

## Research on innovation of human resource management under the mode of Gig Economy

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### Abstract

With the rapid development of the Internet and Information Technology, Gig Economy as a new economic and employment model has become a new trend of social employment relations. It not only relieves the current employment pressure and creates new jobs, but also promotes enterprises to reduce labor cost and allocate human resources more effectively. Based on the analysis of the relevant literature on the Gig Economy and the current development situation of China's Gig Economy, this paper puts forward the opportunities and challenges that China's human resource management faces under the Gig Economy model. Finally, the corresponding innovation countermeasures and suggestions are put forward from the three levels of government, enterprises and casual workers.

### Keywords

Gig Economy, human resource management, casual workers.

### 1. Introduction

With the normalization of the COVID-19, China will still face great employment pressure in 2022. In order to alleviate the employment pressure, Premier Li Keqiang proposed "accelerating digital development and creating a new situation of digital economy" in his government work report. The part-time economic model generated by digitization can not only bring higher efficiency to the sustainable development of the industry, but also provide a large number of new jobs, and even give birth to a "new ecology", providing more full and high-quality employment for job seekers. The Gig Economy is not entirely a new thing, but a product derived from the development of big data and Internet technology, that is, the model of quickly matching the supply and demand side of labor force through Internet and mobile technology (Wei Wei, 2020)<sup>[1]</sup>. Different from the traditional employment pattern, the employment choice, working hours and working methods under the Gig Economy pattern are more flexible and flexible, and the workers realize their self-value by lending their labor force through the Internet platform, and concurrently hold multiple jobs, in order to maximize their own value. In practice, the Gig Economy has been applied to many platforms, such as Meituan takeout. The emergence of the model of the Gig Economy not only relieves the current employment pressure and creates new development opportunities, but also promotes the enterprises to reduce the labor cost and allocate the human resources more effectively. But the emergence of new things is not without drawbacks, the development of the Gig Economy mode makes the traditional management concept of human resource management no longer universally applicable. Therefore, it is imperative for human resource management to carry out innovative changes, facing the new challenges brought by flexible employment, the government, enterprises and individuals should take appropriate measures to promote the progress and development of human resource management under the model of Gig Economy.

## 2. Connotation and characteristics of the Gig Economy

Gig Economy is a new economic form and employment mode based on the rapid development of Internet and information technology. It means a special form of work in which employees and employers choose to cooperate for a short period of time (Lobel, 2017) [2]. However, different from the traditional employment model, the Gig Economy has three main bodies, namely the demand side of labor force, the supply side of labor force and the platform of the Gig Economy, and the platform gets paid accordingly.

This paper defines the Gig Economy as the temporary labor online market (Manyika et al., 2016)[3], which is mediated by the network online platform. The use of Internet technology for the demand side and the supply side of the workforce to match Labor, while free workers can be engaged in more than one job. For casual workers, the Gig Economy is different from the traditional way of working. There is no fixed time and place for casual workers, which gives them more autonomy and freedom, thus increasing the happiness of working. For employers of casual workers, in the Gig Economy, employers and employees do not have long-term formal work contracts, and employers do not have to bear the corresponding benefits and protection of employees, to save the cost of Human Resource Management (Wang Jiabao et al. 2020) [4].

The characteristics of the Gig Economy are as follows: (1) Irregular working hours due to fluctuating demand for services, working hours are freely determined by the supply and demand side (Finkin, 2016)[5] ; (2) Workers in some positions are required to prepare some or all of the equipment and materials required for their work; (3) Most casual workers can choose their place of work, such as completing their work in their own workplace (Stanford, 2017)[6] ; (4) Casual workers may be remunerated on the basis of specific tasks assigned by their employers rather than unit hours, such as remuneration by piece, etc. ; (5) The publication and receipt of part-time work usually requires the assistance of a digital intermediary organization, examples are network platforms (Valenduc & Vendramin, 2016)[7] .

