

GIG Economy- New Age Business Prospect and Future Challenges

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Abstract

The Gig Economy, characterized by a flexible labor market where individuals engage in short-term, freelance, or project-based work, has rapidly emerged as a transformative force in the global business landscape. This research employs a quantitative approach, utilizing a structured questionnaire administered through Google Forms to gather insights from a convenient sample of 240 entrepreneurs. The study focuses on the dynamic form of the Gig Economy, exploring the impact of Sustainable Business Practices as an independent variable on the Gig Economy as the dependent variable. The period is clearly defined, and data filtering techniques are applied to ensure data integrity. Smart-PLS is employed for robust statistical analysis. The findings aim to unravel new business prospects and anticipate future challenges within the Gig Economy. Furthermore, the study specifies policy implications geared towards fostering a supportive environment for GIG professionals, offering valuable guidance for policymakers, entrepreneurs, and backers navigating the evolving terrain of the Gig Economy.

Keywords: Freelancing, Short-Term Employment, Project-Based Work, Flexibility, Workforce Transformation, Sustainable Business Practices (SBP)

1. Introduction

The Gig Economy refers to a labor market characterized by the prevalence of short-term, flexible jobs and freelance or independent work, as opposed to traditional full-time employment (Asih et al., 2019; Benavides Rincón & Montes Martínez, 2020; Mehta, 2019). In this economic model, individuals, often referred to as "gig workers" or "freelancers," engage in temporary, project-based, or part-time tasks, usually mediated through digital platforms or online marketplaces. These platforms act as intermediaries connecting workers with employers seeking specific services or projects (Labib Fardany Faisal et al., 2019). Gig work can encompass a wide range of activities, from creative and technical projects to manual or service-oriented tasks. Common examples include freelancers in fields like graphic design, software development, writing, and digital marketing, as well as individuals providing services such as ride-sharing, food delivery, and home repairs through platform-based apps (Nelson et al., 2020).

In the vibrant tapestry of India's economic landscape, the Gig Economy has arisen as a dynamic and transformative force, reshaping the traditional contours of work and employment. Fueled by the rapid digitization of services and the proliferation of online platforms, the Gig Economy has pointed a grip

across the diverse sectors of the Indian workforce. From freelance professionals and independent contractors to part-time workers, the gig model has provided a unique avenue for individuals to participate in the economy on their terms, fostering a culture of entrepreneurship and adaptability(Purohit et al., 2022).

India's vast and diverse talent pool has found new avenues for economic participation through the Gig Economy, transcending geographical boundaries and connecting workers with opportunities from both domestic and international markets. As the country witnesses a surge in digital adoption and connectivity, gig workers in India are leveraging technology to access a myriad of job opportunities, ranging from creative gigs and IT projects to on-demand services(Dadhich et al., 2022). This transformation is not only reshaping how individuals approach work but is also contributing to the evolution of traditional industries, prompting a reevaluation of business models and employment structures(Gaurav Kumar Singh; Manish Dadhich, 2023).

However, the burgeoning Gig Economy in India is not without its challenges. The delicate balance between flexibility and job security, concerns about social security benefits, and the need for effective regulations to safeguard the rights of gig workers are becoming focal points of discussion. In navigating this complex terrain, India stands at the crossroads of embracing the opportunities presented by the Gig Economy while addressing the nuances and intricacies that accompany this paradigm shift in the world of work. This exploration of the Gig Economy in India seeks to unravel the layers of its impact, challenges, and the potential it holds for shaping the future of employment in this vibrant and rapidly evolving economy(Anurag Shukla, Manish Dadhich, Dipesh Vaya, 2024).

2. Review of Literature

The Gig Economy in India has witnessed a burgeoning evolution, prompting scholars and researchers to delve into its multifaceted dimensions, implications, and challenges. Literature on the subject reflects a growing interest in understanding how this dynamic economic model is reshaping the traditional employment landscape in the Indian context. Several studies have explored the factors contributing to the rise of the Gig Economy in India, with a particular emphasis on the character of equipment and digital platforms. Research (Kaine & Josserand, 2019)highlighted how the increased penetration of smartphones and internet connectivity has facilitated the growth of gig work, enabling workers to access opportunities across various sectors. The study underscored the transformative impact of technology on the nature of work and employment relationships in India.

