

A Study on Issues and Challenges Faced by Gig Workers with Reference to Coimbatore City

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Abstract - The gig economy, marked by the rise of short-term contracts, freelance work, and platform-based jobs, has witnessed tremendous growth with the advent of technology, smartphone usage, and digital payment systems. Although the gig economy offers flexibility, independence, and economic benefits to individuals, especially the youth and educated workforce, the findings of the study indicate that gig workers are confronted with serious problems, such as income uncertainty, lack of fixed wages, high operational costs, absence of job and social security, long working hours, and limited career progression opportunities. The gig economy is just an additional source of economic benefits for the workers rather than an alternative to regular jobs. The objective of the current study is to examine the emergence and implications of the gig economy, with specific reference to the problems faced by gig workers in Coimbatore city and conclude that, although the gig economy is an important contributor to the creation of jobs, it is high time to bring reforms to provide sustainable and secure jobs to gig workers in the future.

Key Words: Gig economy, Gig workers, Income uncertainty, Job security, Employment sustainability

1.INTRODUCTION

The gig economy is a new concept in the modern world of labour, where workers are hired on a short-term basis, freelance, or temporary instead of permanent contracts. The concept of the gig economy is the same as the concept of being an independent contractor, and the workers are paid according to the gigs they perform. The concept of the gig economy was first created in the entertainment industry, construction industry, and other industries, among them. However, the concept is on the rise in the modern world, especially because of the advancement in technology. The invention of the internet and the use of smartphone apps have enabled workers to connect with the customers they serve. The invention of the internet created new platforms, and the platforms created new job opportunities in the modern world. The flexibility is one of the advantages of the modern concept of labour in the world economy. The concept is attractive to students, part-time workers, and those who need an additional income source in the modern world. The concept is on the rise in the country, especially because of the use of smartphone technology in the country, especially in India. The concept is attractive in the transport industry, the delivery services, the electronic commerce, and the digital services, among them, in the country.

OBJECTIVES

- To evaluate the level of job satisfaction and career growth in gig jobs.
- To understand the impact of gig work on long-term career growth and skill development.
- To analyse the issues and challenges faced by gig workers.

RESEARCH METHODOLOGY

TYPE OF RESEARCH

This study adopts the descriptive research methodology, which aims to systematically analyze the issues faced by the gig workers without changing the variables of the research study. The research method aims to provide an overview of the conditions prevailing in the area of study through the collection of primary data using the questionnaire approach in the convenience sampling method.

SOURCES OF DATA:

This research collects data through one method that is via Primary data.

PRIMARY DATA:

"Primary data are the data collected by the researcher from the respondents through methods such as surveys, questionnaires, interviews, and observations, etc., for the specific purpose of the research."

AREA OF STUDY:

A study is with the most regard to Coimbatore City in Tamilnadu. It is one of the fastest growing cities and is mainly called as "Manchester of South India". A study on issues and challenges faced by gig workers was made in Coimbatore city.

SAMPLE SIZE

The sample size of the study is to be 115 respondents.

TOOLS USED FOR ANALYSIS

- Percentage analysis
- Weighted average
- Henry Garrett's ranking

FINDINGS

TABLE-1: AGE OF RESPONDENTS

S.NO	AGE	NO OF RESPONDENTS	PERCENTAGE
1	21-25	40	34.8
2	26-30	31	27.0
3	Above 30	11	9.6
4	Below 20	33	28.7
	TOTAL	115	100.0

SOURCE: Primary data

INTERPRETATION

The above table states that out of 115 respondents, 40 of the respondents fall under the age group 21–25 years, 31 of the respondents fall under the age group 26–30 years, 11 of the respondents fall under the age group above 30 years and 33 of the respondents fall under the age group below 20 years.

TABLE-2: GENDER OF RESPONDENTS

S.NO	GENDER	NO OF RESPONDENTS	PERCENTAGE
1	Female	17	14.8
2	Male	98	85.2
	TOTAL	115	100.0

SOURCE: Primary data

INTERPRETATION:

The above table states that out of 115 respondents, 17 of the respondents are female and 98 of the respondents are male.

TABLE-3: EDUCATIONAL QUALIFICATION

S.NO	EDUCATIONAL QUALIFICATION	NO OF RESPONDENTS	PERCENTAGE
1	School level	35	30.4
2	Undergraduate	65	56.5
3	Postgraduate	14	12.2
4	Other	1	0.9
	TOTAL	115	100.0

SOURCE: Primary data

INTERPRETATION

The above table states that out of 115 respondents, 35 of the respondents are at school level, 65 of the respondents are undergraduate, 14 of the respondents are postgraduate and 1 of the respondent falls under others category.

