



## Gigonomics: HR Related Management Issues in IT sector in Kerala

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### Abstract

Gigonomics refers to the gig economy characterized as short-term arrangement for project-based tasks. With higher acceptance of remote work in recent years, the gig economy stands as a dynamic and transformative force in the modern talent landscape. Gigonomics shows a growing trend all over the world including India, due to the increased use of smartphones, Internet penetration, technological advancement, demand for remote work etc. A report by McKinsey Global Institution estimated that the gig economy in India will account for 25% of total workforce by 2030 and National Association of Software and Service Companies (NASSCOM) estimated a 17% Compound Annual Growth Rate (CAGR). In India, Kerala is a state that emerged as the leading IT hubs attracting skilled professionals. Kerala with large pool of skilled and educated youth, having strong infrastructure and Government initiatives paved a way for gig economy to grow. This paper explores the HR related management issues of gig economy within the IT sector in Kerala and evaluate the extent to which gig work shows a valuable and attractive option for IT sectors in Kerala. This study considers the variables such as company policies; client and work content; skills and training; collaboration and trust; communication and management; commitment and performance; workload and well-being. Primary data were collected for this study from 76 IT companies in Kerala through a structured questionnaire and direct interview with HR Professionals of companies. This research also aims to give a deeper understanding of the area of improvement for incorporating gig workers in IT companies for sector's growth and development.

Keywords: Gigonomics, Gig Economy, Gig Work, Company Policies, Skills and Training, IT sector, Talent landscape.

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### Introduction

Today the world of work is showing a significant shift from the traditional way of working model of full-time employment towards gig economy, featured as the short-term arrangements for the project-based task. This trend is known as the gignomics, which is pushed by some factors such as the increasing usage of smart phones, internet, technological advancement, rapid demand for remote work and flexibility, etc.

India is showing a growing trend in the gig related work where, the growth of Indian gig economy is showing a Compound Annual Growth Rate of 17% (NASSCOM) and 57% of Tech industries hires gig workers in India (Fig: 1). IT services is the sub-sector of Tech industry that adopt gig workforce of about 73% followed by BPM 57% and so on (Fig: 2). Figure 1 and 2 shows the growing trend of gig workforce in the IT services in Tech industry in India. Kerala is a state in India blessed with skilled IT forces, strong infrastructure, government initiatives for development of IT sectors etc. that pave the way for this evolving gig economy.

