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### Managing talent in the gig economy: Human capital implications

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# Managing talent in the gig economy: Human capital implications

As digital technologies continue to open new connections and ways of working, the era of the gig economy will continue to thrive.

I have no idea, the company does not really have anything to do with me, and I don't really concern myself with the company – I am just trying to get you where you want to go mister.” This was the response from my New York City Uber driver as I asked about some of the challenges facing the company during my recent visit. While it may not be fair to expect deep insights on the company strategy from a contingent worker, the response did highlight the increasing challenge of managing talent in this new gig economy.

Here in Asia, the gig economy is operating at full speed. Research by the Manpower Group, shows that India, Philippines, Indonesia, and China are among the top countries with contingent workforces. Even in Europe and North America, the use of contingent workers is rising to around 20 percent of the workforce. The McKinsey Global Institute suggests that by 2025 we might see gig or contingent workers representing up to 40 percent of the global workforce. Given this trend, it seems critical for HR leaders to have a clear sense of how to best manage this talent segment.

On the surface, managing a gig workforce seems relatively straightforward and has some clear advantages in some cases. Contingent work helps organizations save on labor and related costs. In addition, engaging gig workers can allow organizations to more quickly respond to changes and fill needs rapidly. However, managing gig workers can be a challenge as they may not have the same level of commitment, may not feel connected to the organization, and will typically not feel engaged. It, therefore, seems critical that HR leaders rethink their contingent workforce model by considering the human capital implications of culture, leadership, structure, and talent management.

Oftentimes, there is not a formal structure for contingent workforces as the size and scale can be staggering (e.g. Grab operates with more than eight million drivers in southeast asia)

## Open culture

When it comes to contingent workers, how does the organization culture embrace their efforts? In some organizations, perceptions of workforce segments can create significant

divisions that foster unproductive relationships. Firms that accept diversity and have an open culture may more easily embrace the unique value and contribution of the gig workforce. Creating a culture that embraces independent workers allows organizations to benefit from their ideas, engage them in innovation, and build a sense of affiliation.

## Leadership communication

The leaders of organizational units will certainly have a strong impact on the culture and the views of the gig workers. If we expect the independent workforce to be engaged or at least interested in the company, then leaders need to take stock to include all types of workers in company communication and engagement. In some organizations, there is a clear accountability for the communication and engagement for the temporary staff as well as full-time employees since they are all significant stakeholders and representatives.

## Structural connection

Oftentimes, there is not a formal structure for contingent workforces as the size and scale can be staggering (e.g. Grab operates with more than eight million drivers in Southeast Asia). An often over-looked area is defining who the leaders are for the contingent workers. In other words, most HR systems make sure we have clear reporting lines for authority and accountability for performance for our full-time staff. Who is the leader for your gig workers? Leading organizations that rely on contingent workers have very clear lines and even make sure that the C-Suite is actively engaged with workers of all types.

## Talent management

While my HR expert colleagues will tell me that most elements of talent management (i.e. benefits, retirement, insurance, careers, performance management, etc.) do not apply to gig workers, I might suggest we reconsider. Of course, I am not suggesting that companies roll-out big benefits and employment packages to temporary or contingent work staff, but we may want to consider what else we might offer as a service. For example, one tech company offers free seminars on financial management for all employees (including gig workers) along with free access to wellness services. By taking small steps to be more inclusive with our gig workers or even considering some unique affiliation benefits (discounts at the coffee shop), we can make a bit of an impact in what might normally be a rather transactional relationship. Reviewing some of the basics in talent management for applicability in the gig workforce is a great start.

**It is a great time to carefully review our assumptions and plans for organization culture, the orientation of leadership, the impact of firm structure, and the manner by which we approach managing talent of all types**

As digital technologies continue to open new connections and ways of working, the era of the gig economy will continue to thrive. As human capital leaders, we will need to challenge our conventional mindset as we consider our management practices related to employment. It is a great time to carefully review our assumptions and plans for organization culture, the

orientation of leadership, the impact of firm structure, and the manner by which we approach managing talent of all types. By addressing human capital in light of the gig economy, we will be better prepared to create a great workplace for workers of all types. Who knows, perhaps next time I use a mobile app to book a ride, I will have a driver who tells me, “This is a great company and the management is working hard to make it a good place to work for people like me!”

Topics: [Talent Management](#), [#GigEconomy](#)

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