



Leadership Edge

## Leveraging the Rise of the Professional Gig Economy

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*The expanding gig economy is the locus of evolving work culture and the changing attitudes of employees and employers. The rules for worker growth, stability, and protection are being seen through a new lens as an increasing number of jobs transition into gig-based or project-based opportunities, and more people opt for flexibility and freedom over permanence. In this article, Chandrika Pasricha, Founder & CEO, Flexing It®, talks about the growing gig economy, and its adoption and adaption by individuals, organisations, and governments.*



The rapidly burgeoning gig workforce is ushering in a new economic revolution globally.

- NITI Aayog

Aided by the rapid expansion of technology, an uncertain economy, and the rise of a skill-focussed talent market, the professional gig economy has experienced a tremendous increase in both the supply and demand for highly skilled professionals in the past couple of years.

Traditionally, gig work has been equated with non-permanent employment in the unskilled labour market. However, over the years, the gig economy has expanded to include blue, grey, and white-collar workers. Knowledge workers offering high levels of skill and expertise have actively joined the professional gig economy as well. Today, skills dealing with strategy, technology, marketing, and human resources (HR) account for 62% of the total projects in the skilled freelance talent marketplace.<sup>1</sup>

This rising influence of the gig economy has prompted the government, industry, and academia to understand the scope of this phenomenon and its effect on traditional work culture, as they recognise the challenges and opportunities it presents for professionals and organisations alike.

## **The Growth of the Gig Economy**

The paradigm shift, driven by the gig economy, has been leveraged by organisations and professionals alike. In recent years, organisations have faced trouble in attracting and retaining skilled talent as more professionals turn to freelancing and building portfolio careers. Flexible talent enables agility and flexibility in companies, thus facilitating innovation and growth in rapidly changing market spaces. Independent talent offers updated skills and expertise and can help organisations compete effectively in the increasingly dynamic economy. The uncertainties of the economy and business models have also encouraged organisations to rethink the cost of relying solely on internal talent,

<sup>1</sup>Bhattacharyya, Rica. (2022, Feb 21). Top Companies Tap Freelancers to Overcome Attrition, Talent Shortage. Economic Times. [Freelancers: Top companies tap freelancers to overcome attrition, talent shortage - The Economic Times \(indiatimes.com\)](https://www.economic-times.com/top-companies-tap-freelancers-to-overcome-attrition-talent-shortage)

and rather think about blended workforces. The gig economy enables companies to address the talent supply chain issues while maintaining flexibility around costs when needed.

In recent years, large corporations and professional services firms have emerged as the largest users of flexible talent. Organisations are moving to adopt a hybrid work culture, building teams with a mix of full-time, flexible, and freelance talent. Further, backed by technology, organisations are actively taking projects in remote and hybrid mode. As per the FY22 statistics recorded on the Flexing It® platform, almost 58% of the total projects were seen to operate remotely, while 23% continue to function in the hybrid mode.

At the individual level, highly skilled talent is choosing to freelance, either for the long term or to cultivate it as an alternative career strategy. This can help them exercise control over their time and work through flexible and project-based work arrangements. With more people choosing to strike out on their own, the gig economy has witnessed tremendous influx of talent, that has in turn enabled organisations to tap into the diverse pool of specialised skills that are now available. It is a win-win for both employers and talent as it connects the former with a skilled workforce it may previously be lacking internally, while enabling the freelancers to leverage their skills. The number of new consultant registrations on the Flexing It® platform has increased by 35% on an average per month in FY22 versus in FY21 for the same period – a testimony to the increased comfort of professionals with freelancing. According to a recent Forbes article,<sup>2</sup> 80% of employees have also indicated that they are attracted to a freelancing career and would seriously consider it.

## Changing Work Culture



The evolving trends around work have impacted the organisational culture in multiple ways and leveraging the growing gig economy has made organisations open to new ways of working.

<sup>2</sup>Younger, Jon. (2022, October 08). The Freelance Revolution is Ahead of Schedule. Forbes. [The Freelance Revolution Is Ahead Of Schedule \(forbes.com\)](https://www.forbes.com)

According to Accenture Future of Work Study 2021, 63% of high-growth companies have adopted a “productivity anywhere” hybrid work model.<sup>3</sup>

The introduction of flexible talent and remote working has also influenced the approach to diversity and inclusion. The lack of physical barriers has enabled several organisations to boost the diversity of their workforce across gender, age, and region, contributing to stronger business outcomes. Companies are also focussing on structuring policies and processes to boost their employee value proposition, for both traditional employees and those on flexible work structures. In these initiatives, the active component of a fluid workforce has become a key talent priority for several companies.