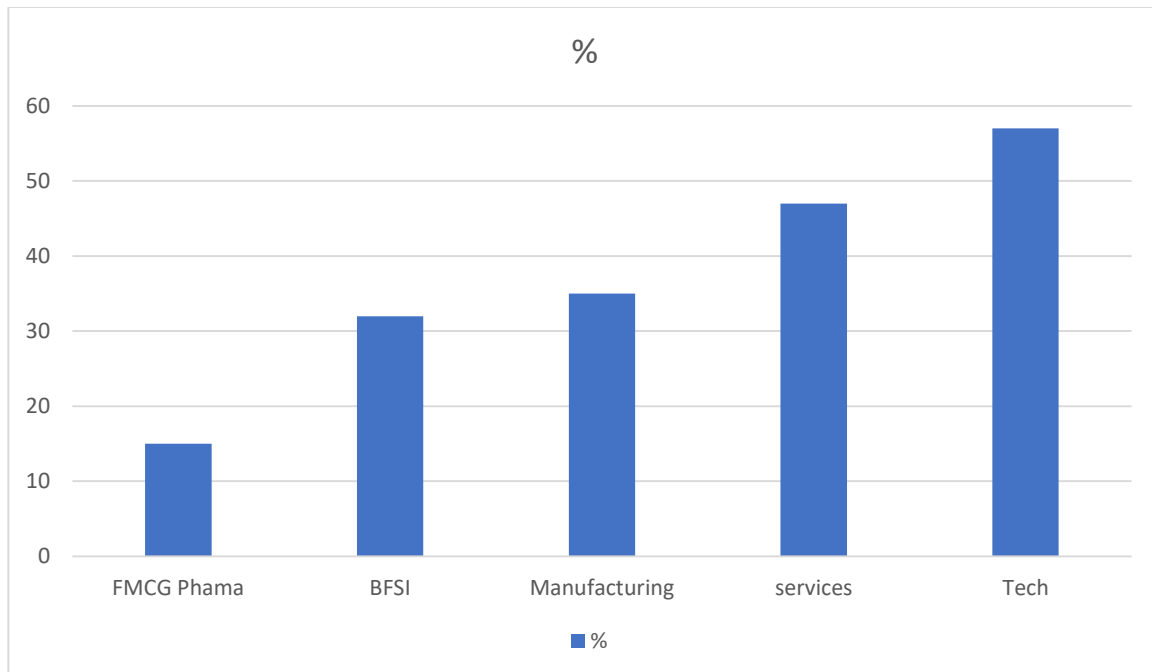


Figure 1: Percentage of Firms that hired Gig workers by sector (India) Source: NASSCOM, 2021

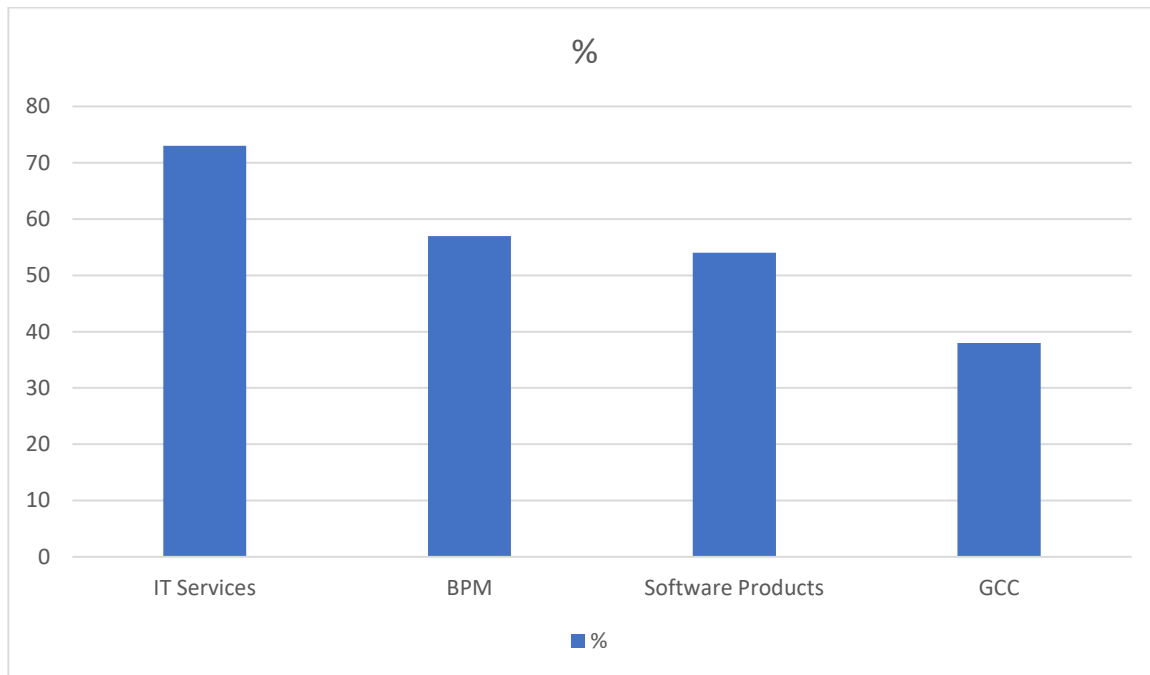


Figure 2: Sub Sector adoption of Gig Workforce

Source: NASSCOM, 2021

While incorporating gig workers within the organization where HR strategies are well fit for the regular employees creates risk for HR professionals as the policies, communication strategies, costs of hiring, collaboration, stress management, skill development, training etc. are framed in such a way that it will fit well for the full-time employees and not for the gig workforce. So, in this paper we look into the HR related management issues in IT sector in Kerala and explores various factors such as company policies, skills development, training, cost, collaboration, commitment, communication, workload, well-being etc. The challenges and opportunities to incorporate gig workers in the IT sector in Kerala have also been considered in this study. Primary data were collected from 76 IT companies and a direct interview with HR professionals were conducted to have a deeper understanding of the HR related management issues for incorporating gig workers in IT sector in Kerala. This research will ultimately help the HR professionals to find the area for improvement and foster growth and development of IT sector in Kerala.

