Deloitte.

Gig Workforce Talent
Management Strategy

October 2024

Table of contents

Executive summary

In an era of rapid technological advancements and evolving labour markets, the **Indian gig workforce** has emerged as a pivotal force in the country's talent market. This whitepaper delves into the multifaceted realm of the gig economy in India, offering a comprehensive analysis of key trends and talent management practices currently shaping this area. As the gig economy gains momentum, organisations and policymakers must understand its intricacies and develop effective talent management strategies to harness its full potential and avoid any potential pitfalls.

Key trends and talent management practices in the Indian gig workforce landscape:

Proliferation of digital platforms and mobile technology: Led to the rise of platform-based gig work, encompassing various sectors such as graphic design, digital marketing, ride-hailing, food delivery and freelancing among others. In India, it is projected that the share of gig workers will be 4.1 percent (23.5 million) of the total workforce by 2029–30.*

Diversified gig economy: With an increasing number of professionals choosing gig work across sectors, such as IT, e-commerce, ed-tech, healthcare, and creative industries. This expansion reflects the adaptability of gig work to include various skill sets.

Split of gig workforce by nature of job: Approximately 30 percent of the total gig workers in India are employed in white-collared jobs. The retail industry employs maximum gig workers, which constitutes 39 percent of the total gig workforce in India.*

Learning and upskilling: Gig workers are increasingly focusing on skill development and upskilling to remain competitive in a highly dynamic job market. They are using online courses and training programmes to enhance their qualifications.

Need for a holistic regulatory framework: The gig workforce landscape is often challenged by issues related to labour rights, social protection, and the need for a holistic regulatory framework to ensure the well-being of gig workers is imperative. These challenges require attention and policy interventions.

Performance-based evaluation system: Traditional performance evaluation models are giving way to performance-based systems that consider project outcomes, customer ratings and feedback from gig workers' peers.

Flexible work arrangements: Employers are embracing flexible work arrangements, allowing gig workers to choose projects that align with their location preference and schedule. This flexibility helps to attract and retain top talent, reducing costs.

Investing in skill development: Companies are investing in the professional growth of gig workers by offering access to training programmes and skill development resources. This investment benefits the gig workers and enhances the quality of work delivered.

Fair practices and regulatory compliance: Organisations are increasingly adopting ethical and responsible employment practices for gig workers, adhering to existing labour laws and ensuring fair compensation and benefits.

*Source: Report titled 'India's Booming Gig and Platform Economy' by NITI Aayog

How can organisations identify jobs where a gig workforce can be deployed?

Typically, project-based roles for short duration enable business growth, address urgent business needs, support during a transition/transformation, and manage critical activities that are not full-time/long-term and require part-time, flexible capacity. This includes consulting and advisory roles that require specific expertise not available in-house and filling in for associates on sabbaticals or maternity leaves. We have identified ten indicative parameters

that can help organisations identify these roles. Section 3 (b) of the whitepaper highlights these parameters in detail.

Based on the nature of an organisation's business, identifying jobs suitable for gig workers involves evaluating the criticality of these roles and the associated hiring costs. Organisations usually hire gig workers for the following types of roles:

Less critical roles

These roles, such as helpdesk representatives, attendants, and operations executives, have minimal impact on core business functions. They typically involve routine tasks and come with very low costs, making them suitable for gig workers. The work in these roles is often standardised and easily transferable, allowing organisations to efficiently manage turnover and staffing needs without major disruptions.

Moderately critical roles

Delivery partners and customer service agents fall into this category. These workers support key operational functions, often requiring flexible work schedules. Due to the high supply of workers and lower hiring costs, these roles are ideal for gig work. As these jobs typically focus on client-facing services, gig workers in these roles can help manage fluctuating demand while maintaining cost-effectiveness for the business.

Highly critical roles

These include software developers, creative designers, and consultants. Such roles are vital for achieving strategic goals and require highly skilled workers. While full-time hires are an option, gig workers are preferred for short-term projects, urgent needs, or seasonal demands, allowing for more cost-effective hiring. Hiring gig talent for these roles provides organisations with access to specialised skills on-demand, without the long-term commitment and overhead costs associated with permanent employees.

Hence, organisations can achieve efficient resource allocation, risk mitigation and competitive advantage by strategically using gig workers based on these criteria.

How can organisations develop a holistic strategy to manage a gig workforce?

A robust **talent management strategy** for gig workers, encompassing all areas of the talent lifecycle, is essential for companies to thrive. This strategy aims to focus on fairness, transparency and mutual trust.

- **Successful workforce planning** should balance workforce demand and supply, adopting a **skills-based approach**. It maps necessary skills and analyses demand-supply drivers. This enables optimal resourcing mixes, including gig talent for project-based, urgent, or seasonal needs.

- **Attracting and hiring gig workers** requires creating a compelling **Gig Value Proposition (GVP)**. This includes redefining policies and benefits to blur the lines between permanent and temporary employees.

- **Efficient onboarding processes** help gig workers integrate into the organisation's culture and connect with mentors and buddies.

- **Inclusive performance and rewards strategies** should provide continual feedback, tailored evaluation metrics and both extrinsic and intrinsic rewards.

- **Learning and Development (L&D) strategies** should address skill gaps, craft learner personas and use adaptive content delivery methods.

- A **well-defined exit strategy**, including career plans for transitioning gig workers to permanent roles, can provide valuable feedback for long-term planning.

- Clear **policies, compliance and governance** ensure operational efficiency and a positive working environment.

- **Fostering a supportive work culture and transparent communication** enhances employee engagement and experience for gig workers.

The future of the Indian gig workforce is promising, with continued growth and diversification of opportunities. Talent management practices will play a crucial role in shaping the landscape, enabling organisations to harness the gig workforce's potential and contribute to economic growth. As gig work becomes an integral part of India's labour market, understanding these trends and implementing effective talent management strategies is paramount for success in this evolving paradigm.
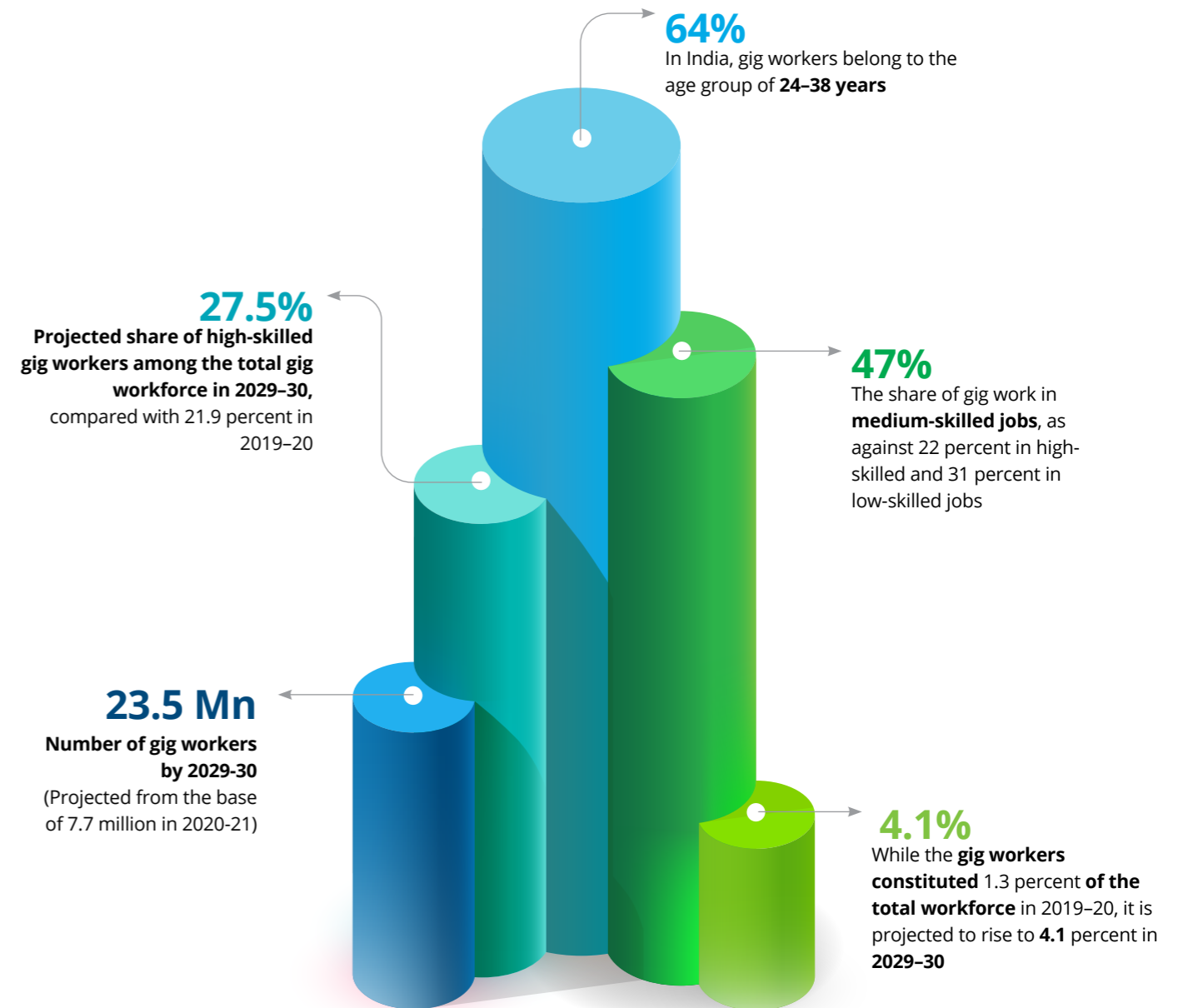
Demystifying myths about gig workforce