In examining the demographic profile of gig workers in India, research (Mehta, 2019)shed light on the diverse range of individuals engaging in gig work. The study revealed that gig workers in India span various age groups, education levels, and professional backgrounds, indicating the inclusive nature of this economic model. Understanding the demographics of gig workers is crucial for policymakers and businesses seeking to tailor strategies that address the specific needs of this diverse workforce. As the Gig Economy advances motion to the regulatory challenges and social implications associated with this mode of work in India. Research (Birkel & Müller, 2021)explored the regulatory gaps and the need for a comprehensive legal framework to protect the rights of gig workers. The study emphasized the importance of addressing issues related to job security, fair wages, and social security benefits within the Indian gig landscape.

Moreover, the emphasis the Gig Economy on traditional employment structures and its role in shaping India's future workforce have been central themes in the literature. Studies by (Dadhich, Manish,

Shalendra Singh Rao, Renu Sharma, 2023) delved into the potential disruptions caused by gig work, exploring both the positive aspects of enhanced flexibility for workers and the challenges associated with the lack of job stability and benefits. The literature on the Gig Economy in India reflects a rich tapestry of research that spans the technological, demographic, regulatory, and societal aspects of this evolving economic paradigm (Gaurav Kumar Singh; Manish Dadhich, 2023). As the landscape continues to unfold, ongoing scholarly inquiry is essential for providing insights into the implications of the Gig Economy on India's labor market and informing policy decisions that foster a balanced and equitable work environment for all.

3. Research Methodology

Research Design:

The study adopted a quantitative research design to investigate the new-age business prospects and future challenges within the Gig Economy, specifically focusing on entrepreneurs in Rajasthan. A cross-sectional approach will be employed to gather data at a single point in time, providing a snapshot of the current state of the Gig Economy in the region. The sampling technique chosen for this research is convenient sampling due to the accessibility and feasibility of reaching entrepreneurs actively involved in the Gig Economy in Rajasthan.

Sample Size and Population:

The study comprised entrepreneurs actively participating in the Gig Economy in the state of Rajasthan, India. The sample size was set at 240 entrepreneurs, ensuring a sufficiently robust dataset for meaningful analysis while considering practical constraints.

Data Collection Instrument:

The initial data collection was a structured questionnaire designed to capture quantitative data on various aspects of the Gig Economy, business prospects, and perceived challenges. The questionnaire was pre-tested for clarity and relevance before distribution to the target respondents.

Variable Measurement:

The study employs Smart-PLS as the statistical tool for data analysis. The questionnaire included items related to new-age business prospects, encompassing factors like market opportunities, technology adoption, and scalability. Additionally, challenges were assessed by exploring issues such as regulatory hurdles, competition, and technological barriers. The Likert scale was utilized to measure the respondents' perceptions and opinions.

Data Collection Procedure:

Data was collected through online surveys, ensuring efficient and timely responses from the entrepreneurs in Rajasthan. The survey link was distributed through email, social media platforms, and relevant professional networks. The anonymity of respondents will be maintained to encourage candid responses.

4. Objectives of the Study

- Assess factors driving successful sustainable business practices in Rajasthan's Gig Economy.

- Utilize Smart-PLS for in-depth analysis of relationships between business prospects, challenges, and key elements in the Gig Economy.

5. Analysis and Discussion

Table 1 presents a comprehensive snapshot of the surveyed entrepreneurs, revealing insightful patterns across various factors. In terms of gender, the majority are male (75%), while 25% are female. The age distribution indicates a predominant presence of individuals aged 20-30 (62.50%), followed by those aged 30-50 (20.80%), and individuals above 50 (16.70%). Income-wise, a significant portion earns less than 5 lakhs (70.80%), with 20.80% earning between 5-10 lakhs and 8.40% earning over 10 lakhs. Educational levels showcase a majority of graduates (68.70%), followed by professionals (16.60%) and post-graduates (14.60%). Notably, an overwhelming 89.60% of respondents express awareness of the Gig Economy, while 10.40% indicate no awareness. This concise presentation encapsulates the diversity and awareness levels within the entrepreneurial cohort surveyed.