### Review of Literature

Article by De Stefano (2015) examines the issues like recognition of gig work and policies for fair treatment of gig workforce and an article by Zheng & Yang (2020) explains the characteristics of gig economy as decomposed jobs, skilled and capitalized workforce, human capital integration, decentralized management and also highlights the challenges of the gig economy. Ganesh (2020) studied the three main players of gig economy and their interactions with each other and has also explained the importance of designing HR activities in accordance with the gig work. When the HR challenge is being considered while incorporating the gig workers some of the researchers like Duggan, Sherman, Carbery & McDonnell (2020) explores the classification of gig on the basis of technology usage and explain how algorithmic management shapes the relationship between organisation and gig workers. Bedoya & Pelaez



(2023) explain in his study how the HR need to be adjusted to manage the gig work and it also says the HR has to focus more on clearly stated agreements rather than traditional management strategies. The emerging gig work throughout the world and its interaction with the traditional HRM practices has been discussed by Kuhn, Meijerink & Keegan (2021). Aurora (2023) has explained the role of HR in recruiting the gig workers for the right task and the area where HR has to take more care.

The existing research gives a valuable insight into gignomics and HR challenges in IT sectors and other organizations and mainly focus on the growth trend, characteristics, HR challenges etc. Here still a gap remains where one needs to understand this specific contest in kerala. Only limited resources specifically on IT sector gig economy in Kerala being discussed and thus this study try to give a valuable insight into the HR related management issues and the area needed to be improved for future growth and development of IT sector in Kerala.

### **Objectives of the study**

The following are the objectives framed for studying the HR related management issues in IT sector in Kerala:

1. To examine how effectively IT companies in Kerala manage gig workers through clear policies, workload sharing and communication of requirements.
2. To make an assessment on skill set requirement and training aspects in order to keep gig workers updated.
3. To understand the trust and collaboration aspects in sharing confidential information with gig workers.
4. To understand the challenges associated with managing gig workers performance and well-being.

### **Significance of this study**

This study will help the company to develop and improve their policies, communication strategies, workload management, stress management, well-being of workers, etc. and also benefits the IT professionals by identifying the potential challenges and areas to be improved to enhance their skill and develop more supportive system for gig workers involvement. It also helped the HR professionals of IT sectors to create an attractive atmosphere for the skilled workforce which will ultimately build up a more efficient and productive work gig workforce within the IT sector in Kerala.

### **Scope of the study**

Gig workers are more attractive in the areas like transportation, delivery, retail, content writing etc. but in this research only the IT sectors in Kerala, India where gignomics, featured as short-term arrangements and the HR management practices to manage gig workers are being considered. Company policies, communication, workload, cost, skill development, training, trust and collaboration, performance evaluation, well-being and attractiveness of gig works are the only variables being considered and other variables of HR related management issues are not being studied in this research.

### **Methodology for the study**



Both qualitative and quantitative approach was adopted for this study. Primary data were collected using a questionnaire with 5-point Likert scale (1= Strongly Agree to 5 = Strongly Disagree) and direct personal interview with HR professionals of 76 IT companies in Kerala. As there is accessibility issues in some IT firms snowball sampling techniques were adopted to collect the data. IT companies were selected from three regions of Kerala- Trivandrum, Ernakulum and Kozhikode the IT hubs of Kerala representing south middle and north of Kerala respectively.

### Data Analysis

Data was analyzed using one sample Wilcoxon signed rank test, median and frequency table by using SPSS 21 version.

Quantitative data from the questionnaire was analyzed using descriptive statistics such as Median and Frequency (Table 1 to 6)

Table 1: Median

Items	Median
Management	4
Cost Effectiveness	3
Skill Requirement	3
Level of Trust and Collaboration	3
Challenges	2
Overall Attractiveness	2.5

Table 2: Management Score

Valid	Frequency	Percentage
3	11	14.5
Less than 3	7	9.2
More than 3	58	76.3
Total	76	100

Table 3: Skill Requirement Score

Valid	Frequency	Percentage
3	32	42.1
Less than 3	44	57.9



Total	76	100
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Table 4: Trust Score

Valid	Frequency	Percentage
3	29	38.2
Less than 3	17	22.4
More than 3	30	39.5
Total	76	100