Key trends in the Indian gig landscape and outlook

At present, the Indian gig workforce landscape is undergoing a dynamic transformation. It is characterised by several key trends shaping the future of work in the country. In recent years, it has witnessed remarkable growth, driven by the widespread availability of smartphones, increasing internet penetration and the widespread use of virtual tools. These changes have broken the barriers of geographical boundaries and decentralisation of the workplace and ensured effective collaboration and a growing demand for flexible and on-demand services. Key trends, such as the rise of platform-based gig work, the diversification of gig opportunities and the emergence of gig workers as a vital part of the labour market, have significantly altered the traditional employment landscape. * Looking ahead, the outlook for the Indian gig workforce landscape appears promising, with the potential to foster economic empowerment, bridge employment gaps and drive innovation. It also presents the challenges of labour rights, social protection and regulatory frameworks. In this section, we have presented a few key trends and discussed the potential future trajectory of the gig economy in India.*

64%
In India, gig workers belong to the age group of **24–38 years**

27.5%
Projected share of high-skilled gig workers among the total gig workforce in 2029–30, compared with 21.9 percent in 2019–20

47%
The share of gig work in **medium-skilled jobs**, as against 22 percent in high-skilled and 31 percent in low-skilled jobs

23.5 Mn
Number of gig workers by 2029-30 (Projected from the base of 7.7 million in 2020-21)

4.1%
While the **gig workers constituted** 1.3 percent **of the total workforce** in 2019–20, it is projected to rise to **4.1** percent in **2029–30**

Sources: Reports titled 'The rising Gig Economy of India' by the Associated Chambers of Commerce and Industry of India (ASSOCHAM), 'India's Booming Gig and Platform Economy' by NITI Aayog

Defining the gig workforce

A gig worker is a person who performs work or participates in a work arrangement and earns from such activities outside of traditional employer-employee relationships.

Often, gig working is characterised by the following features:

- Flexibility in work timings
- Short term/Project-based work
- Skill based assignments
- Opportunity to work with various clients
- Remote work from any part of world
- Technology Dependent

Examples of Gig workers

- Independent Consultants
- Graphic Designers
- Content creators
- Software & web developers
- Project managers
- Business Development & sales executives
- Architects
- Ridesharing & food delivery partners
- Home services
- Manufacturing and construction workers
- Transport and logistics partners
- Retail & Hospitality workers
- Educators and online tutors

Debunking myths around gig work

Myth

Reality

Gig Work is mostly done by Gen Z/ Millennial population — Younger generations have actively embraced gig work, however the gig economy is diverse and individuals from various age groups and generations participate in it.

Gig work is only possible in IT/tech sector — Gig work is prevalent in the tech sector (for example, freelancers, app-based delivery drivers) but not limited to it. Gig work exists in various industries, including hospitality, healthcare, retail and others.

Gig workers do not need skills or education — This myth assumes that gig work is for people with low skills or education. Many gig workers possess specialised skills and expertise, such as programmers, designers and consultants.

Gig work is always local — Gig work is not confined to local or domestic markets. Many gig workers, especially in sectors such as freelancing and online marketplaces, operate globally and serve clients worldwide.

Evolution and history of gig workforce

Early stages

Prior to 1990

- Before India gained independence in 1947, a significant portion of the population was engaged in various forms of **informal labour**, which can be considered as a precursor to the **gig economy.**
- This informal labour included **agricultural work, handicrafts and small-scale trading**, where workers often operated based on a contractual or piece-rate.
- After independence, India focused on **industrialisation**, leading to the growth of **formal employment** in the manufacturing and public sectors. However, a **large informal sector** continued to exist, with individuals engaging in **temporary or part-time work.**
- During this period, the **gig economy** remained **largely unstructured and unregulated.**

IT & BPO Boom

1990-2009

- **India's economic liberalisation** in the early 1990s led to increased globalisation and the **emergence of service industries, such as IT, BPO and call centres.**
- The **IT and BPO boom** in the late 1990s and early 2000s played a pivotal role in **laying the foundation for the gig economy** in India.
- This period saw the **rise of contract-based employment** in the **IT and IT services sectors**, with professionals often working on project-based contracts.
- However, **these developments were limited to a few companies** and **contractual employees were hired only for lower-skilled jobs.** They were paid less as compared with the permanent staff.

Platform based companies

2010-2020

- With the rise of **internet penetration** and the **evolution of technology, platform-based start-up companies** started providing services ranging from **cab booking and food delivery to in-house personal services.**
- The advent of online food delivery services, e-commerce and ride-hailing services **in the mid-2010s** brought **gig work into the mainstream.**
- These platforms offered **flexible working and earning opportunities for delivery partners and drivers**, marking a significant shift in India's labour landscape.
- Around **68 lakh (6.8 million) gig workers were present in India during 2019–20**, using both principal and subsidiary status and constituting 1.3 percent of the total workforce in India.

Post pandemic growth

2020 - Present

- **The COVID-19 pandemic** brought large-scale **disruption to job** markets both in India and globally.
- This disruption made the companies believe that even for **highly skilled jobs, contractual/gig workers** can be hired, **reducing their fixed costs** and **increasing operational efficiency.**
- The **economic recovery** post-pandemic brought **large-scale growth of the gig workforce**, primarily in the **IT/software, EdTech sectors.**
- The **gig workforce** is expected to expand to **2.35 crore (23.5 million)** workers by **2029–30**, forming 4.1 percent of the total livelihood in India by 2029–30.*

*Source: Report titled 'India's Booming Gig and Platform Economy' by NITI Aayog

Methodology

- We have conducted thorough research, which will serve as a critical litmus test for asserting whether organisations increasingly use gig workforce for traditional jobs.

- We conducted research with various organisations across multiple industries to analyse gig workforce trends and derive meaningful insights.

- Our research findings will try to offer a more profound understanding of why organisations are increasingly embracing the gig workforce for traditional jobs.

- We believe the outcomes of this research are poised to have a tangible effect on the strategies, practices and decisions that shape the future of work for both employers and workers.

Insights

Growth of gig workers

- **Gig workers** are now a significant portion of the workforce in India and have been **on the rise for the past two decades**.

- The gig workforce in India is expected to grow by an average of **12–14** percent annually for the next 10 years.*

- As per our research, the **overall demand for gig workers** increased **ten times in 2022** from the previous year, whereas the **demand for white-collar gig workers** increased **seven times in the first quarter of 2023**, from the previous quarter.*

Number of Gig Workers

—— Gig Workers (in lacs)
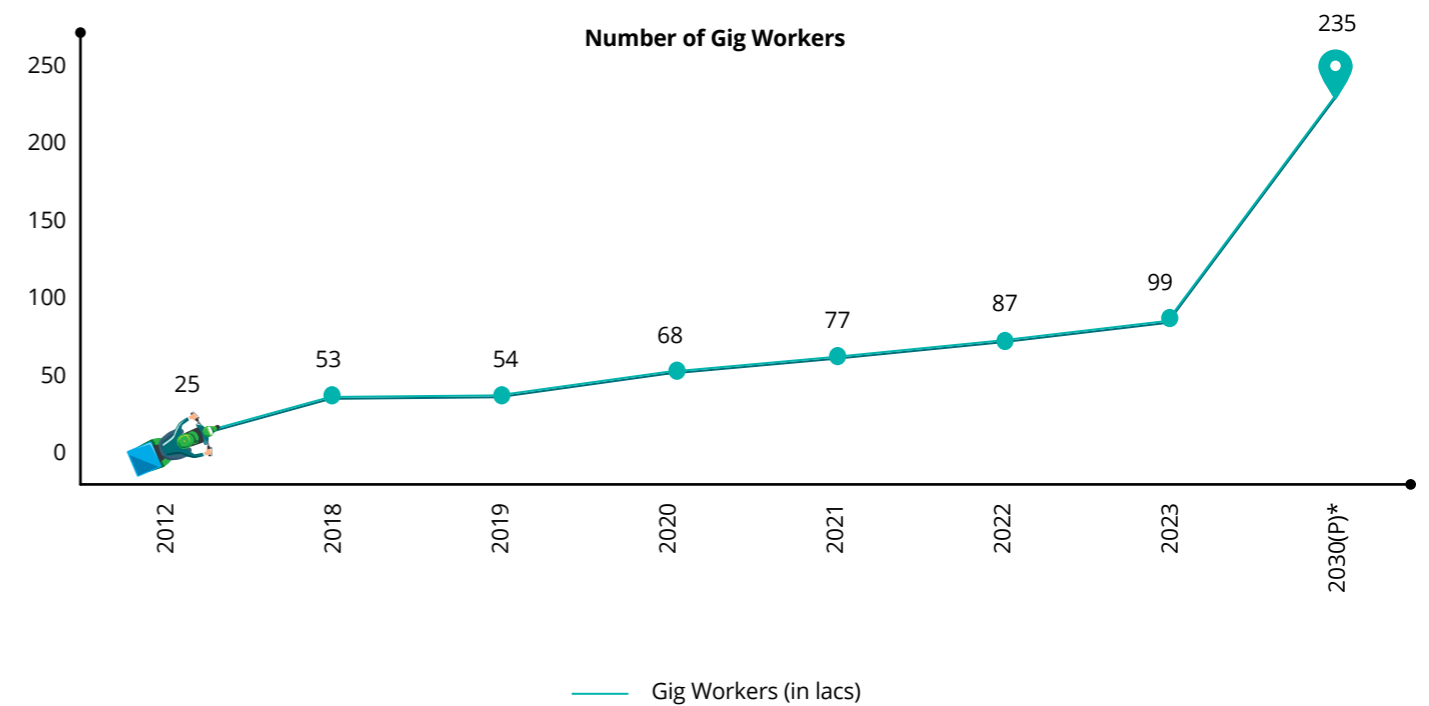
Source: India's Booming Gig and Platform Economy (Niti Aayog)

Why are organisations increasingly using gig workforce for traditional jobs?