Table 1: Descriptive Statistics

Factors	Classification	Freq.	%
Gender	Male	180	75.00
	Female	060	25.00
	Total	240	100.00
Age	20-30	150	62.50
	30-50	050	20.80
	Above 50	040	16.70
	Total	240	100.00
Income	< 5 lakhs	170	70.80
	5-10 lakhs	050	20.80
	>10 lakhs	020	08.40
	Total	240	100.00
Education Level	Graduate	165	68.70
	P.G.	035	14.60
	Professional	040	16.60
	Total	240	100.00
Awareness of GIG Economy	Yes	215	89.60
	No	025	10.40
	Total	240	100.00

Sustainable business in the Gig Economy in India relies on various factors that contribute to long-term success and resilience. There are key factors essential for sustainable business practices in achieving a GIG Economy:

Regulatory Compliance:

Adherence to and understanding of existing and evolving regulations is crucial for sustainable gig businesses. Compliance with labor laws, tax regulations, and other legal requirements fosters stability and trust, both among workers and regulatory authorities.

Technological Integration:

Embracing and staying abreast of technological advancements is vital. Efficient use of digital platforms, artificial intelligence, and other emerging technologies not only enhances operational efficiency but also positions businesses for long-term success in the evolving Gig Economy landscape.

Fair and Transparent Practices:

Establishing fair and transparent business practices is essential for building trust among gig workers. Clearly defined terms, transparent payment structures, and open communication channels contribute to a positive and sustainable relationship between businesses and gig workers.

Skill Development Initiatives:

Continuous investment in skill development initiatives benefits both businesses and gig workers. Upskilling and reskilling programs ensure that gig workers remain competitive, contributing to the overall sustainability of the workforce within the Gig Economy.

Flexible and Inclusive Policies:

Businesses should adopt flexible and inclusive policies that cater to the diverse needs of gig workers. This includes accommodating various work preferences, offering benefits, and recognizing the importance of work-life balance, contributing to worker satisfaction and loyalty.

Network and Collaboration Building:

Establishing collaborative networks and partnerships with other businesses, both within and outside the Gig Economy, can foster sustainability. Such collaborations can lead to shared resources, expertise, and market opportunities, contributing to the overall resilience of the gig business.

Customer Trust and Satisfaction:

Building and maintaining trust with clients and customers is essential. Satisfied customers are more likely to provide repeat business and positive referrals, contributing to the sustained growth and reputation of gig businesses in India.

Employee Engagement and Recognition:

Recognizing and appreciating the contributions of gig workers through acknowledgment programs and incentives fosters a positive work environment. Engaged workers are more likely to be committed and contribute to the sustainability of the business (Manish Dadhich; Himanshu Purohit; Ritesh Tirole; Sumit Mathur; Aman Jain, 2023).

Table 2: CR, Cronbach's alpha, and AVE

Constructs	Cron. alpha	AVE	CR	AVE
Sustainable Business Practices (SBP)	0.865	0.609	0.503	0.485
Achieving GIG Economy	0.780	0.590	0.528	0.599

Table 2 provides an estimation of the reliability and validity measures for the identified constructs within the study. The first construct, SBP, exhibits a high level of internal consistency with a Cronbach's Alpha of 0.865, indicating strong reliability. The Average Variance Extracted (AVE) for SBP is 0.609, surpassing the recommended threshold of 0.5, signifying good convergent validity. However, the Composite Reliability (CR) for SBP is 0.503, which is slightly below the conventional threshold of 0.7, suggesting potential concerns regarding internal consistency. The second construct, Achieving Gig

Economy, demonstrates a commendable level of internal consistency, as indicated by its Cronbach's Alpha of 0.780. The AVE for this construct is 0.590, exceeding the threshold for acceptable convergent validity. The CR for Achieving Gig Economy is 0.528, which, while below the conventional benchmark, still suggests reasonable internal consistency (Pólvara et al., 2020; Potrč et al., 2021). Figure 1 also outlined the model as a good fit for SEM outline for SBP and promotion of GIG economy(Sarstedt et al., 2016).