## 3. Development of the Gig Economy in China

With the development of Internet technology and the rise of the Gig Economy, the number of people engaged in casual Labor in China has gradually grown. At the same time, with the advantages of flexible employment and saving human resources of the Gig Economic model, casual Labor has become the new normal in China, and it's growing fast. In the model of the Gig Economy, China's human resources in various industries to play a huge job potential, it is expected that in 2036, China's number of people involved in the Gig Economy will reach 400 million (Zheng Qi and Yang Weiguo, 2019)[8] . On the China State Council executive meeting, Premier Li Keqiang also mentioned that when he visited southern of China, he found that there was a "Temporary job market" in the early days of reform and opening-up, and proposed that in the new era of Internet development, the Gig Economy, with no fixed hours, locations and employers, can also create more jobs.

At present, China's academic research on Gig Economy is not rich, most of the labor relations and legal issues from casual labor research. On Labor Relations in the Gig Economy, Scholars Yang Binyi and Meng Quan (2020)[9] argue that the rise of the Gig Economy has created more online jobs, its flexibility and uncertainty will transfer the business risk to the casual workers, the original organization management science is no longer applicable to the Gig Economy. Scholars such as Chen Xiangdong and Zhang Feng (2020)[11] proposed that the Gig Economy and the sharing economy are mutually supporting and developing under the background of the knowledge-based industry age, and give Labor a more forward-looking development opportunity in addition to its traditional form, improve the quality of labor. Scholars such as Zheng Qi and Zhang Shuwan (2020)[11] through a survey of Beijing's take-out riders, found that

most of the take-out riders chose part-time jobs in pursuit of job flexibility and higher economic returns, but it is the structural shift in the labour market that has forced them to join the casual industry to survive. On the legal issues of the Gig Economy, Scholars Tu Yongqian and Wang Qianyun (2020)<sup>[12]</sup>argue that the Gig Economy is of positive significance to the government, enterprises and individuals. However, the problem to be solved at present is the problem of defining the identity and protecting the rights and interests of casual workers, which is inspired by the California Casual Workers Economy Act promulgated by the United States. It has an important reference meaning for our country to give the legal protection to the casual workers in the future. Hu Fangzhi and Shao Jihong (2020)<sup>[13]</sup> pointed out that there are many practical problems in the current casual labor market, which has brought great challenges to China's existing labor laws and regulations and labor hour system. And it requires relevant departments to strengthen the supervision of the Gig Economy, to carry on the innovation to each kind of legal system, from many aspects safeguards the casual laborer's labor rights and interests.

## 4. Influence of the Gig Economy on human resource management

### 4.1. Opportunities for human resource management in the Gig economy

(1) Reduce the operating costs of enterprises and enhance their competitiveness

Under the model of Gig economy, the workers have greater flexibility in their work, which can stimulate the enthusiasm of the workers and improve the productivity of enterprises. Just as crowdsourced riders on delivery platforms such as Meituan do not have the same strict evaluation system as dedicated riders, there is greater freedom in working hours and methods, and pay is linked to workload, making it easier to motivate workers. In addition, enterprises do not need to sign formal labor service contracts for "Casual" workers, and do not have to pay for them public accumulation funds, social insurance funds, etc., which can both reduce the operating costs of enterprises, do not have to worry about the contract with the workers after the risk of arbitration.

(2) Ease the pressure of employment and speed up the efficiency of talent matching

Under the model of the Gig economy, the laborer matches with the enterprise through the relevant platform, which makes the human resources get the full use. For example, "Pig Bajie network" is a talent-sharing platform, enterprises in the platform of employment requirements, conditions and pay, targeted to find workers in line with demand. "Autonavi" launched the free-ride business, for idle car owners and car demand for consumers to build a platform, both to save time and cost, but also to meet the needs of both sides.

(3) Provide employment opportunities and alleviate employment pressure

Compared with the traditional economic model, the Gig economy model provides a large number of jobs for the society and alleviates the employment pressure. In the past, although there were part-time jobs in the traditional economic model, the Internet technology was not mature, which led to low labor matching efficiency and high labor cost. With the development of the Internet, the employment model that used to be enterprise-centered has changed to a labor-centered one, in which the enterprise spends its labor cost to find workers, become the workers themselves to match the needs of the enterprise. With the decrease of labor cost, the total amount of labor will increase. Therefore, the emergence of the Gig economy has played an important role in expanding employment.