The above graph clearly shows that gig workers will be in demand and hired more in the upcoming years and most organisations (if not all) will hire gig workers for their various roles.

- While India is a predominantly **blue-collared gig workforce economy**, with the rise of technology-based start-ups

and huge internet penetration coupled with demand for specialised skills, a **shift towards hiring more white-collared gig workers is seen.**

- Today, organisations are hiring huge numbers of white collared workers for various roles across industries.

*Source: Deloitte Research

Our research identified the **approximate split of gig workers** across **blue-collared** and **white-collared roles.***

Gig Workforce Split
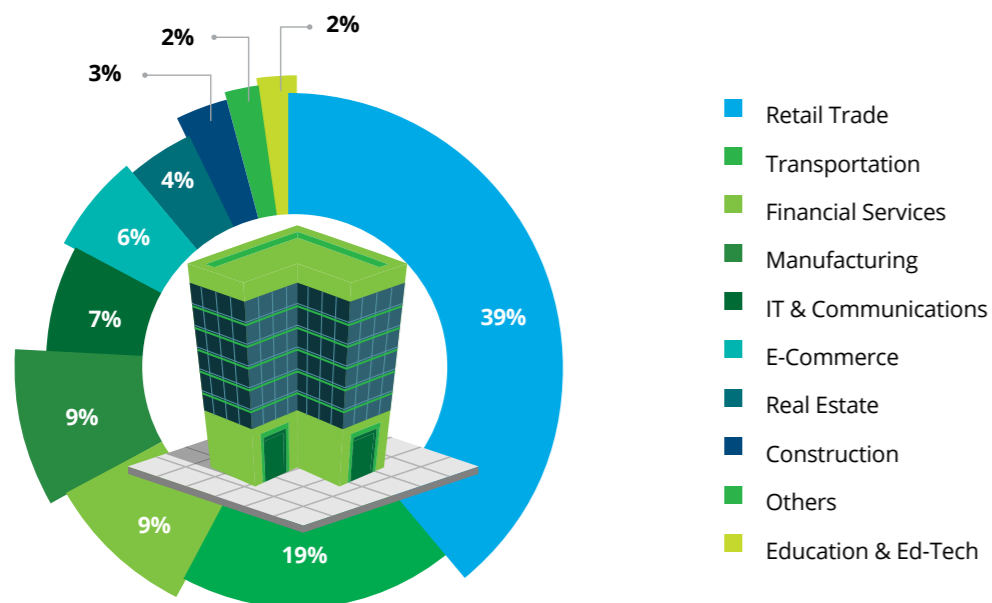

30%

70%

- White Collared
- Blue Collared
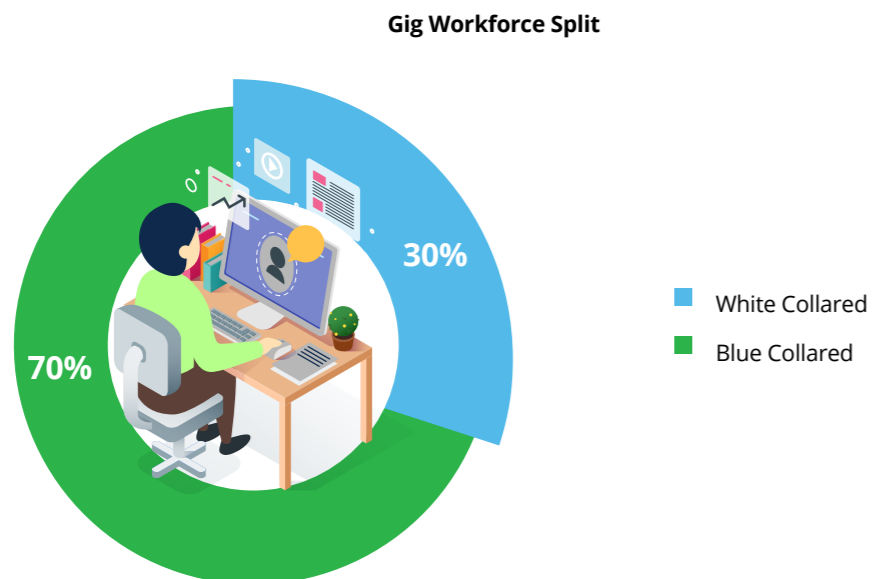
The above split demonstrates that **blue-collar gig workers still dominate India with a 70 percent share** in the total gig workforce. However, the demand for white-collar gig workers is rising and stipulated to grow further in the upcoming decade.

Industry and role-specific trends

- Gig workers, both blue-collar and white-collar, are hired by organisations across various industries.
- Through our research, we identified the **percentage split of gig workforce** across key industries.

The chart below provides a split of the cumulative gig workforce (including white-collar and blue-collar) across industries. We can derive the following insights through this data:

Gig Workforce split across industries

2%
2%
3%
4%
6%
7%
9%
9%
19%
39%

- Retail Trade
- Transportation
- Financial Services
- Manufacturing
- IT & Communications
- E-Commerce
- Real Estate
- Construction
- Others
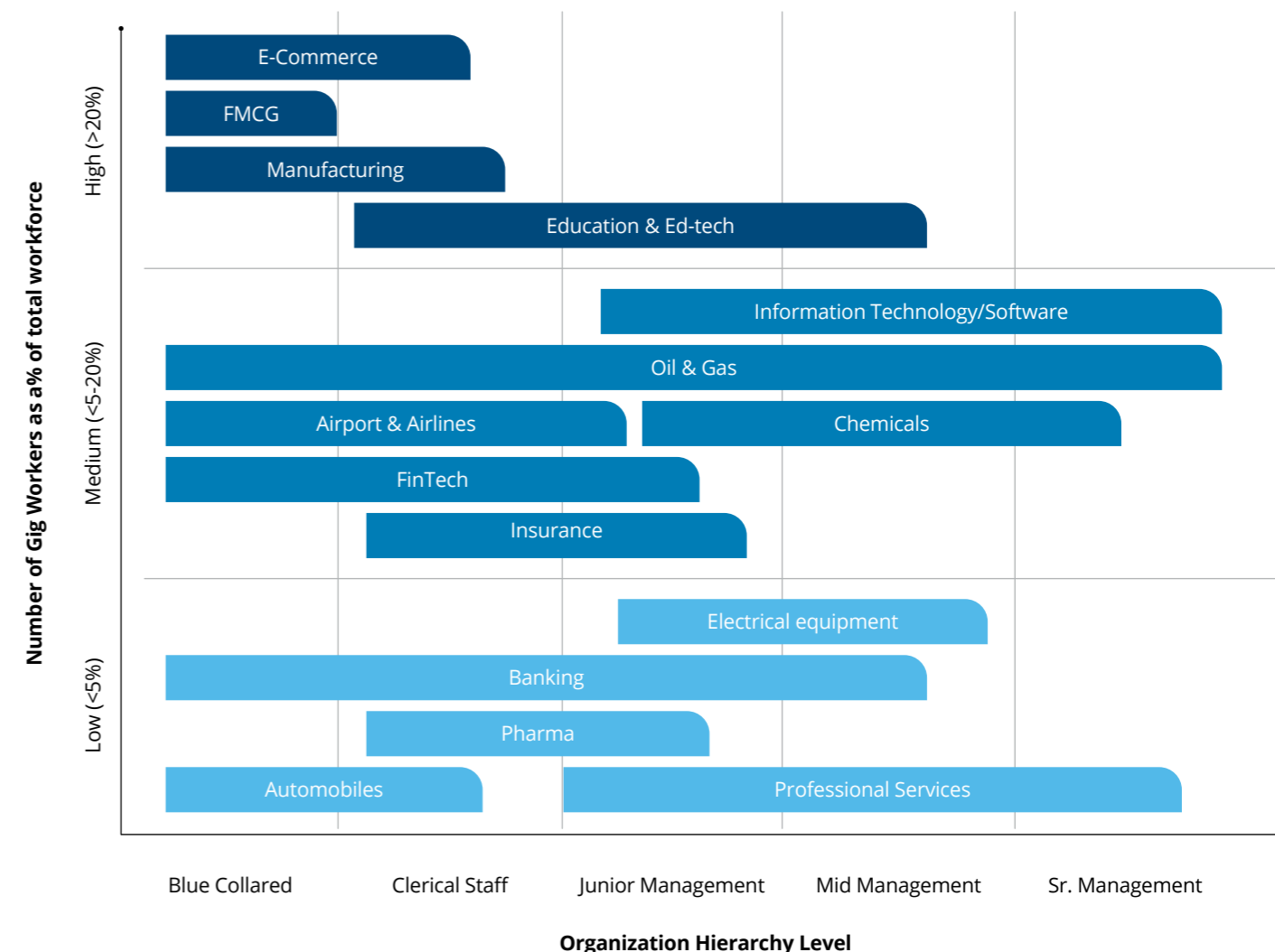- Education & Ed-Tech

*Source: Deloitte Research

16

Traditional gig employers

- We can clearly see that retail trade (39 percent), transportation (19 percent), manufacturing (9 percent), and financial services (9 percent) are the industries that contribute the most to the gig workforce in India*.
- They have been hiring the bulk of gig workers for various jobs for more than 50 years.
- These industries mostly employ **blue-collar gig workers** in low to medium-skilled jobs.