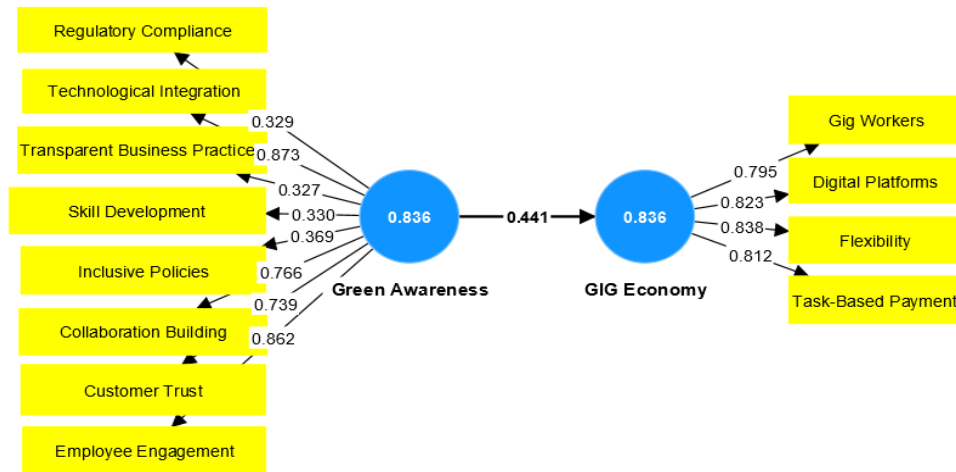


Fig. 1: SEM Framework for SBP and GIG Economy

Table 3 presents the rise of hypotheses testing, specifically focusing on the relationship between SBP and Achieving GIG Economy. The findings indicate a statistically significant positive relationship between these two constructs. The Beta statistic (B.stat.) is 0.501, reflecting the strength and direction of the relationship. The mean (X mean) of Sustainable Business Practices is 0.552, with a standard deviation (Sigma) of 0.165.

Table 3: Hypotheses Testing

Manifests	B.stat.	X mean	Sigma	T-stat	Sig.
Sustainable Business Practices (SBP) → Achieving GIG Economy	0.501	0.552	0.165	5.258	0.001

The T-statistic (T-stat) is 5.258, surpassing the critical threshold, signifying the robustness of the relationship. The significance level (Sig.) is reported as 0.001, indicating that the observed relationship is highly unlikely to have occurred by chance. These results render real evidence to confirm the hypothesis that SBP positively influences the achievement of goals within the Gig Economy(Dadhich et al., 2023). Thus, the table underscores the statistical significance and practical importance of the identified relationship, contributing valuable insights to the study's objectives.

5.1 Key Challenges for GIG Economy

Job Insecurity:

Gig workers often grapple with the uncertainty of securing consistent projects or assignments, leading to financial instability and a lack of long-term job security. The absence of a guaranteed income stream can be particularly stressful for individuals reliant on gig work.

Lack of Employment Benefits:

The Gig Economy's decentralized nature means that gig workers typically miss out on traditional employment benefits like insurance, departure plans, and paid time off. This absence of comprehensive benefits leaves gig workers financially vulnerable and without a safety net during emergencies.

Regulatory Ambiguity:

The evolving and ambiguous regulatory environment surrounding gig work can create challenges for both gig workers and the platforms they operate on. Issues such as worker classification, taxation, and labor rights are often contentious, contributing to legal uncertainties and disputes.

Unequal Pay and Exploitation:

Wage disparities and the potential for exploitation are concerns within the Gig Economy. Some gig workers, especially those in low-skilled sectors, may face challenges negotiating fair compensation, leading to income inequality and susceptibility to exploitation.

Limited Skill Development Opportunities:

Gig workers may find it difficult to access formal training or skill development opportunities. The lack of avenues for continuous learning can hinder their professional growth and adaptation to changing market demands.

