

# HR Management in the Gig Economy

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# On-Demand Platforms

- Matchmakers between clients and independent contractors
  - Gigs of similar work assignments
  - “Login relationships” with workers
    - Online profiles
    - Recruitment and due diligence
    - Training opportunities
    - Client evaluations and rankings

# Is HRM Possible or Even Necessary?

- The independent contractor status forbids usual HRM practices
  - Litigation is common
  - Should “algorithmic management” be an exception?
- Platforms claim that the price mechanism takes care of everything
- But does it?

# Pricing Gigs?

- Pros
  - Legal for independent contractors
  - Balances demand and supply
  - Workers' scheduling flexibility
- Cons
  - Human costs (precariousness)
  - Quality of service
  - Gaming

# Continuous Employment

- Can workers construct a flexible but sustainable employment from gigs?
- What HRM tools can support such employment?

# The Typology of Continuous Employment

		Rewards Variance	
		Low	High
Rewards Mean	Low	Subsistence	Precarious
	High	Secure	Entrepreneurial

# Case: Virtual Call Center (VCC)

- Labor force: about 20,000 sales agents
- Agents process phone calls generated by watchers of infomercials broadcast on television.
- Home-based independent contractors
- Work scheduling units: 30-minute shifts synchronized with the infomercials
- Piece-rate pay
  - A fixed rate per minute of time on the phone with callers
  - Occasional bonuses for completed sales

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- Agents process phone calls generated by watchers of infomercials broadcast on television.
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- ICT-mediated management
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# HRM Tool: Dynamic Commitment

- Demand forecast
- Target utilization 50%
- Commit system
  - “commit” is an agent’s promise to work a specific shift made 4-10 days prior
  - an agent’s weekly number of commits is limited and allocated in installments to give everybody a chance to commit to some preferred hours
  - the allocation of commits is gradually reduced to 80%, 60%, etc. for poor commitment performance
  - an agent may work uncommitted at any time
    - “hot slots” and real-time “alerts”

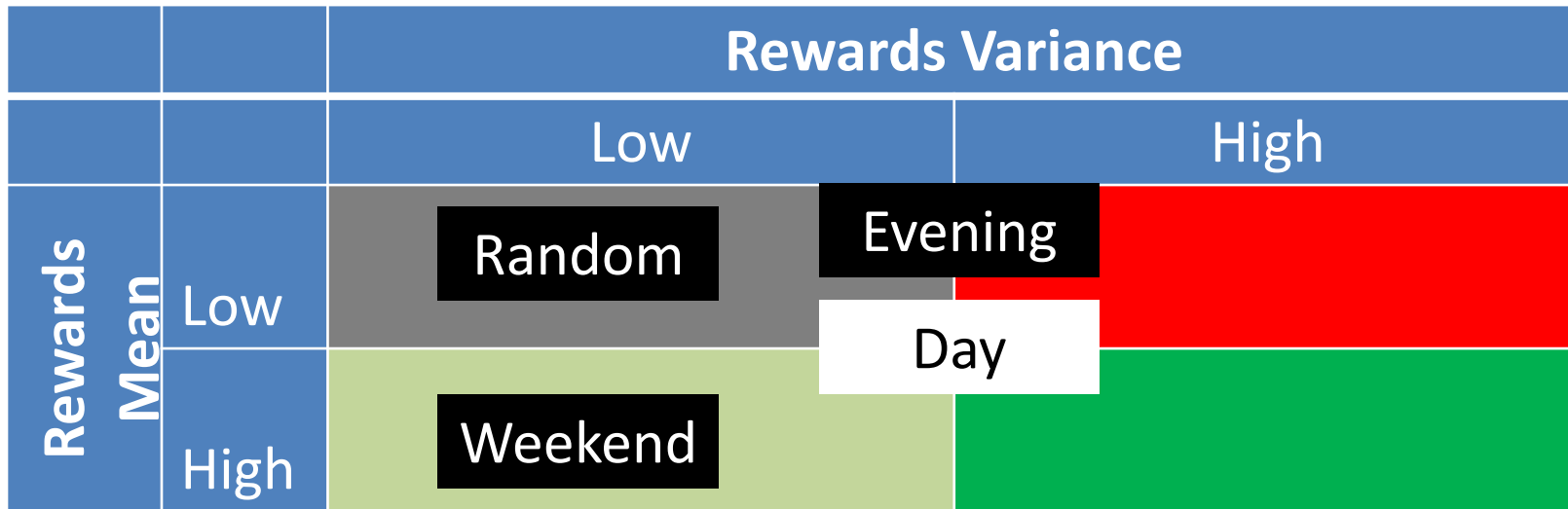
# Do Agents Trade Scheduling Flexibility for Security?

- Agents fully control their work hours
- Agents aren't certain about their pay
  - Computer algorithms control workflow
  - Two priority criteria:
    - Commitment
    - Performance record on the same product
- Making commitment = trading flexibility for security

# Empirical Analysis

- 11,412 agents observed for 30 weeks
- Four main employment patterns
  - Day
  - Evening
  - Weekend
  - Random

# Employment Security



- The weekend, evening, and random schedules are compared against the day schedule

# Conclusions

- The gig economy offers workers scheduling flexibility, but this doesn't imply either them into entrepreneurs.
- On-demand platforms can develop innovative HR management tools that enhance workers' security.
- We need to rethink the employment relationship, its legal and ethical aspects.