Emerging/New-Age Gig Employers

- Industries such as **IT/software (7 percent), e-commerce/quick commerce (6 percent)** and **ed-tech (2 percent)** have a **huge demand** for gig workforce for **both white collared** and **blue collared jobs .***
- These industries have **massively hired gig workers in the past decade**; subsequently, gig workers are now a significant portion of their workforce.
- The rise of gig workers in these industries can be corroborated by the **exponential increase of technology/platform-based companies, deep internet penetration,** and easy access to smartphones/laptops, which enable remote work in India.

- Further, through our research, we also tried to determine the **presence/headcount of gig workers** in the key industries as **part of the total workforce in that industry.**

- The graph below divides the industries into **low, medium and high** gig workforce category along with the **levels** at which gig workers are being hired.*

Number of Gig Workers as a% of total workforce

High (>20%)
- E-Commerce
- FMCG
- Manufacturing
- Education & Ed-tech

Medium (<5–20%)
- Information Technology/Software
- Oil & Gas
- Airport & Airlines
- Chemicals
- FinTech
- Insurance

Low (<5%)
- Electrical equipment
- Banking
- Pharma
- Automobiles
- Professional Services

Blue Collared | Clerical Staff | Junior Management | Mid Management | Sr. Management

Organization Hierarchy Level

Source: Primary research

*Source: Deloitte Research

17

- From the figure above, we can identify that **e-commerce, ed-tech, manufacturing** and **FMCG** have the highest number of gig workers with their presence as high as 39 percent of the total workforce.
- Organisations in industries, such as **manufacturing, FMCG,** and **e-commerce** largely hire **blue-collar gig workers** for the roles of **delivery partners, attendants** and **secondary packing.**
- However, **e-commerce** and **education/ed-tech industry organisations** hire **white-collared gig workers** as well, mainly as **sales and business development agents** and **customer service agents.**
- This implies that although **emerging/new-age gig employers, such as e-commerce and ed-tech,** make a lesser overall contribution to India's gig workforce, individually, these industries have a huge presence and demand for gig workers.
- Industries such as **automobiles and pharmaceuticals** have a lesser number of gig workers mostly in blue-collar and clerical roles, including **junior executives** in **support**

functions such as **HR, IT, finance and quality.**
- Industries such as **airports and airlines, insurance** and **FinTech** have a significant presence of gig workers as a part of their total workforce. They largely hire for blue-collared and clerical roles such as helpdesk representatives, insurance agents and quality check agents.
- It can also be seen that certain industries, such as **professional services, IT, banking, oil and gas** and **chemicals have a significant prevalence of higher-level (white-collar) roles.** In these sectors, organisations hire senior-level employees as gig workers to perform extensive skill-based or project-specific tasks.
- Organisations in such industries typically hire for roles, such as **software developers, testers, technical experts, consultants and programme/project managers.**

Annexure 1 has a detailed list of roles by function across industries.

- We further researched to understand the **demand of white-collar gig workers** across industries that typically hire gig workers.

- We identified that **IT/software services and education/ ed-tech** are the two major industries that specifically hire for white-collar gig roles with specialised skills.

- These two industries alone contribute about 63 percent of the total white-collar gig workforce in India.

- Other industries that majorly hire white-collar gig workers include **consulting and professional services, healthcare and telemedicine, market research, media and entertainment** and **real estate.***

White Collared Gig Workforce across industries

- IT/Software Services — 46%
- Education/Ed-Tech — 17%
- Advertising/Marketing — 8%
- Others — 29%
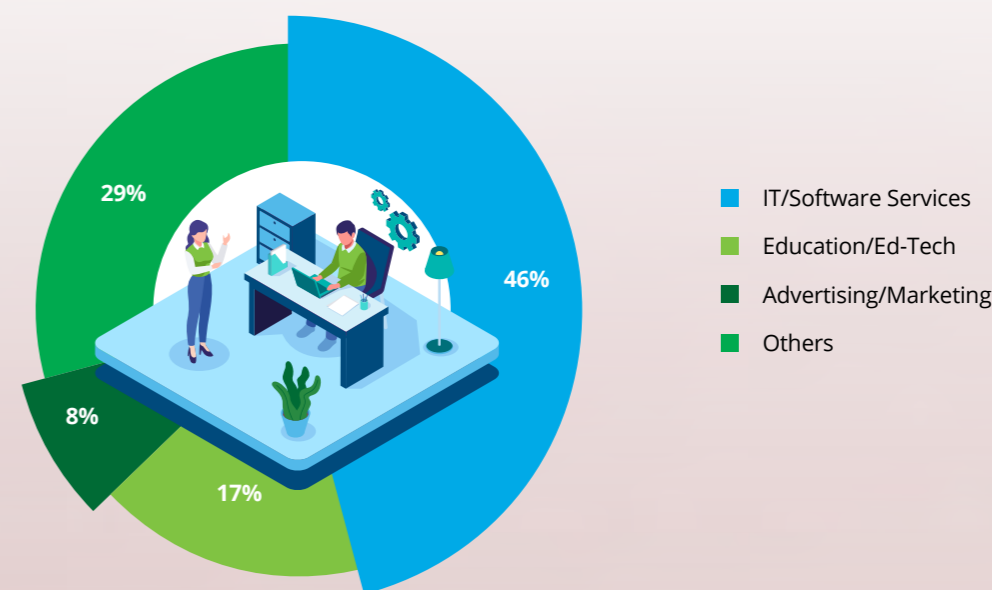
Levels of Management Explained
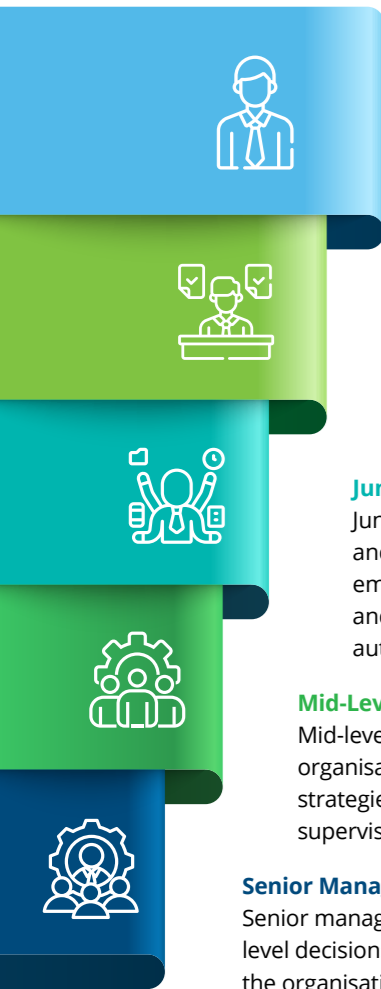
Blue-Collared Workers
: Blue-collar workers are generally employed in manual or industrial work that involves physical labour. They are often involved in tasks related to production, manufacturing, maintenance and other hands-on activities. They are typically skilled or semi-skilled individuals who may not be involved in decision-making processes but play a crucial role in executing tasks that contribute to the production or delivery of goods and services.

Clerical Staff
Clerical staff, also known as white-collar workers, are responsible for administrative and routine office tasks. They provide support to different management levels handling paperwork, data entry, communication and office organisation. They are essential for the smooth operation of an organisation, managing day-to-day administrative functions. Roles in this category include receptionists, secretaries, data entry clerks and administrative assistants.

Junior Management
Junior management, also known as first-line or supervisory management, oversees the work of blue-collar and clerical staff. They ensure that tasks are executed efficiently and act as a link between the lower-level employees and higher management. Their focus is on day-to-day operations, coordinating activities and achieving organisational goals at the team or department level. They often have decision-making authority within their assigned areas.

Mid-Level Management
Mid-level management is responsible for the overall functioning of specific departments or units within an organisation. They bridge the gap between junior management and senior management, translating high-level strategies into actionable plans. They are involved in both strategic planning and day-to-day operations. They supervise junior managers, coordinate departmental activities and contribute to organisational decision-making.

