with the development of Corona virus spread COVID-19 disease, employability becomes a very serious issue in the country like India. Corporate world is witnessing the survival challenge in an unstable economic scenario. This problem has come up with new avenues of business and requires the change in mindset of doing business and the job. Globally, companies are hiring gig employee under flexible arrangements as freelancer; working on specific terms and condition for a particular assignment only. This paper explored the benefits and challenges to employees and employer and the subsequent impact of such benefit and challenges upon their relationship is analysed through extant literature review of rising gig economy in India.

Keywords: *Unemployment, Gig economy, labour turnover, employee and employer relationship*

Introduction

With the remarkable decline in a stable employment relationship and the growth of what has come to be known as ‘Gig Economy’. American have already gone through this phase during 2008 Lehman brother financial crisis, it’s actually when Gig Economy gain height. Tina Brown (Journalist, 2009) propounded the term gig economy, where the journalist observed the shift of workers from the 9 to 5 jobs to choose their own work hours. Gig Economy is about hiring contractual and freelancers instead of fulltime worker. Through gig economy world was observing a shift from traditional economy of full time worker to life time career.

An employee’s cadre and income depends upon job duration and future prospects and incentives largely depend upon current performance. However, in the gig economy time is not a bar; employee are appointed for the project based on their skill set without giving much due to past employment and the reference of the previous boss and that too without any future contract. Hence gigs are developing a new style of working culture with lot of flexibility to an earning through informal arrangement connecting employee to their current boss.

By enlisting employees for the gig instead of making them part of the association as delegates, supervisors can adjust work and even wages considering interest conditions. Making business and wages progressively versatile, gig occupations move the risk of fiscal fluctuations onto the representatives. Right when conditions are terrible, work and wages will fall; presumably, when they improve, organizations should pay. A couple of spectators recognition the rising of the gig economy since they fight it reflects the wants of another, spearheading time of forceful and proficient Americans. In any case, there is more here than only a change in worker tendencies. Each work contract incorporates the two representatives and supervisors, and it is a change for American directors to choose to enlist representatives on a transient reason instead of building a workforce. Since the 1970s, creating amounts of administrators have excused a plan of action where they enlist organization men on long stretch agreements were getting ready, work associated preferences, and open entryways for movement are exchanged for reliability, an assurance to put forth a strong attempt, to support the organization’s points of interest, and to excuse elective business offers. They excuse the model of a gainful association where employees are walled-off from the genuine work publicize for

shadow organizations giving a brand made by employees enlisted on the spot for explicit tasks who are equipped with irrelevant or no hands on planning, routinely with unimportant rigging, and displaced around the completion of the endeavour with another social occasion of employees similarly with immaterial suffering relationship with the business. The move from long stretch attempts to the gig economy impact tricky influences the American economy and work power. For employees, the transition to the gig economy fundamentally extends helplessness and money related peril. Business and compensation have gotten progressively factor, driving employees to lock in when there is work to compensate for the excursions. The weakness is enhanced by the leeway in social methodology. Our social assurance security net is expected for employees with typical and suffering occupations; clinical inclusion, retirement annuities, joblessness insurance, and other social protections are totally proposed for people with livelihoods, not gigs.

With courts setting up this 'suggested contract exemption,' bosses who had made guarantees of employer stability, either unequivocally in business handbooks or verifiably in their corporate societies, wound up lawfully limited by them when they tried to terminate long tenure employees during the downturns of the late 1970s and mid 1980s (Edwards 1993; Krueger 1989; Stone 2009; Weiler 1990).

