

MOTIVATING EMPLOYEES IN THE GIG ECONOMY

Introduction

Friedman (2014) comments that the 'gig economy' is a term that has attracted increasing attention in recent years, particularly so in light of a number of high-profile legal cases seeking to define precisely what working in 'the gig economy' means. A simple definition is offered by Scheiber (2015, p.12) suggesting that the gig economy is "*a labour market characterised by the prevalence of short-term contracts and/or freelance work*", as opposed to permanent and/or full-time employment. Popular examples include couriers and agency workers, and according to a study commissioned by the UK Government (Gov.uk, 2018) approximately 2.8 million people in the UK – equivalent to 4.4% of the workforce - are currently directly employed in such work, either on a part time or full-time equivalent basis.

At face value, the gig economy has been popularised as a flexible working environment, ideal for those employees seeking freedom and autonomy in their working conditions (Aloisi, 2015). Aloisi (2015) also notes, however, that the reality is rather more complicated, as whilst on the one hand the advantages of a gig economy would indeed be aligned with known employee motivational levers, in practice as the recent legal cases have shown, the gig economy is in fact far more precarious for many, meaning that they are not motivated by freedom and autonomy, but instead by 'hard' factors such as fear of not being offered more work (Manyika et al., 2016). This creates a paradox within Human Resource Management (HRM) literature. This essay seeks to shine a spotlight on this paradox, unpacking the contradictions and tensions in the literature and empirical evidence to understand how employees in the gig economy are motivated.

The Fundamentals of Employee Motivation

The fundamental premise of employee motivation is grounded in the widely recognised work of Abraham Maslow (1943) and his Hierarchy of Human Needs. In essence, Maslow established that grounding needs of safety and shelter must be the foundation of more advanced principles of human and employee motivation, as without basic needs being satisfied, people cannot direct their attention towards more sophisticated motivational principles. However, assuming such basic needs are satisfied, Maslow and later a clutch of other famous scholars such as McGregor (1960), Vroom (1964), Herzberg (1968), and Hackman and Oldham (1976) examined various facets of employee motivation reaching broadly similar conclusions that people are motivated when they are appropriately rewarded and recognised for the work that they have undertaken. The detail of these various motivational theories has been carried forward to the present day and the

widely established notions that the most effective way to motivate employees is via 'intrinsic' motivational levers (Lazaroiu, 2015). These include amongst others, recognition, personal autonomy, intellectually stimulating work, and flexibility to manage workload.

On paper, the gig economy offers all of these intrinsic levers, and as explained by Fernet et al., (2017), such intrinsic levers are regularly espoused as being one of the main reasons that employees elect to join the gig economy. The same scholars recognise that organisations benefit from a flexible labour workforce meaning that they are not carrying one of the most expensive overheads – employees - on the profit and loss account, but much greater attention is always directed towards the many perceived 'benefits' to employees (Kanfer et al., 2017). Certainly, some employees within the gig economy do benefit from flexible, autonomy and intellectual stimulating work. Such employees however, are typically highly skilled, in possession of valuable knowledge or experience, and also possessed of a network of professional contacts enabling them to find such work on an ongoing basis (Steinberger, 2017). For employees within the gig economy lacking these transferable skills, their motivational levers are likely to be very different, much more towards the lower levels of Maslow's hierarchy. In plain terms, they work in precarious 'gig economy' employment, because there are no viable alternatives and they have no certainty of any other form of employment (Manyika et al., 2016). This represents the paradox of the gig economy, suggesting that much greater nuance and more careful interpretation of motivation within this context is necessary.

The Paradox of the Gig Economy

The Taylor Review of 2017 sought to better understand the paradox of the gig economy, defining and examining what is understood to be 'good' work, that is to say intellectually and financially rewarding employment which is stable leading to productive and ultimately 'healthier and happier citizens' (Taylor Review, 2017). There is a wider case for 'good work' when looking beyond hard financial measures, as employees in jobs that they enjoy and in which they feel comfortable and confident are more productive and creative. Often, according to Milkman and Ott (2014), when people perceive that there is value and meaning in their work then they are more engaged, and happy and healthy employees are also less reliant on state support, suffer less ill-health, and ultimately work more. From a governmental perspective, this also offers the benefit of increased tax receipts, meaning that from all viewpoints, 'good' work is to be actively sought.