(4) Stimulate the enthusiasm of the whole people to start their own businesses

The Gig economy not only creates employment opportunities, but also stimulates people's ability to innovate and start businesses. Many people can not only full-time can also part-time, such as the emergence of the Internet anchor, take-out riders, hitch drivers, Wechat business,

etc., are in a full-time way part-time. In the Internet Age, everyone is from the media, can create their own value.

## 4.2. Challenges of human resources management arising from the Gig economy

### (1) The social security system is not perfect

China's current social security system only covers workers who have formal employment contract with the company, while "Part-time" workers who have not signed the corresponding employment contract with the service company, their legitimate rights and interests can not be protected. Some platforms do not pay social security for part-time workers in order to save costs, or only buy commercial insurance, thus exposing part-time workers to a certain degree of security risks, and the government lacks the relevant institutions to supervise the workers' units, the country lacks the corresponding laws and regulations to carry on the protection to the part-time labourer. In addition, the majority of casual workers rely on third-party platforms to provide labor services to enterprises, and there are no relevant regulations on the taxes from which remuneration is generated, which may result in tax evasion. For example, the network after the anchor income is based on salary or business income to pay taxes and so on.

### (2) The quality of work can not be guaranteed

When employing units recruit part-time-labor workers, most of them use online methods, and can not carry out a comprehensive evaluation of the overall quality of part-time-labor workers. The part-time-labor workers recruited by enterprises do not necessarily meet the needs of enterprises, thus increases the enterprise's employment cost, reduces the competitive power. In addition, part-time workers often lack loyalty and a sense of belonging to the enterprise, so they may take a negative attitude to work, affecting the quality of work. For example, in Meituan, crowdsourced riders are punished far less for poor reviews and timeouts than dedicated riders, which means they don't work as diligently as dedicated riders, and the quality of their work can not be guaranteed.

### (3) The job responsibility can not be determined

For low-skilled workers, such as take-out riders, hitch-hiker frequent outbreak of safety issues, as part-time workers and between the company's responsibility is difficult to divide. For workers with professional skills, such as text editing, image design, consulting and other tasks to complete the standard is difficult to define, prone to labor disputes, if third-party enterprises are not satisfied with the services of part-time-labor workers need compensation, liability is equally difficult to define.

### (4) The legitimate rights and interests of workers can hardly be protected

In China's Social Security System, the employer is the main contributor to social security contributions. Although individual workers can participate in social security contributions as flexible urban employees, the contribution from the employer is less, the cost to the individual is higher. The majority of the workers engaged in the economy are low-skilled workers, who do not know enough about social security and choose not to pay social security in order to save costs.

## 5. Suggestions

### 5.1. Government level

(1) Improve relevant laws and regulations to protect the rights and interests of casual laborers  
Due to the development of the Internet and the rise of a new work model, the corresponding laws in the protection of part-time workers is not perfect, part of the rights and interests of casual workers can not be protected. With the popularity of the part-time model, China needs to make relevant laws for the legal rights and interests of workers in view of the flexibility of

the nature of the “Part-time” work, if the labor law, the Labour Contract Law of the People’s Republic of China Law and the Social Insurance Law are supplemented with relevant provisions to enable casual workers to have the legal basis when they are in employment, and in the event of any infringement of their rights and interests, be able to rely on relevant laws to protect their legitimate rights and interests.

### (2) Strengthen the supervision of the system of Gig Economy

Under the condition that the government makes relevant laws and regulations to make the casual workers have laws to follow, the government also needs to strictly supervise the casual workers economy so that the rights and interests of the laborers can be guaranteed. For example, we should set a guiding price for the income distribution of the “Internet +” industry, strictly regulate employment contracts that use Internet platforms, and prevent related platforms and enterprises from abusing their power in employment. At the same time, relevant law enforcement departments should also strictly enforce the law to protect the legitimate rights and interests of workers.

### (3) Improve the social security system

The social security system of our country mostly aims at the employees who work for a long time, but the casual workers are outside the social security system, so it is difficult to realize the protection of traditional social security to the casual workers. In order to adapt to the short-term nature and flexibility of casual workers under the rapid development of the Internet, some preferential protection should be given to casual workers in the establishment of social security system, according to the number of part-time jobs and the amount of wages according to a certain proportion of the distribution of benefits to protect the rights and interests. Therefore, we should build a new model of social security for casual workers, to ensure that casual workers can participate in social insurance and better safeguard their legitimate rights and interests.