Senior Management
Senior management, also known as top management or executive management, is responsible for making high-level decisions that shape the overall direction of the organisation. They develop strategies, set goals and ensure the organisation's long-term success. They focus on the organisation's vision, mission and long-term objectives and their decisions have a significant influence on the entire company.
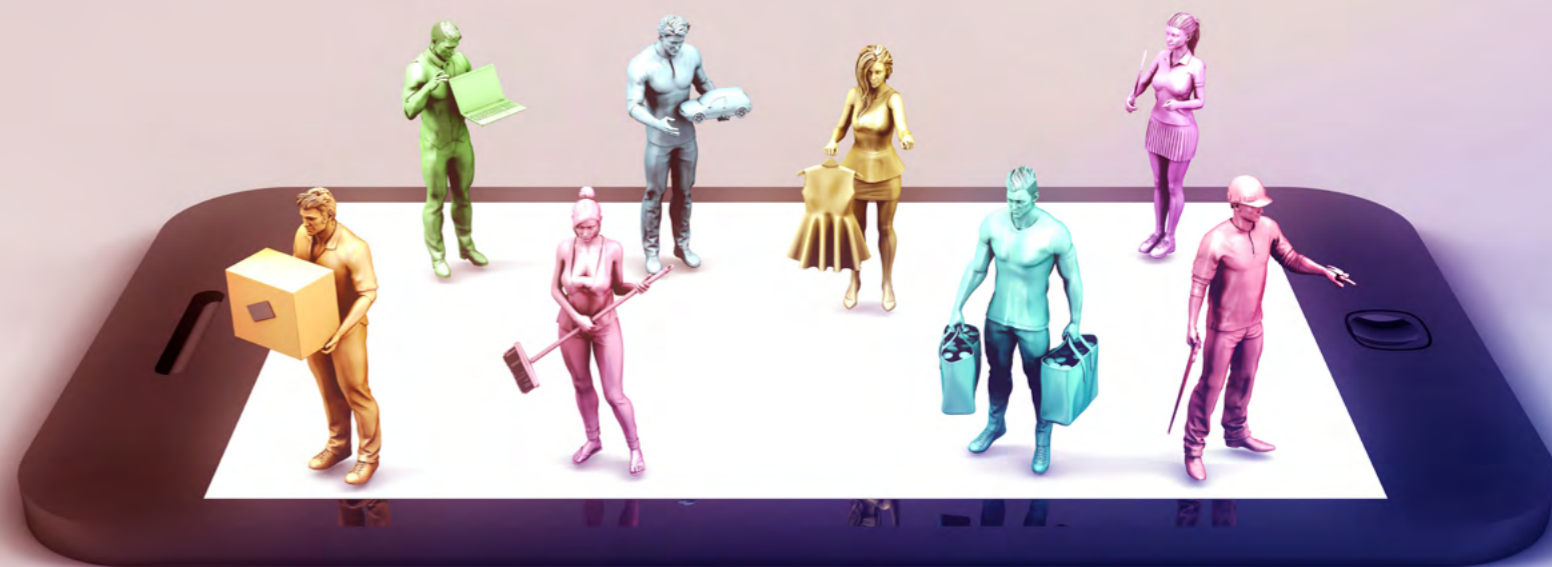
Cost Vs Role Criticality

Based on our research and understanding of gig roles across industries, we have projected the criticality of such roles compared with the cost of hiring them. Understanding the cost implications in relation to role criticality for the gig workforce is essential for efficient resource allocation, risk mitigation and competitive advantage. It enables cost-effective scaling of the gig workforce while enhancing retention and engagement of crucial talent.
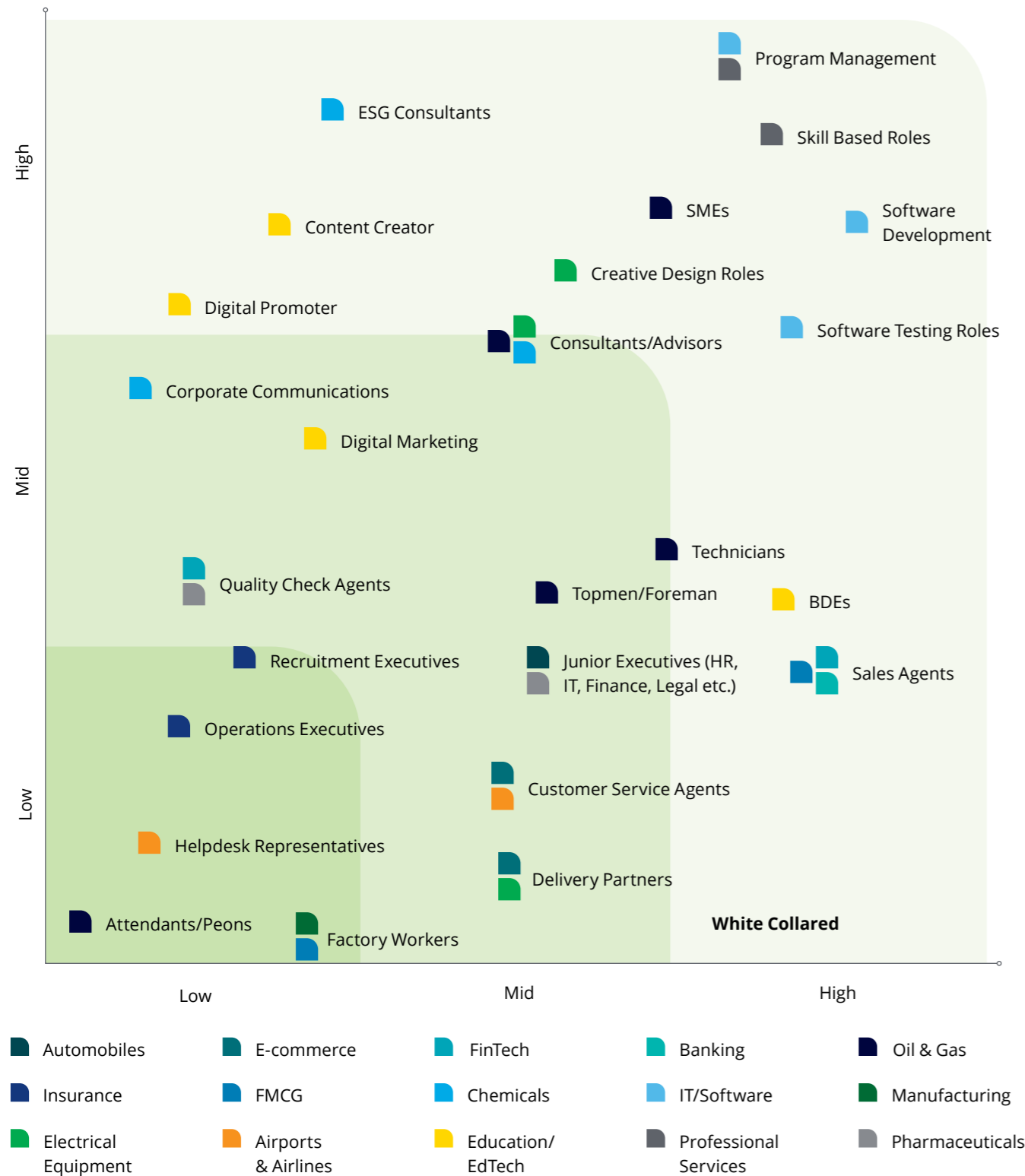
Role criticality explained

- **Low role criticality:** Low role criticality indicates that a particular position within the organisation has a minimal effect on core functions and business objectives. Roles with low criticality may involve routine tasks, have limited decision-making authority and their absence or performance variations may not significantly affect overall productivity or outcomes.

- **Moderate role criticality:** Moderate role criticality suggests that the position plays a noticeable role in supporting organisational functions, but its absence or suboptimal performance may not lead to immediate or severe consequences. Roles with moderate criticality often involve responsibilities that contribute to specific processes or projects. While they may not be central to core operations, their effective execution enhances efficiency and effectiveness.

- **High role criticality:** High role criticality signifies that a particular role is integral to the core operations and success of the organisation. The absence or subpar performance of individuals in these roles can have a significant and immediate effect on business outcomes. Roles with high criticality are typically associated with key decision-making, leadership or specialised skills crucial for achieving strategic goals. Individuals in these roles are essential for maintaining the organisation's stability, growth and overall success.

Cost to hire explained

- **Low cost to hire:** Low-cost gig roles typically involve tasks that require basic skills and can be performed by individuals with minimal experience. These roles may be short-term or project-based and the tasks are generally routine and easily trainable.

- **Moderate cost to hire:** Moderate-cost gig roles involve a moderate level of expertise and may require specialised skills or experience. The tasks may be more complex or need a higher level of proficiency, contributing to the overall success of a project or assignment.

- **High cost to hire:** High-cost gig roles are associated with specialised, high-demand skills or expertise. These roles often require extensive experience, advanced qualifications or a proven track record . The tasks are critical to the success of projects or the achievement of specific business objectives.
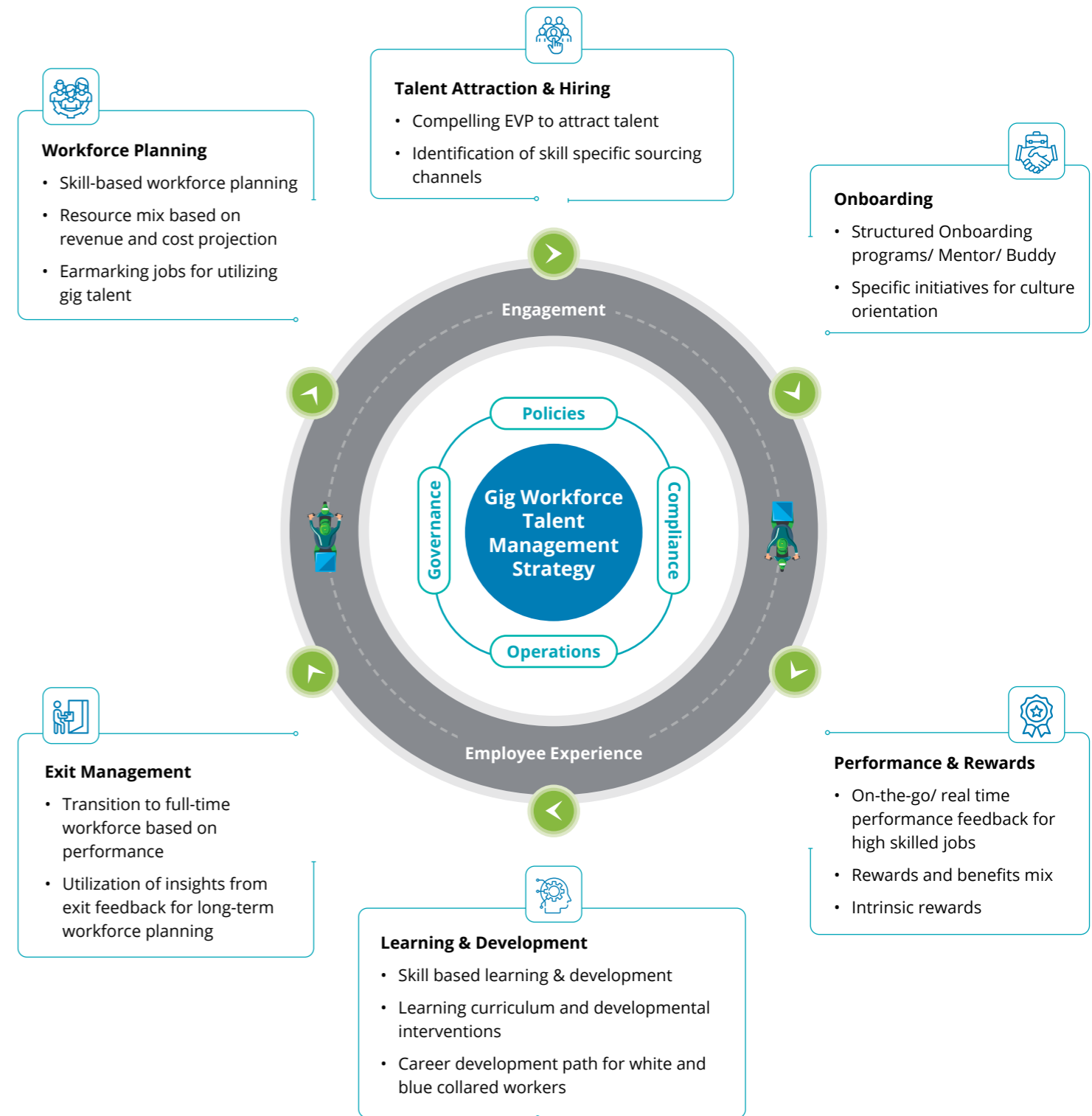
Our hypothesis: Need for a robust talent management strategy for gig workforce