## Permanent vs Transient Workforce



Organisations have focused on the inclusion of flexible talent while maintaining a permanent workforce. In fact, as per a recent survey<sup>4</sup> of 100 executives across industries and geographies conducted by McKinsey, nine out of ten organisations are planning to combine remote and on-site working. For companies, the choice between permanent and transient workforce is not a simple either-or but rather a dialogue on how to make the blended talent pool work seamlessly.

<sup>3</sup> Accenture. (2021, May). *The Future of Work: Productive*. Accenture. [The Future Of Work: Productive Anywhere | Accenture](#)

<sup>4</sup> Alexander, A., Mysore, M., Cracknell, R., De Smet, A., Langstaff, M., & Ravid, D. (2021, May 17). *What executives are saying about the future of hybrid work*. McKinsey. [What executives are saying about the future of hybrid work | McKinsey](#)

The purpose served by the permanent employees and the flexible talent in an organisation is different. Permanent employees usually form the core of the company, driving its culture, values, and ethos. They are critical for delivering on the core standard operating procedures of the organisation. Flexible talent, on the other hand, often helps drive innovation, solves for skill gaps, and helps companies tackle surge periods and situations.

There are a few common archetypes or use cases where organisations choose to bring in an external expert to fulfil the business objectives. The five common archetypes are – the ‘strategists’ that help structure and implement business strategy; the ‘innovators’ who lend expertise in specific technology, industry, or geography; the ‘processors’ who fill gaps in traditional business roles and quickly ramp up or down as per business variations; the ‘activators’ who are management specialists hired to handle mission critical projects; and the ‘fluids’ who specialise in change management.

Organisations today are studying how best to design their teams so that they can leverage the advantages of the all the talent pools at their disposal.

## **Nurturing a Blended Workforce**



According to a 2021 study on “Understanding Perspectives of Skilled Freelancers”,<sup>5</sup> nearly 30% of freelancers who responded wanted thoughtful and ongoing engagement with their clients. They were keen to develop a deeper sense of the company vision and performance, giving them a better understanding of their project and purpose alignment.

<sup>5</sup> Flexing It. (2021, September). Understanding Perspectives of a Skilled Freelancer. Flexing It. <https://www.flexingit.com/think-factory-report/understanding-perspectives-of-skilled-freelancers/17/>

A specialised transient workforce comes with its own set of needs and motivations. Organisations can struggle to inculcate company ethos and build trust with the ever-changing workforce, and this can affect collaboration and productivity within the blended teams and render the flexible talent feeling left out.

To enable seamless engagement, many companies are making a conscious effort to engage the flexible talent in a meaningful and sustainable way. For example, some organisations conduct sensitisation workshops for their leadership to build awareness around how managers can leverage the new talent pool and collaborate with them along with their internal teams. Apart from this, some organisations are also establishing best practices for managing flexible talent:

- Establishing a clear strategy for leveraging gig talent based on the required skills, roles, and business objectives along with a plan for scale.
- Defining a dedicated team to manage external talent.
- A clear framework detailing the compensation and benefits structure.
- Structured onboarding and engagement programs for freelancers to inculcate a feeling of community.
- Structured performance management to aid as a pre-requisite to re-hiring.
- Strategic partnerships with flexible talent platforms to access trusted talent and support for a high-quality experience.

## **Regulating the Gig Economy**

While still in the nascent stage, many countries have initiated laws and policies to protect gig workers from exploitation. The ‘Freelancer is not Free Act’<sup>6</sup> in the United States and the ‘Late Payments Directive’<sup>7</sup> by the European Commission are some such examples.

India has also taken positive steps in this direction. The government has drafted three labour codes to protect the platform-based blue collar gig workers. These codes, once implemented, will help these gig workers benefit from central and state

<sup>6</sup> Flexing It. (2017). The Rapidly Evolving Freelance Ecosystem. [Flexing It® presents some key trends on how the freelance economy has been shaping in India.](#)

<sup>7</sup> Flexing It. (2017). The Rapidly Evolving Freelance Ecosystem. [Flexing It® presents some key trends on how the freelance economy has been shaping in India.](#)

government policies planned for them around life and disability coverage, health and maternity benefits, provident fund, employment injury benefit, housing, etc.

The challenges faced by the white-collar gig economy, however, differ from the blue-collar ecosystem. Hence, their solutions need to differ too. On this front, many Flexing It® clients are pro-actively thinking about freelancer safety and wellness schemes. In some cases, companies have deployed programs to extend medical benefits (and others) to external consultants as well.

Apart from the government and enterprises, work-tech platforms play an active role in understanding the needs and designing solutions for the flexible workforce. Curated benefits like insurance for freelancers, safer contracts for on-time payment, better and transparent payment terms, and administrative support by the platforms, can help protect the freelance workers in the white-collar gig economy.