Isolation and Lack of Social Interaction:

Many gig workers operate in isolation, relying on digital communication tools for work-related interactions. This can lead to feelings of social isolation, impacting mental well-being and job satisfaction.

No Collective Bargaining Power:

As individual contractors, gig staff often lack the collective bargaining power associated with traditional labor unions. This makes it challenging for them to negotiate for better wages, benefits, or improved working conditions with platform providers.

Technological Dependence:

Gig workers heavily depend on digital platforms for job opportunities. Technical disruptions, changes in platform policies, or glitches can disrupt their ability to secure gigs and earn income, highlighting the vulnerability of relying solely on technology for work.

Limited Access to Financial Services:

The irregular and variable nature of gig income makes it challenging for workers to access traditional financial services like loans or mortgages. Financial institutions may be hesitant to extend credit to individuals with unpredictable income streams.

Work-Life Imbalance:

While gig effort approaches flexibility, it can also lead to an imbalance between work and personal life. The blurred boundaries between work and leisure time can result in burnout and negatively impact the overall well-being of gig workers.

Resistance to Change:

Some industries and workers may resist the transition to gig work, fearing job instability, loss of traditional employment benefits, or concerns about the gig economy's impact on job quality. This resistance can create tensions as the gig economy continues to reshape traditional employment

models(Sonali Bhati; Manish Dadhich; Anand A Bhasker; Kamal Kant Hiran; Roshni Sharma; Anurag, 2023).

6. Implications

The study's implications are far-reaching, advancing beneficial insights for policymakers, entrepreneurs, investors, and educational institutions in Rajasthan. Policymakers can tailor regulations to address specific challenges, fostering a conducive environment for Gig Economy growth. Entrepreneurs can refine strategies based on identified prospects and challenges, while investors gain clarity on potential sectors for investment. Educational initiatives can align with skill gaps, and strategic collaborations can emerge to collectively address challenges. The study contributes to economic development by shedding light on the Gig Economy's impact on job creation and innovation, positioning Rajasthan within the global and local context. Thus, the findings provide actionable guidance for various stakeholders to navigate and capitalize on the opportunities and challenges within the dynamic landscape of the Gig Economy in the region.

7. Limitations and Future Scope

While the study strives to provide valuable insights, it is not without limitations. The convenient sampling method may introduce selection bias, potentially limiting the generalizability of findings to the broader population of entrepreneurs in Rajasthan. The reliance on self-reported data might introduce response bias, as participants may provide socially desirable answers. Additionally, the cross-sectional nature of the study captures a snapshot in time, limiting the ability to establish causal relationships. External factors such as economic changes or policy shifts might also influence the study's outcomes(Hiran & Dadhich, 2024). Finally, the focus on entrepreneurs may neglect the perspectives of gig workers themselves, warranting further investigation into their experiences within the Gig Economy in Rajasthan.

The study lays the groundwork for future research avenues. A longitudinal study could provide insights into the dynamic evolution of the Gig Economy in Rajasthan over time. Deepening the investigation into the experiences of gig workers, exploring their socio-economic conditions, and evaluating the impact of the Gig Economy on traditional employment structures would offer a more comprehensive understanding. Comparative analyses with other regions or countries could provide valuable benchmarks and highlight unique aspects of Rajasthan's Gig Economy. Exploring the potential of emerging technologies, such as blockchain or artificial intelligence, within the Gig Economy could also be a promising avenue for future research.

8. Conclusion

This study delves into the intricacies of the Gig Economy, focusing on new-age business prospects and future challenges among entrepreneurs in Rajasthan. Despite the acknowledged limitations, the findings provide meaningful insights into the entrepreneurial landscape within this dynamic economic paradigm. Entrepreneurs in Rajasthan exhibit a keen interest in leveraging technological advancements for business growth, facing challenges primarily related to regulatory constraints, competition, and technology adoption. Policymakers, investors, and educational institutions can benefit from the study's implications, tailoring strategies to foster a conducive environment for Gig Economy development in the region.

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