Need for a robust talent management strategy to manage gig workforce

A sound framework for gig workers is the cornerstone of a thriving enterprise, built on fairness, transparency and mutual trust. We have looked at the end-to-end employee lifecycle to identify appropriate strategies for organisations to harness the true potential of the gig workforce.

GIG WORKFORCE TALENT MANAGEMENT FRAMEWORK

Workforce Planning
- Skill-based workforce planning
- Resource mix based on revenue and cost projection
- Earmarking jobs for utilizing gig talent

Talent Attraction & Hiring
- Compelling EVP to attract talent
- Identification of skill specific sourcing channels

Onboarding
- Structured Onboarding programs/ Mentor/ Buddy
- Specific initiatives for culture orientation

Exit Management
- Transition to full-time workforce based on performance
- Utilization of insights from exit feedback for long-term workforce planning

Learning & Development
- Skill based learning & development
- Learning curriculum and developmental interventions
- Career development path for white and blue collared workers

Performance & Rewards
- On-the-go/ real time performance feedback for high skilled jobs
- Rewards and benefits mix
- Intrinsic rewards

Workforce Planning

Balancing workforce demand and supply

Successful workforce planning brings together data on both workforce demand and supply. The sophistication of the solution will depend on the nature of the business and the workforce under consideration. Taking a **skills-based approach** towards workforce planning will facilitate **gig working,** bringing about multiple benefits for both the organisation and its workforce.

Approach for a skill-based workforce planning

The following approach to skill-based workforce planning will facilitate the use of gig talent in alignment with the organisation's business strategy.

Skill mapping

To perform the tasks and activities outlined for the different functions across the organisation, the various skills and capabilities required must be mapped exhaustively at a function/ unit level. Future skills based on the business growth strategy of the organisation must be analysed as well.

Analysing workforce demand and supply drivers, against skills identified

A scientific analysis of balancing demand drivers, such as business, capability or geographical expansion, revenue growth and customer demands and supply-demand drivers, such as in-house talent, recruitment pipelines, automation tasks potential, against the identified skills will enable workforce planning. It will assess future requirements based on demand and supply forecasting. Analysis of future skill readiness by function and comparing the relevance of skills against their availability in the internal and external talent market will be imperative at this stage.

Resourcing mix based on cost projections and Return on Investment (ROI) assessment

To balance business revenue generated against operational costs, the right resource mix comprising in-house and outsourced talent and full-time and gig workforce for core and non-core business activities will be critical. This analysis should also cover the entire workforce spectrum comprising white- and blue-collar resources.

A critical next step is to identify jobs that have the potential to be manned by gig workers. We have indicated key parameters that can be used to identify such roles:

Earmarking jobs for using gig talent

Typically, the following situations may warrant the need for deploying gig talent in organisations:

- Project-based jobs for a short duration to enable business growth
- Urgent business needs
- Supporting during a transition or transformation within the organisation
- Critical activities that may be seasonal
- Consulting and advisory roles that require specific expertise not available in-house
- Replacing executives on sabbaticals or maternity leaves in the short term

From the above assumptions at organisations, we have listed below a few indicative parameters that can act as guidelines for identifying roles that could deploy gig talent.

Indicative Parameters for earmarking roles

Managerial Breadth

Determines the scope of responsibilities that a role will hold

Data Security

Determines the frequency at which the role will be required to handle confidential data

Decision Making

Determines the latitude of decision-making power that a role will have in order to provide solutions and support execution plans independently or as per pre-defined guidelines

Forward Thinking

Determines the degree to which the role will be needed to reason and anticipate to solve business problems

Nature of Impact

Determines the extent of quantifiable impact that the role will create that may be direct or indirect in nature

Technology Impact

Determines the foreseeable impact that technology will have on the role

Specialized Experience

Determines the magnitude of specialized exposure that a role will need in the functional areas such as vocational, practice, on-the job

Utilization

Determines the extent to which the organization will leverage the role's skill-set on a daily basis

Talent Availability

Determines the degree of time that a feeder role will need to perform this role's responsibilities optimally

Duration

Determines the time period for which role will be required by the organization

Talent attraction and hiring

Creating a compelling Gig Value Proposition (GVP), a term that captures the organisation's capability to attract, onboard, manage and retain the gig workforce, assumes significant importance in today's business context. This would entail taking steps towards changing the organisational culture and mindset by minimising the boundaries defining permanent and temporary workforce, including redefining policies and benefits that were initially applicable to only full-time employees. Moreover, organisational processes must be revised to enable faster deployment of gig talent for projects and assignments, and work culture conducive to a flexible style of working in terms of timings, work locations and other mandates that are tagged to full-time employment. Adopting a skills-based approach to the talent acquisition

process, standard qualifications (diplomas and degrees) of candidates alongside certifications and other endorsements of skills can be evaluated to rightly determine the capability and fit of candidates. By focusing on skills, employers can rethink job descriptions, to target the results to be achieved, rather than the type of qualifications that could deliver them and pinpoint quality applicants for hard-to-fill roles. Thus, to satisfy the need for a flexible and efficient workforce, organisations can tap into various channels to source gig talent.

Channels to source gig talent

Freelance platforms can provide access to a diverse talent pool of skilled professionals.

Social media platforms can be used to disseminate job opportunities and solicit the support of one's network to amplify outreach.

Company database of past candidates offers a streamlined approach to identifying gig talent by providing access to pre-vetted candidates within the company's existing network.

Referrals have the potential to find premium talent that may have remained undiscovered through conventional recruitment channels.

Job boards provide sections for freelance or contract work. They offer an avenue to advertise job opportunities and conduct targeted searches for candidates who possess the requisite skills.

Consulting agencies specialise in bridging the gap between employers and gig talent by using an extensive pool of pre-vetted candidates who possess diverse skills and experience.

Onboarding

Onboarding is all about **organisational socialisation** —the process through which new hires move from being outsiders to becoming insiders. In the context of gig work, it refers to the process that helps the gig workers understand and imbibe the

culture, mission, vision and values of the organisation. It includes learning the skills and behaviours they need to succeed in their new organisation and understanding their role in contributing towards organisational objectives.

Key components to ensure a successful onboarding programme for gig workers

- **Establishing linkages to connect:** To avoid gig workers from being siloed in the organisation, given they will mostly be hired for specific projects and tasks, it is necessary to facilitate connections and networks within the organisation. This will help the new hires to build meaningful connections.

  - **Mentor/coach:** A seasoned employee can guide the gig worker to understand the organisational values, culture and expectations to contribute to the strategic objectives of the organisation. As formal training would not be feasible for blue-collar workers, shadowing an experienced worker can help them acquire the required technical and functional competencies. It will enable them to understand the cultural nuances of the organisation.

  - **Buddy:** An existing gig worker or a permanent employee with a similar background and job profile as the newly hired gig worker can help them navigate through the day-to-day challenges faced while working in the organisation.

  - **Reverse mentoring:** Gig workers can expand their network within the organisation by sharing their knowledge on specific topics with experienced employees in groups or on a one-to-one basis.

- **Clarification of work and expectations:** The reporting manager or supervisor is to connect with the gig workers to elaborate on how they are expected to contribute, the methodology for their performance assessment and introduce them to other members of the team.

- **Knowledge of compliance and regulatory requirements:** The new hire should acquire a good understanding of the organisational policies and processes. They should be informed of their rights and access to organisational resources and benefits.

- **Training on soft skills and culture orientation:** Providing a comprehensive overview of the organisational structure, its values, and culture is crucial for aligning and integrating new hires into the ecosystem. The gig worker should be able to appreciate the essence of the organisational culture in each of its processes and policies.