## Adapting and Adopting the Future of Work

The last few years have witnessed tremendous growth both on the supply and demand side of the gig economy and this growth is only projected to increase manifold in the coming years. According to recent studies, over 50% of the US workforce is likely to participate in the gig economy by 2027.<sup>8</sup> Freelancers also constitute the fastest growing group in the EU labour market, with a current strength of 8.9 million freelancers.<sup>9</sup> In India, the gig economy is expected to grow to US\$455 billion by 2024 at a compounded growth rate of 17% – potentially double the previous estimates.<sup>10</sup>

These developments have spurred the following changes, across industries and sectors, for professionals, organisations, and economies around the world:

- 1. Skill vs Job Description:** More and more companies are choosing to break down traditional job descriptions into skill-based categorisations. This has helped organisations determine the outside talent they need to hire to better serve their strategic



<sup>8</sup>Team Stage. (2022). Gig Economy Statistics: Demographics and Trends in 2022. [teamstage.io/gig-economy-statistics/](https://teamstage.io/gig-economy-statistics/)

<sup>9</sup>Clayton, Richard. (2016, November 26). Why Freelancing is Taking the World by Storm. *Why Freelancing is Taking the World by Storm - Payoneer Blog*

<sup>10</sup>Kohli, R., Agarwala, P., & Hassan, Abid. (2021, September 16). Role of Gig Economy and Resurgence of India Inc. *Economic Times*. Role of Gig Economy and Resurgence of India Inc - Webcast | ETHRWorld ([indiatimes.com](https://indiatimes.com))

needs. This has been especially visible in high paying white-collar roles. As per a recent survey,<sup>11</sup> the professional gig economy in India has witnessed a definite increase in the quantity and quality of the roles available.

**2. *New Frames for Talent Management:*** The role of HR is undergoing a revolution. With the changing work culture, HR is expected to design for and manage a varied workforce of full-time employees, freelancers, and even expert advisors while honing a keen sense of business. Therefore, it needs to develop new frames of thinking around its core processes like learning, management, performance, and compensation for the new segments of the workforce. Some of the key imperatives where HR can add immense value in years to come are:



- Accessing non-traditional talent in time to meet business demands.
- Defining fair pay for different workgroups.
- Ensuring that people practices meet a hygiene standard across all talent categories.
- Engaging and aligning talent to the larger organisational vision across boundaries of generation, age, and geographies.
- The digitalisation of HR processes can also help in making this new thinking a reality.

**3. *Democratisation of Work:*** The emergence and scaling-up of effective on-demand talent platforms, has democratised access to skills and effectively bridged the gap between the employer and talent. These technology-driven platforms have galvanised demand across white-collar, grey-collar, and blue-collar sectors.



**4. *Industry-Academia Partnership:*** According to the World Economic Forum,<sup>12</sup> the half-life<sup>13</sup> of a skill today is only 2 to 5.5 years. The talent marketplace is undergoing a massive change and this is expected to accelerate. The higher education institutes serve as the primary source of intellectual capital for the economy, and to effectively



<sup>11</sup> NITI Aayog. (2022, June 25). India's Booming Gig and Platform Economy. <https://ind01.safelinks.protection.outlook.com?url=https%3A%2F%2Fwww.niti.gov.in%2Fsites%2Fdefault%2Ffiles%2F2022->

<sup>12</sup> Team Kasriel, Stephane. (2017, July 31). Skill, Re-skill and Re-skill Again. How to Keep Up With the Future of Work. Weforum. <https://www.weforum.org/agenda/2017/07/skill-reskill-prepare-for-future-of-work/>

<sup>13</sup> 'Half-life' refers to the reduction of value of the skill to half of what it was 2-5.5 years ago.



prepare students for the dynamic talent marketplace and the new ways of working, industry and academia need to work in tandem.

5. **Progressive Policy and Research:** Associations and think tanks like Confederation of Indian Industry (CII), ASSOCHAM,<sup>14</sup> and NASSCOM<sup>15</sup> have helped navigate the socio-economic thinking around key workforce trends over the years by asking the right questions to the stakeholders involved. As ‘work’ undergoes a revolution, their high-quality research, thought leadership and advocacy can further create necessary awareness and pave the way for discussion and subsequent changes.



## Conclusion

The gig economy has been steadily and progressively growing for more than a decade. Driven by the technological expansion and changing demographic of the workforce, it is more than just a talent experiment. It is now an integral part of the ongoing economic revolution. While there has been an increase in demand for specialised roles, there is also a surge in the supply of diverse talent with specialised skillsets, making the rise of the professional gig economy an opportune moment in the business world.

<sup>14</sup> Associated Chambers of Commerce and Industry of India.

<sup>15</sup> National Association of Software and Service Companies.

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