Table 5: Well- Being Score

Valid	Frequency	Percentage
3	8	10.5
Less than 3	64	84.2
More than 3	4	5.3
Total	76	100

Table 6: Attractiveness Score

Valid	Frequency	Percentage
3	18	23.7
Less than 3	51	67.1
More than 3	7	9.2
Total	76	100

In order to fulfil the objectives four null hypotheses (On a scale of measurement from 1= Strongly Agree to 5= Strongly Disagree, 3 is considered as Neutral) were formed and tested using one sample Wilcoxon Signed Rank Test and the same is summarized in table 7 as below:

Table 7: Hypothesis Test Summary

Sr. No.	Null Hypothesis	Test	Sig.	Decision



1	Management of gig workers through clear policies, workload sharing and communication requirements in IT sector is neutral in opinion.	One-Sample Wilcoxon Signed Rank Test	.000	Reject
2	Skill set requirements and training are of neutral response in keeping gig workers updated.	One-Sample Wilcoxon Signed Rank Test	.004	Reject
3	The level of trust and collaboration of gig workers in sharing confidential information is neutrally responded by the management.	One-Sample Wilcoxon Signed Rank Test	.032	Reject
4	There is neutral opinion about the challenges in association with managing gig workers performance and well-being.	One-Sample Wilcoxon Signed Rank Test	.000	Reject

The significance level is 0.05

### Result and Discussion

Table 1 shows the median score of 4 for “Management” and table 7 indicates a statistically significant result ( $p\text{-value} = 0.000$ ) for one sample Wilcoxon signed rank test. Hence, we reject the null hypothesis and from table 2 the responses of HR management practices for gig workers are higher than 3. Result thus shows that the respondent of IT companies in Kerala is of the opinion that it’s not having an effective HR management practice for managing gig workforce.

Median score for “Skill Requirement” is 3 (Table 1) and table 7 shows a statistically significant result ( $p\text{-value} = 0.004$ ) for Wilcoxon signed rank test. We rejected the null hypothesis. Table 3 shows that skill requirements are less than 3. Thus, the findings suggest that the IT companies in Kerala has a clearly defined skill expectation for different gig work tasks and have an effective training opportunities for gig workers.

The median score for “Level of Trust and Collaboration” (Table 1) is 3 and the Wilcoxon signed rank test results (Table 7) shows a statistically significant difference ( $p\text{-value} = 0.032$ ). Hence, we reject null hypothesis. Table 4 shows a relatively even distribution across the scores. The research shows that there are possible issues with the trust and collaboration within IT gig ecosystem.

From table 1, median score for “Challenges” is 2 and table 7 shows Wilcoxon signed rank test result a statistically significant result ( $p\text{-value} = 0.000$ ). We rejected the null hypothesis. This



highlights a crucial area of improvement as company here needs to develop the strategies to effectively evaluate the performance of gig workers and need to ensure their well-being of gig workers.

### **Conclusion and Implications**

This study mainly focused on the HR management related issues within the IT sector in Kerala considering variables such as company policies; client and work content; skills and training; collaboration and trust; communication and management; commitment and performance; workload and well-being. By analyzing the data collected from the HR professionals of IT sectors we aimed to study the effectiveness of managing gig workers through clear policies, communication, and workload sharing, skill requirements and training opportunities, level of trust and collaboration, challenges with performance evaluation and well-being of gig workers and overall attractiveness of gig work as an option for the IT sectors in Kerala.

The result suggests a negative perception of the HR management practices for managing the gig workers with a median score of 4 (where 1 = strongly agree to 5 = strongly disagree); HR professionals of IT sectors have been clearly set the skill required for the specific IT gig works and offers training opportunities for gig workers in order to keep the gig worker updated; HR professionals are facing some issues in relation with the trust level and collaboration of gig workers while sharing the confidential issues with the gig workers which is to be addressed properly; also some challenges are being faced by the HR professional in managing gig workers performance and their well-being; large portion of respondent rate below 3 (1= Strongly Agree, 2= Agree) for overall attractiveness of gig work for IT projects which highlights a viable path for the gig work in IT sectors in Kerala. This research thus offers a valuable insight for IT companies to identify the areas of improvement, to modify their HR practices for gig workers and ultimately foster growth and development of the IT sector in Kerala.

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