The assumed converse 'bad work' is the rather one-sided relationship crystallised at the lower end of the gig economy, with those employees lacking the skills to negotiate longer term contracts, and instead finding themselves waiting desperately to hear if they

will be working that day (Aloisi, 2015). This exploitative dynamic is demoralising and ultimately counter-productive, offering much greater benefits to the employer than the employee. Whilst UK employment levels may be at some of the highest levels for decades (Gov.uk, 2018), this topline figure masks a much higher proportion of precarious or 'bad work' with all of the associated disadvantages that this brings. As prosaically expressed by Behr (2017, p.1), it leaves more than 1.6 million people of working age in the UK with the choice of "*crap job or no job*". As Behr (2017, p.1) goes on to note, "*not a very enticing choice*", but it is a reality of the gig economy for many.

Discussion and Closing Thoughts

The technological advantages which have allowed the gig economy to thrive cannot easily be undone, nor indeed is anyone advocating that as the solution (Martin, 2016). However, there does need to be a careful consideration of how to establish a much higher level of 'good' work within the gig economy that protects employee rights, or at the very least rebalances the inherently unstable employment dynamic in its current form. Managed properly, flexible employment is shown in empirical research to be one of the most effective motivational levers or workplace benefits (Kelliher and Anderson, 2010). As far back as 2004, Guest and Conway revealed in a report commissioned for that CIPD (Chartered Institute of Personnel and Development) that flexible working is the single most asked for benefit when negotiating employment contracts.

Organisations that have adopted the principles of flexible working have found much greater productivity and much higher levels of employee engagement (De Menezes and Kelliher, 2017). As such, this reaffirms the recognition that on paper, flexible working is highly motivational and can certainly be characterised as one of the main indicators of 'good' work. The question therefore becomes, how can those employees at the lower end of the gig economy spectrum benefit from the same principles of 'good' flexible working as their more skilled counterparts.

Platforms that bring together those with skills for hire, and those needing work completed have mushroomed over the last decade as technology has accelerated opportunities for flexible working (Deloitte Insights, 2016). Some research suggests that certain people thrive in this flexible environment, enjoying meeting a vast range of people and having a huge variety in their working lives (Brown, 2018). The same research suggests however that these people are inherent with particular personality traits or a personal outlook meaning that they are more responsive and comfortable in a flexible environment and, are better able to adapt to the inherent uncertainty associated with flexible, gig-economy working. This suggests that alongside a tighter framework for gig working recognising the need for at least some stability in gig-work contracts, mental attitude and approach is also important. Once again however, the research in

this field tentatively suggests that it is individuals with high-calibre skills and the capacity to reposition their skill set that marks them out as benefiting from the gig economy (Lemmon et al., 2016). Potentially, therefore, supporting those less inclined towards such a mindset to understand its value or perhaps even necessity in this environment could be a partial solution.

Unfortunately, however, the Taylor Review and other leading HRM scholars recognise that there is no simple fix to the arguably unstoppable growth of the gig economy principle. Unless those offering such flexible work are in some ways compelled to offer greater security and fairness, or their HRM strategies move them away from paring down their labour force to the least possible cost, then the precarious nature of the gig economy will continue. What could well become the next challenge in HRM literature is the growing dichotomy between, increasing drives for labour efficiency aligned with organisational strategy, and, recognition in that treating employees as 'resources' rather than people, is inherently dehumanising, and is ultimately leading to, in the words of Deloitte (2016, p.1) "*contingent workforce management*" even at senior levels. It is concluded therefore, that there is also a responsibility upon the HRM profession more widely to decide for itself how good practice ought to look in terms of establishing 'good work' and also, how organisations should embrace this if they wish to have a happy, healthy, and productive but flexible workforce.