Practically, it has demonstrated moderately basic for organizations to stay away from suits for illegitimate excusal; great administration rehearses, similar to clear business rules and occasional execution surveys, have permitted bosses to release employees nearly voluntarily, even while improving correspondence and efficiency. In any case, dread of claims and of further attacks on the principle of work freely has driven numerous businesses to look for options in contrast to conventional 'perpetual' work by employing increasingly unexpected employees (Berkhout et al. 2013, p. 15; Krueger 1989; Stone 2009).³ Other monetary changes since the late 1970s related with the ascent of moderate state systems and neoliberal financial approaches have additionally added to the expanding utilization of unexpected work. The downturns of the 1970s and mid 1980s, the most noticeably terrible since the 1930s, brought down the expense of work on the spot-advertise even while rising rivalry with remote providers constrained managers to cut back, and to diminish their workforce. High joblessness and the log jam in wage development broadened the hole between the expense of work in inside work markets and the expense of employing employees outwardly spot-advertise. Overwhelming assaults on worker's guilds, supported by the Reagan Organization and after, have additionally diminished a hindrance to the utilization of lowwage unforeseen employees. At long last, rising advantage costs, for standardized savings commitments and medical coverage premiums, drove bosses to enlist unexpected specialists without benefits (Dube and Kaplan 2010; Houseman 2001).

Now in the current lockdown situation, because of COVID-19 all over the world the Gig Economy application is glooming on the surface, but visualizing its impact is crucial for employees and employers to take sound decisions, assessing shortcomings in advance and evolving successfully in fast changing business dynamics.

Corporate Gains from hiring Gig Employee

Present scenario has unfold many important avenues for Indian Incorporations to focus upon and generate economy out of it, this will further helps in taking strong measure for developing sound policies for employee; so as to maintain healthy relationship with employers.

Reduce Overhead Costs: Gig employee option have come up with added benefit for the Indian Incorporation to reduce overhead cost as corporate have to invest heavily upon employee retention strategies. As per top industrialist and talent acquisition teams in India and global market have admit that there is going to be an overlay of talent in a coming span of time that has always been little cautious in coming out for job. By hiring Gig workers, companies can get skilled worker, without incurring overhead cost upon them.

HR experts in India have also emphasis on the same point, that every probable threat comes up with ample of opportunities to unfold and can be best utilize, with minimum cost involvement.

Employee who has been very competent but because of inabilities to leave their houses may not be able to resume their job, now work from home becomes the reality and it's a win –win situation for both employee and employer.

Second benefits come in the court of Indian Incorporation is ensured competency: Gig employees are trained so training cost is reduced at the same time competency and the level of the skill is comparatively sharpen then 9-5 workers. The intensity of efficiency and precision their work quality is better than traditional system of work.

Exploring benefits of Gig Economy

Highly Supple

For employee, supple working hours are much in demand. People prefer to do their jobs being at home while taking care of their new born babies or age old parents. This Gig economy has developed the option for those who were not able to come out for job for such reasons. Gigs can pursue their ambition and equally can earn money without putting their personal responsibilities on stake.

Sound Opportunity

Gig economy is providing ample of opportunities to both employer and employee. Employers who are seeking specific skill sets can look for gig across the world; no matter what their gender is, nationality is even not the point of concern, what's their socio economic status is further not taken in to consideration while appointing gigs.

Employee can also dig to their interest area and expertise to earn money while being at their comfort space and can be their own boss by being a freelancer or contractual employee.

Safety backup

Those days have gone where people scramble their life to find good job at accessible location, soothing working environment, humble colleagues, less working hours, fight for weekends and holidays. Now the gig style employment has reduce the stress level and help in striking the work life balance

Organisations in India are waking up and trying to cope with current situation of lockdown by allowing work from home and focusing on generating gigs, this is even a huge opportunity for the worker who wants to work from home. There are evidence to prove the exponential growth in gig economy, so organisations capable of being changed as per the changed scenario will survive, rest will thrashed.

As per the HR experts in the present lockdown situation organisations a have to find better ways of adapting themselves with the situation, organisation who can do so will flourish whereas rest have pay the cost for the same

Exploring challenges

Though the gigs are enjoying ample of job opportunities, is such a tough state. But there are some sectors like banking, construction where gigs will not be possible as in case of banking, banking regulatory guidelines will not allow gigs to access confidential information outside the office, in addition to this organisation also have to pay heed over data security and privacy. However, other areas like Human Resource Management, Marketing, and Education can be easily transferred to the online mode through Gig employees.