- **Follow-up and course correction:** The HR team and reporting managers must be involved with their new hires and determine whether any changes are needed in their training process.

Performance & Rewards

As the trends in the gig economy portray, the gig working model can no longer be considered as an "alternative" workforce model but as a necessary element. However, in most organisations, the performance management system and rewards strategy are not well-tuned to be inclusive of this growing workforce population.

Below are a few challenges in designing an inclusive performance management system and rewards strategy, along with solutions to address them:

⊞ Challenge

As gig workers will only be intended for a **short period** to complete a specific task(s), it **would not be possible for an organisation to invest much time and effort** in evaluating their performance and incentivising them.

⊞ Solution

As the gig population is rising each day, it is critical to design an inclusive performance management system with the following key features:

- **Measure "soft" factors and cultural fit:** Provide gig workers with opportunities that help them imbibe the organisation's culture and assess them on their fitment with respect to these "soft" aspects to identify resources that may become a part of the regular workforce in the long run.

- **Continual feedback:** Provide regular feedback periodically from multiple supervisors/managers involved.

- **End-user feedback:** Collect feedback from customers or teams that use the product or service developed by the gig worker.

- **Use technology:** Using technology to enable seamless collaboration among teams and stakeholders is crucial for reducing delays and red-tapism in communicating feedback. This helps provide the opportunity for gig workers to take necessary action.

⊞ Challenge

Gig workers will include both white-collar and blue-collar workforce. How can the performance management system be designed to cater to both these categories?

⊞ Solution

Though the designed system can be unified and integrated at the organisational level, productivity metrics, evaluation levels and incentivisation strategies must be tailor-made for different workforce categories and according to the nature of tasks performed.

For example, the performance of a gig worker performing the role of item delivery will be evaluated primarily on customer feedback, as against an ESG consultant who will be evaluated on the innovativeness, sustainability, cost-effectiveness and other parameters of the solutions recommended by multiple managers and internal and external stakeholders. However, the effect and application of feedback on compensation and rewards should be the same for these gig workers in a system.

⊞ Challenge

Schemes and ways to motivate and incentivise gig workers are relatively limited, apart from the pre-decided contractual pay they will be offered.

⊞ Solution

Incentivisation and rewards strategy can be looked at under the following two categories:

- **Extrinsic and tangible rewards**
  - **White-collar workers:** o   Apart from the contractual payment paid out at the end of the contract, organisations can compensate in instalments with performance-linked bonus elements. Social security benefits and insurance schemes can also be rolled out to gig workers in compliance with the legal and regulatory framework. Other existing full-time employee benefits can be made partially or fully applicable to gig workers as well.
  - **Blue-collar workers:** o   Though performance-linked incentives may not be feasible for all categories of blue-collar workers, providing welfare benefits, such as subsidised/free doctor consultations, health check-ups, and meal vouchers, can go a long way in realising a positive employee experience.

- **Intrinsic rewards –** Recognising and acknowledging performance and including gig workers in relevant opportunities as applied to the regular workforce motivate the gig workforce. A system to facilitate two-way feedback and enable the gig workers to provide feedback on their experiences and areas that could be improved, as well as look at ways to incorporate the feedback, will be extremely beneficial for organisations to take corrective action on performance management and rewards strategy. For blue-collar workers, ensuring a safe and fulfilling work environment and establishing strong grievance redressal and feedback mechanisms is essential. It can address and solve routine work challenges and motivate them to achieve the expected outcomes. Further, taking measures to ensure personal and family well-being through formal and informal channels ensures productivity and a stronger relationship between the organisation and the workforce.

Learning and development

A key factor in defining a compelling GVP for an organisation will be its L&D strategy for gig workers. Most gig workers aim to acquire skills and use developmental opportunities that will enable them to grow professionally in the long term.

Key considerations and approach for a successful L&D strategy

- **Defining cohorts of white- and blue-collar workers:** Cohort-based learning is a collaborative, community-inspired learning model where employees are grouped into cohorts. Each cohort has a diverse mix of permanent and gig workforce across levels, teams and functions. This will foster enhanced knowledge-sharing and accountability through peer learning and innovation. Cohorts may be separately defined for both white- and blue-collar workers due to the practical differences in their work nature and style, based on broadly identified learning needs in the organisation. However, in situations where mixing of white- and blue-collar workers is feasible, it will usher in a great sense of engagement and belongingness, especially among the blue-collar gig workers.

- **Analysing skill gaps for the various cohorts:** Aligned with organisational and functional objectives, the broadly defined learning needs must be further drilled down to analyse and identify skill gaps for the different cohorts, in collaboration with business function leaders and the HR department. Also, learning leaders must be identified for each cohort to review the learning needs identified and collect feedback from the members of the cohorts to develop the learning curriculum subsequently.

- **Crafting learner personas within cohorts for customised learning interventions:** To design an effective learning curriculum for each of the cohorts, it must be customised based on the characteristics and needs of the different types of workforce. Personas can serve as archetypes to articulate the characteristics of learners across the organisation and design learning interventions accordingly. Personas should be developed using insights from people analytics and primary sources of information, such as surveys and interviews.

- **Developing learning curriculum and developmental interventions catered to learning personas:** To shape the organisation in alignment with their business and organisational strategies, the learning curriculum and strategy should be designed to develop capabilities among the workforce aligned to the overall priorities of the organisation, balancing the return on investment. The following elements will be imperative in developing the curriculum and learning strategy:
  - Designing of learning journeys focused on continuous bite-sized learning and tailored to the various personas and cohorts
  - Ensuring an adaptive mode of content delivery, suited to the work nature, such as mobile learning and gamified learning through apps available on the go for blue collared gig workers travelling extensively or social learning for teams that meet at the office daily
  - Facilitating jobs designed to encourage on-the-job and informal learning over formal training to use the learnings acquired and bring innovation to routine work.
  - o Enabling learning using appropriate cloud and AI-based technology platforms and learning management system to assess and measure performance based on learnings acquired

- **Incorporating learner feedback to course-correct and achieve scale:** To implement large-scale transformation programmes, it is essential to incorporate reflections, mindfulness and wellness in the overall learning strategy to enable holistic development of the workforce.

Exit management

To harness the potential of the gig economy, a sound exit strategy must be in place for the white- and blue-collar workforce. While exit interviews may be ideal for white-collared workers to gather insights and feedback on the overall working experience, other quick, less cumbersome, app-based surveys may be suitable for blue-collared workers. These must be subtle data-gathering mechanisms designed to capture data over an extensive period during their stint and not limited to the time of exit. Care needs to be taken to ensure a hassle-free process for gig workers, in adherence to compliance/regulatory norms.

Key aspects of a robust exit strategy

Career plan as permanent workforce
Towards the end of their gig contract period, transition to full-time positions of select gig workers may be facilitated, based on the assessment of their performance. This requires an integrated performance management system that enables linkage of the gig workers' performance, career aspirations and skills possessed with the workforce demand and skill gap analysis.

Using insights from exit feedback for long-term workforce planning
Determining the right resource mix comprising permanent, gig and contractual workforce requires analysing feedback and insights received over time from exit surveys, interviews and other informal mechanisms. This will serve as inputs for long-term workforce planning, in alignment with future business strategy.

Establishing an alumni network
A strong alumni network comprising gig workers from the past will enable organisations to tap into the same, cater to seasonal demand and avoid the need for a complex recruitment process recurrently.
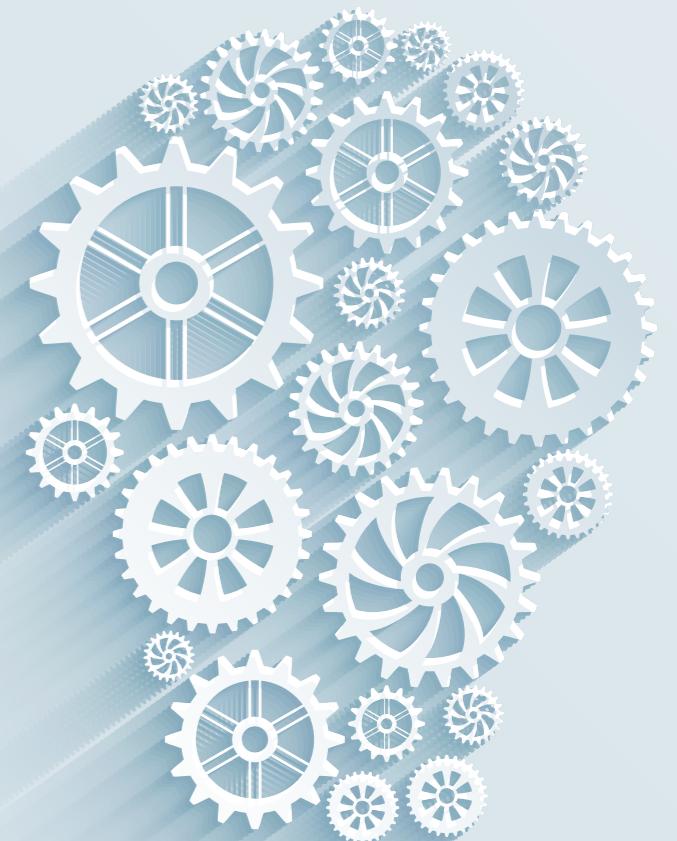
Policies, compliance, operations and governance

In India, effectively managing a gig workforce necessitates a robust framework encompassing policies, regulations, operations and governance. Clear policies establish the terms of engagement, outlining expectations for both the organisation and gig workers, contributing to transparency and mutual understanding. A well-defined governance structure provides oversight, accountability and fairness in gig work relationships, fostering trust and long-term partnerships. Operations, guided by strategic planning, optimise task allocation, communication and performance tracking, contributing to operational efficiency.