TABLE-4: TYPE OF GIG WORK ENGAGED IN BY GIG WORKERS

S.NO	TYPE OF GIG WORK YOU ARE ENGAGED IN	NO OF RESPONDENTS	PERCENTAGE
1	Food delivery	36	31.3
2	Freelancing (design, writing, etc.,)	28	24.3
3	Home services	10	8.7
4	Ride-hailing / driving	34	29.6
5	Others	7	6.3
	TOTAL	115	100.0

SOURCE: Primary data

INTERPRETATION

The above table states that out of 115 respondents, 36 of the respondents are engaged in food delivery, 28 in freelancing, 10 in home services, 34 in ride-hailing/driving and 7 in other types of gig work

TABLE-5: AVREAGE WORKING HOURS

S.NO	AVERAGE WORKING HOURS	NO OF RESPONDENTS	PERCENTAGE
1	Less than 4 hours	42	36.5
2	4-8 hours	50	43.5
3	8-12 hours	17	14.8
4	More than 12 hours	6	5.2
	TOTAL	115	100.0

SOURCE: Primary data

INTERPRETATION

The above table states that out of 115 respondents, 42 of the respondents work less than 4 hours, 50 work 4–8 hours, 17 work 8–12 hours and 6 work more than 12 hours per day.

TABLE-6: REASON FOR DOING GIG WORK

S NO	REASON	NO OF RESPONDENTS	PERCENTAGE
1	To earn temporary income	68	59.1
2	To support studies	11	9.6
3	To gain experience	23	20.0
4	To build a long-term career	5	4.3
5	No specific goal	8	7.0
	TOTAL	115	100.0

SOURCE: Primary data

INTERPRETATION

The above table states that out of 115 respondents, 68 of the respondents do gig work to earn temporary income, 11 to support studies, 23 to gain experience, 5 to build a long-term career and 8 have no specific goal.

TABLE-7: SHOWING THE JOB SATISFACTION LEVEL AND CAREER GROWTH IN GIG JOBS.

S.no	Features	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Total	Weighted average
1	Secured in gig jobs	28	55	23	5	4	115	3.85
		140	220	69	10	4	443	
2	Receive sufficient support from the platform	21	39	44	9	2	115	3.59
		105	156	132	18	2	413	
3	Long term career growth	17	33	48	15	2	115	3.42
		85	132	144	30	2	393	
4	Plan to continue gig work as a long-term career	13	30	49	18	5	115	3.24
		65	120	147	36	5	373	
5	Stress due to ratings	20	36	40	15	4	115	3.46
		100	144	120	30	4	398	
6	Satisfied with commission by platform	22	34	46	11	2	115	3.55
		110	136	138	22	2	408	
Total weighted average								21.11
Weighted average								3.52

SOURCE: Primary data

Weighted average $W = \frac{\sum WX}{\sum W}$

Total weighted average $\sum WX = \sum (3.85+3.59+3.42+3.24+3.46+3.55)$
 $= 21.11$

Weighted average $W = 21.11/6$

INTERPRETATION:

From table 4.7, the respondents job satisfaction level in Gig economy had a weighted average of 3.52 which is close to satisfied with the commission provided by platform with a weighted average of 3.55

TABLE-8: SHOWING THE MAJOR CHALLENGES FACED IN THE GIG WORK

	Rank 7	Rank 6	Rank 5	Rank 4	Rank 3	Rank 2	Rank 1
Income instability	20	8	8	8	20	14	37
Long working hours	10	19	5	18	17	35	11
Lack of job security	10	7	31	11	30	13	13
Safety concerns	22	21	9	36	9	5	13
High commission chargers	13	15	38	6	18	14	11
Customer rating pressure	17	28	13	21	10	20	6
No social security benefits	22	17	11	16	11	15	23

$100(R_{ij}-0.5)N_j$	Calculated value	Garret value
$100(7-0.5)/7$	92.85	21
$100(6-0.5)/7$	78.57	34
$100(5-0.5)/7$	64.28	43
$100(4-0.5)/7$	50	50
$100(3-0.5)/7$	35.71	57
$100(2-0.5)/7$	21.43	66
$100(1-0.5)/7$	7.14	79