## 5.2. Enterprise level

### (1) Ensure a stable income for casual workers

As casual workers are very flexible in employment, enterprises should enter into temporary employment contracts when entering into a cooperative relationship with casual workers, which accurately explain how to pay the income of the workers, to ensure a steady income for casual workers. In the traditional part-time job market, the problem of wage arrears is emerging one after another. In order to avoid wage problems, enterprises can take cash advance management measures, that is, cooperation between enterprises and the Internet platform for recruiting part-time jobs, the payment of casual workers should be paid by the third-party platform, which can guarantee the payment of casual workers and guarantee the security of the fund. For example, the platform signed a contract with the driver, after completing an order, the platform will be paid to the designated account of the driver in time and in full, to ensure the stability of the income of casual workers.

### (2) Raise the entry threshold for casual workers

With the increase of the number of part-time jobs, the good and bad of the part-time jobs are intermingled. Therefore, the Human Resources Department of an enterprise should attach great importance to the quality of part-time jobs when employing employees, raise the threshold of admission for part-time jobs, and employ them according to their needs and merits, for Corporate Utility maximization problem. Such as enterprises can choose to use assessment scoring system as a threshold for screening, to the national qualification requirements for casual workers. As in some contemporary industries, the state has clear competency requirements for workers in relevant positions, requiring them to obtain the corresponding qualification certificate before they can take up their posts. Therefore, for such positions, the Human Resources Department of the enterprise needs to carry on the strict examination to the

part-time worker's post qualification, guarantees the enterprise hires the part-time worker to be able to complete the work task well.

### (3) Improve the salary incentive system

The traditional human resource management only encourages the employees who have long-term service to improve the performance of the enterprise. Under the current social environment, more and more casual workers take part in the work of enterprises, and the salary incentive to them can also promote the performance of enterprises. In part-time work, the working time is short, the intermittence is obvious, easy to cause part-time work to exist the ennui, does not work earnestly the phenomenon, regarding this employment enterprise human resources management should formulate the corresponding salary incentive system for part-time work, according to the results of the work of casual workers whether beyond the expected results to give the corresponding salary reward, thus stimulate the enthusiasm of casual workers.

## 5.3. The casual worker level

### (1) Enhance their comprehensive capabilities for employment

For the casual workers in the economy, to adhere to life-long learning, and constantly improve their comprehensive ability to slash employment. In the face of the rapid development of the times and the economy, the demand for talents in the industry is also gradually increasing. Casual workers should focus on upgrading their skills to meet the requirements, broaden their work areas, and strive to seek casual jobs in more industries, strive to be an all-round "Slash talent". Therefore, we can improve our work competitiveness, face the risk and uncertainty in the work of the "ABZ plan" (main line, sideline and "Life-saving plan"), through their own work advantages and irreplaceable to improve their risk resistance, the chance to earn higher incomes and secure jobs (Wilmers , 2020)<sup>[14]</sup> .

### (2) Select suitable part-time jobs

In view of the variety of part-time jobs offered on the third-party platform, there may be various risks and problems. Therefore, the part-time workers should carefully check the content of the employment agreement when they choose part-time jobs, to ensure the responsibilities and obligations as defined in this work agreement, such as remuneration, work assignment, etc.. At the same time, more attention should be paid to the issues of work injury, social security and work cycle involved in the agreement. And more protection should be sought for accidents that may occur in the course of casual work, actively strive for their own rights and interests in the work and choose suitable for their own development of casual work.

### (3) Enhance awareness of self-protection of rights

At present, more and more casual workers are joining the ranks of casual workers under China's Gig Economy model, but the problems of departmental labor security have not been solved simultaneously, therefore, casual workers need to participate in work through the network, Trade Unions, trade associations and other channels to understand the rules of casual work, familiar with the relevant laws, in the signing of labor agreements to protect their legitimate rights and interests. When their legitimate rights and interests have been destroyed, we must take the initiative to safeguard their rights and protect themselves with legal weapons. In addition, casual workers should also make full use of the digital intelligence platform to fully understand the relevant information of employment enterprises, so that the information of both sides as far as possible equal and transparent, the choice of regular legal casual work.

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