Further Gig economy is an unorganised sector and having no sturdy online platform for the gigs and seriousness in new generation who have already entered to the corporate world; technological advancement will leads to the change in culture and perception of people that serious work can only happen in office.

With more people holding various low support jobs, recalling working for their own record, the amount of occupations per individual and hours worked per business have gotten progressively factor; the economy nimbly of work has gotten continuously adaptable concerning yield since gig-employee work more when they can search for a business, yet drop strange economy to partake in home creation or work for their own when there is no work. Without paid business or speedy prospects of finding it, gig employees do various things; they retrain, they upgrade their portfolios, they work at home and contribute more vitality with friends and family. Along these lines the people with livelihoods or scanning for work ends up being logically flexible. In a disheartened economy, it contracts, minimizing the amount of people prepared to work if the economy were more grounded and the hours they would work.

Irregularities in Income

One of the plus point of gig workers that gig economy bolster low section boundaries to come in, however this advantage accompany innate disadvantage of low hindrances to exit. Some random wellspring of agreement can evaporate rapidly at times due to negative surveys of gig workers execution. This will build the opportunity of anomalies in procuring. Less measures for Gigs Protection

Employers have lesser liability upon them towards the gigs, can easily terminate the relationship, no severance pay, no disability allowances, no sick leave, whereas contractual workers equally carry lot of risk as compare to traditional employment, employer are technically free from legal bond minimum wages act are also not applicable on such employment.

Conclusion

Gig employees additionally miss a significant number of the work environment open products gave as a characteristic piece of stable vocations. Where they work nearby conventional specialists in processing plants, workplaces, or shops, some gig employees can profit by some business based advantages, for example, wellbeing and security guidelines. Some low maintenance college educators, for instance, have safe workplaces and auditoriums in light of the fact that they work in indistinguishable offices from do customary residency track personnel. Indeed, even these gig employees are off guard, in any case, in light of the fact that their problematic work circumstance makes them hesitant to carry objections to their administrators and managers. Increasingly powerless despite everything are the individuals who are recruited without a spot in a built up working environment, a gathering that not just incorporates those maintaining their own organizations, similar to artists, adornments creators, and cooks working out of their homes, yet in addition numerous advisors, conveyance employees, independent specialists, essayists, and article employees. Liable for their own work environments, working out of their rooms and neighbourhood Starbucks, they are prevented the security from claiming Occupational Health and Safety Administration or other wellbeing and wellbeing regulation.¹⁴ also such issues as occasion pay, days off, or inability or some

other type of social protection. On occasion, the utilization of gig work compromises wellbeing as well as subverts profitability development. Businesses can likewise lose in light of the fact that working environments loaded up with gig employees become less profitable when singular specialists neglect to create abilities through gainful social associations. Thirty years back, for instance, copyeditors helped each other become better employees when they cooperated in the workplaces of papers or distributing houses. Today, be that as it may, most distributors enlist consultants dissipated all through the nation (or the world). For the gig specialists, working at home (or in a coffeehouse) opens work openings with adaptable hours, and permits them to work without moving. The cost of this chance, in any case, is that employees and the business lose the advantages of work environment open products. Business agreements can be individual, however working environments are innately open. Both working environment security and gainful sociability are accessible to all in an office yet are troublesome, or unimaginable, to create for employees dispersed over the globe. Outside of office settings, independent copyeditors battle to cut ergonomic worksites out of packed homes, or cafés. Furthermore, the experience of working close to other independent gig employees at a Starbucks is not a viable replacement for that of copyeditors at a distributing house like Norton who could talk together casually about language and other altering issues.¹⁵ Businesses, just as employees, lose when the physical dispersal of creation comes at the expense of the open great of shared understanding and learning.

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