S. No	Schemes	7	6	5	4	3	2	1	Total	Average Score	Rank
1	Income instability	420	272	344	400	1140	924	2923	6423	55.85	I
2	Long working hours	210	646	215	900	969	2310	869	6119	53.21	II
3	Lack of job security	210	238	1333	550	1710	858	1027	5926	51.53	III
4	Safety concerns	462	714	387	1800	513	330	1027	5233	45.5	VII
5	High commission chargers	273	510	1634	300	1026	924	869	5536	48.14	V
6	Customer rating pressure	357	952	559	1050	570	1320	474	5282	45.93	VI
7	No social security benefits	462	578	473	800	627	990	1817	5747	49.97	IV

SOURCE: Primary data

INTERPRETATION:

From the above table 4.10, it can be noticed that out of 115 respondents Income stability ranked first with the average score of 55.85, followed by Long working hours ranked second with an average score of 53.21. Then the lack of job security ranked third with the average score of 51.53, followed by no social security benefits ranked fourth with the average score of 49.97. Then high commission charges ranked fifth with the average score of 48.14, then customer rating pressure ranked sixth with the average score of 45.93, then at last the safety concerns ranked seventh with the average score of 45.50.

TABLE-9: RATING OF OVERALL JOB SATISFACTION LEVEL

S NO	JOB SATISFACTION LEVEL	NO OF RESPONDENTS	PERCENTAGE
1	Highly satisfied	19	16.5
2	Satisfied	56	48.7
3	Neutral	37	32.2
4	Dissatisfied	3	2.6
	TOTAL	115	100.0

SOURCE: Primary data

INTERPRETATION

The above table states that out of 115 respondents, 19 of the respondents are highly satisfied, 56 are satisfied, 37 are neutral and 3 are dissatisfied. This shows that overall satisfaction levels are generally positive, with most respondents being either satisfied or neutral.

TABLE-10: SUPPORT EXPECTED FROM GIG PLATFORMS

S NO	SUPPORT EXPECTED	NO OF RESPONDENTS	PERCENT
1	Better incentives	19	16.5
2	Clear policies	4	3.5
3	Insurance benefits	21	18.3
4	Stable payment system	60	52.2
5	Training programs	11	9.6
	TOTAL	115	100.0

SOURCE: Primary data

INTERPRETATION

The above table states that out of 115 respondents, 19 of the respondents expect better incentives, 4 expect clear policies, 21 expect insurance benefits, 60 expect a stable payment system and 11 expect training programs. This indicates that reliable and timely payment is the most critical expectation among gig workers.

RECOMMENDATIONS

1. Improvement in Payment Mechanism

The payment system of the gig platform needs to be improved so that there should be no ambiguity among the workers regarding the payment mechanism. The provision of transparent payment system will lead to creation of trust among the workers.

2. Provision of Social Security Benefits

Social security benefits such as health insurance, accident insurance and pension benefit scheme are very much needed to be provided to the gig workers. Such kind of social security benefits will minimize the risk factors for the gig workers.

3. Skill Development and Training Program

Skill development and training program is another recommendation for the gig platform. It will not only improve the performance level of the gig worker but will also help in their career advancement process.

4. Reduction in Operating Costs

Operating costs such as the cost of fuel may be reduced. Provision of incentives to the gig workers will increase their net income level.

5. Transparency in Policy Formulation of Gig Platforms.

Transparency in policy formulation is very essential as it will minimize confusion among the workers.

CONCLUSION

The study on the challenges faced by gig workers in Coimbatore has shown the significance of the gig economy as a source of employment, especially among the youth and educated people of the region. This provides the advantage of flexibility and independence and the opportunity to earn income. However, the gig economy is generally considered a source of short-term employment rather than long-term career opportunities. Income uncertainty is a significant challenge faced by the gig economy due to the absence of a fixed income level, low incentives, and high operational costs like fuel and maintenance costs. Job insecurity and the absence of social security benefits are significant factors contributing to the uncertainty of employment. Long working hours and customer ratings are significant factors affecting the level of job satisfaction among the workers of the gig economy. Gig workers are found to enjoy a moderate level of job satisfaction. However, the scope of long-term career opportunities is low in the gig economy. Most of the workers consider gig employment as a secondary source of income rather than a primary source of income. Flexibility is a significant advantage of the gig economy in maintaining a proper work-life balance. However, this advantage cannot compensate for income and job insecurity. It is important to introduce policy reforms and social security and skill development programs to ensure the sustainability of employment in the gig economy.

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