In the context of the dynamic gig economy in India, this integrated approach ensures legal compliance, ethical standards and streamlined operations, promoting a positive working environment for gig workers and sustaining the growth and adaptability of the organisation.

Given the distinctive nature of work and the challenges faced by blue-collar and white-collar gig workers, below are some specific and practical ways to create a robust framework encompassing policies, regulations and operations-related nuances to address the needs of each group:

Blue-collar gig workers

Contractual agreements
- Clear and transparent contracts should be established between gig workers and platforms or employers, outlining terms of engagement, payment structures and other relevant details including mode of working and engagement/work tenure.

Health and safety measures
- Mandate safety training programmes for blue-collar workers employed in construction or manufacturing organisations.
- Ensure ready access to safety gear and equipment.
- Implement regular (annual or half-yearly) health check-ups by organising on-premises health camps.

Fair wages and benefits
- Set minimum wage standards for different types of blue-collar gigs. For example, gig workers employed in construction or manufacturing organisations are paid daily and these wages should follow the minimum wage standards per the prevalent market guidelines.
- Provide benefits, such as insurance coverage for workplace injuries.
- Define clear overtime policies and related compensation. For example, the delivery partners for multiple platform-based organisations are paid over and above their regular compensation if they deliver more than the threshold orders for the day.
- Communicate clearly and educate workers about the benefits available to them.

Grievance redressal
- Create a mechanism for the gig workers to raise their grievances/concerns related to work, payment or any other employment-related issues.
- Gather feedback from the gig workers and subsequently improve the policies or processes to avoid repetition of such issues in the future.

White-collar gig workers

Contractual agreements
- Clear and transparent contracts should be established between gig workers and platforms or employers, outlining terms of engagement, payment structures and other relevant details including mode of working and engagement/work tenure.

Flexible work arrangements
- Allow for remote work options (work from home/work from anywhere) where it is feasible.
- Establish norms related to flexible working hours that help support work-life balance.

Health and wellness programmes
- Provide access to mental health support services. For example, many organisations have collaborations with third-party mental health service providers to support their employees. Such services should be made available for gig workers as well.
- Offer enrolment to wellness programmes and health awareness sessions to address sedentary work-related health issues.

Transparent compensation models
- Clearly define compensation structures and payment processes before onboarding the gig workers.
- Address concerns and provide timely support related to delayed payments or any discrepancies.

Insurance and benefits
- Offer health and accidental insurance coverage with an option for the gig worker to continue the benefit coverage after the employment contract is over.
- Communicate clearly and educate the gig workers about the benefits available to them.

Grievance redressal
- Create a mechanism for the gig workers to raise their grievances/concerns related to work, payment or any other employment-related issues.
- Gather feedback from the gig workers and subsequently improve the policies or processes to avoid repetition of such issues in the future.

Data protection and privacy
- Set up stringent mechanisms to ensure the organisation's data protection and privacy is in place.
- Ensure that gig workers comply with data protection and privacy laws, as it is crucial for them, especially when handling sensitive information.

In addition, organisations should look at the following points to effectively streamline the operations for managing the gig workforce:

Technology integration
- Using technology effectively in managing gig workers is important.
- Organisations should invest in platforms and tools that facilitate seamless communication, project management and work tracking.

Data-driven approach
- In this approach, a skill taxonomy (defining role/work-specific future-focused skills with their definitions) should be created based on the organisation's business objectives and outlook.
- To streamline operations and avoid ambiguity, organisations should use the skill taxonomy to match gig workers with projects that align with their expertise areas.

Real-time communication
- Establishing effective communication channels is crucial. Given the remote and decentralised nature of gig work, organisations should have real-time communication tools to promptly convey updates, feedback and instructions.

Employee engagement and experience

Employee engagement refers to the nature of the relationship between the organisation and its employees. Employee experience is the bridge that links the level of engagement that the employee has with their work, as well as with the organisation that affects the level of satisfaction provided. The organisation needs to ensure that both engagement and experience strategies encompass the "employees", including not just the regular, permanent employees but also the entire spectrum of gig, contractual and freelance workers.

Employee experience for a gig worker includes the culmination of multiple elements and areas that contribute to their overall engagement. Though most of the factors that contribute to employee engagement have been elaborated on in the previous sections, the attributes that affect employee engagement and experience are listed as follows:

Blue-collar gig workers

Supportive work culture: While blue-collar gig workers, such as frontline associates work synchronously and do not meet on a regular basis, organisations must take measures to pass on their cultural values and ensure a safe and collaborative work environment for everyone. In-person meetings and informal connections can help strengthen the bonding among the employees, both permanent and seasonal.

Growth opportunities: Although gig workers may be employed seasonally or for short stints, it is essential to expose them to the broader organisational strategy. This helps them appreciate the mission of the organisation and understand how their contributions aid in achieving the common mission. Designing a career path aligned to their aspirations to enable them to pursue a full-time role and identify growth opportunities will significantly contribute towards enhancing their employee engagement.

Blue-collar gig workers

Initiatives to ensure a balanced work-life and well-being for gig workers: To make them feel valued and instil the need to contribute to the organisation, it is necessary to implement family care programmes, health and medical benefits and reduce mental stress and burnout. Such initiatives guarantee a positive workplace environment.

Transparent communication to cover all kinds of workforce: To prevent gig workers from being isolated and siloed and be aware of significant milestones and achievements of the organisation and to instil a feeling of oneness and belongingness within the organisation, it is important to ensure transparent communication is in place.
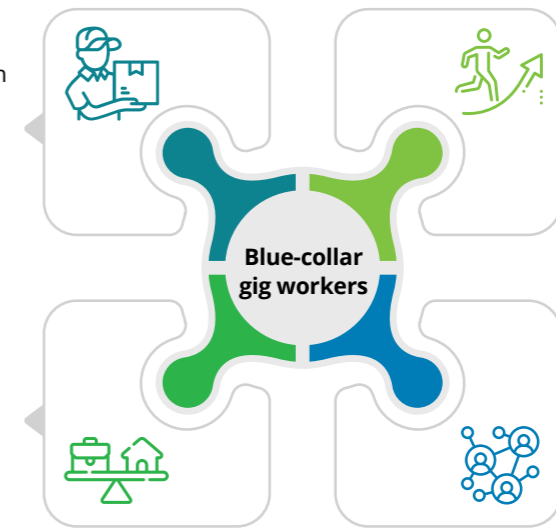
White-collar workers

Promoting diversity, equity and inclusivity: Ensuring that these principles guide all processes and policies of the organisation it will be significant to ensure representation of individuals in the organisational community. This will in turn expand the avenues for gaining perspectives and foster innovation.

Hassle-free HR policies and processes: Organisations need to follow processes anchored on technology and achieve the end goal with minimal interference and effort from the individual's side. This will contribute to smoothening the overall experience for gig workers during their stint.

White-collar workers

Raising the level of autonomy granted to gig workers: It would enhance their work experience, to improve their chances of engaging in meaningful work. This would also enable them to give back to the organisation, in the same way it provided opportunities for their career growth and learning.

Rewards, recognition and well-being: Beyond monetary compensation offered to gig workers, organisations need to have a suitable rewards strategy in place, incentivising them intrinsically and extrinsically to further motivate them.

Praising gig workers, appreciating their contributions and communicating how their contributions have helped in moving towards the larger purpose of the organisation. In addition, taking steps to ensure that gig workers are not mentally stressed, significantly contributes to enhancing their overall work experience.

Annexure

Annexure 1: Detailed list of gig roles by function across industries

Industry	Gig Workers hired across industries	
	Roles	**Function**
E-commerce	Delivery partners Customer service agents	Logistics Customer service
Automobiles	Junior executives	HR, IT and accounts
Banking	Programme management, sales agents and specialised skill-based roles	Sales, HR, finance, IT and operations
Fintech	Sales agents and quality check agents	Sales quality check
FMCG	Factory workers and sales agents	Manufacturing operations
Insurance	Recruitment executives and operations executives	HR, operations
Manufacturing	Factory workers	Manufacturing
Oil and gas	Topmen, foreman (supervisory), SMEs/consultants/ advisors, technicians, attendants	Drilling, exploration, production, finance, HR and legal
Professional services	Skill-based roles	Assurance, consulting, strategy and transactions and tax
Electrical equipment	Consulting, creative design and delivery partners	Supply chain, technology and sustainability
Chemicals	ESG compliance consultants, corporate communication and feet on street workers	Consulting and technology
Pharmaceuticals	Junior executive roles in quality, HR and IT functions	Quality check, IT and HR
Airport and airlines	Junior executives, helpdesk representatives and customer service agents	Airport operations, guest relations, HR and finance
Education/ed-tech	Sales and business development agents, content creators and digital promoters	Sales and content creation
Information technology	Full stack developers, data scientists, react and Java developers and cloud engineers	Software development, IT consulting, information security and quality assurance and testing

Connect with us

Nitin Razdan
Partner
Deloitte India
nitinrazdan@deloitte.com

Nikhil Kolur
Partner
Deloitte India
nkolur@deloitte.com

Contributors

Ashil Varghese

Ayush Vatsa

Bidita Shenoy

Sameer Agrawal

Acknowledgement

Neha Kumari

Sharanya Dhingra

Shreeti Nair

Deloitte.