

## GIG Economy: HR Challenges

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In a country like India where the demographic pressures are really high, Gig economy comes as a big solace for a large part of the population comprising of skilled, semi-skilled and unskilled labour force in meeting their employment needs. Along with the generation of employment this temporary staffing trend often gives the millennials, who form the large proportion of the workforce deployed a sense of satisfaction with the job, flexible timing, additional income source and independence. The country has seen a surge of the staffing companies emanating both domestically as well as through the foray of the international players. These staffing firms not only are providing the industry with the office boys and liftmen but also the people for the job description of CEO & COO's. But yet there is downside too, as the staffing firms face serious HR related issues - some of them are highlighted below:

**a) Vague Job Description:** The Client expectations should be clearly understood, before starting the recruitment process, as it is often seen that there is a lack of clarity on the job requirement from the client's side, as the HR department might not understand the technical requirement for a particular job and conveys a vague job description to the staffing firms, who in turn burn a lot of time and resources in choosing the candidates as per the wrong job description provided. These aspirants so chosen often don't qualify for the first interview round and are shelved off. Therefore the elaborate job description should be provided by the clients before starting the recruitment process, so that the vacancies are filled in a timely and cost effective manner. Staffing firms should try to cull a room for dialogue between the line manager to whom the staff to be recruited is to report and its hiring team, so that the requirements are understood clearly.

In fact the importance of correct job description and attributes can also be impressed on the facts that many of the staffing companies are now using data analytics, to electronically shortlist the candidates whose attributes meet the job description provided by the Client. Therefore proper job description is the first step towards the gig jobs.

**b) Forecasting:** It is a common experience that there are seasonal cycles in the demand for the temporary staff during certain months. These seasonal cycle varies from industry to industry.

Therefore the staffing industries should carefully analyse the data and try to determine the kind of staff that is required by different industries, the timings on which the staff is normally hired by a particular industry, sources from which the staff may be hired, salary trends, dispute trends, payment delays by particular industry etc. to be in a position to leverage its position. The staffing firm should plan in a manner that the staff that becomes free from a certain cycle gets recruited in the other organisation or activity, leading to the minimisation, in the idle time and leading to cost savings and that we are prepared with the pool of staff for meeting the demand in the next cycle.

- c) **The staffing firms have to do the compliances:** Though the employees work on the project of the Clients but yet the compliances in relation to labour laws, taxation etc. have to be done by the staffing firm. Therefore the staffing firms should ensure that it has been complying with the applicable laws so that there are no disputes between the staffing firm and the employees. It is observed that though the organised staffing firms are doing their compliances in a timely manner but yet the employees hired through the unorganised agencies do not often deposits the employee benefit dues etc. Therefore this exploitation shall also be looked into and the legislation shall try to bring more clarity on the segment.
- d) **Ensuring right pool of persons for the right job:** The staffing firms, shall clearly outline the requirement of their clients and shall ensure that the staffing company knows, the sources from whom the temporary staff can be procured as and when the demand arises. Therefore the talent acquisition team, should be technically sound to understand the requirement of both the client and the employee.
- e) **Poaching of employees:** There should be a non-solicitation clause in the staffing contract as at a good no. of times, it is seen that the companies end up hiring the staff provided by the client on its payroll, in case the employee meets the expectation criteria of the client and the remuneration payable to the staffing firm is not paid. The staffing firm in such a case loses the value of the efforts it has put in to choose and identify the employee so appointed.
- f) **Preferences of the Employees:** The current pool of the temporary staff largely comprises the millennials. The millennials often are very clear about the job satisfaction and in case the same is not there on the project on which they are deployed, they often leave the job and shift to a more intriguing job, therefore with the changes preferences of the staff the staffing agencies are often left in a limbo. Further it is seen that the millennials today are more interested in the brand rather than the position on which these are employed, therefore hiring employees for the mod size companies also becomes a serious challenge for the staffing companies.
- g) **Termination and replacement:** The staffing firms should always try to have an alternative for the positions on which their employees are manner so that in case there is any sudden

termination of employment or replacement requirement or staff transfer or the resignation by the person manned then the staffing firm is suitable equipped to ensure that the business is not interrupted.

- h) Training:** From our experience we have seen that the manpower outsourcing agreements usually have a clause that the temporary staff being deployed will be governed by the policies of the Company on whose project the staff is being hired, therefore the staffing firms should also ensure that they have gone through the policies referred to in these agreements and proper training and orientation is provided to the staff to be deployed, so that he/she is aware about the expected code of conduct, his deliverables and rights. Further in case if there is anything conflicting in the outsourcing agencies policy and the companies policy, then the parties should try to work on the parity, so that any disputes in the future are avoided.
- i) Data Transfer:** The temporary staff hired have an access to highly confidential data of the companies on whose projects they are working, therefore it is imperative for the outsourcing agencies to have back to back agreements for the protection of confidential information of their clients with the staff being outsourced. Further the staffing agencies are often bound by highly tight non-disclosure agreement, therefore it is even advisable that proper information technology based checks are established into the systems or the devices on which the staff are working, further the staff is trained pertaining to the same.
- j) Wage differential between the permanent and the Temporary Staff:** This is becoming a very major concern in the industry, as we have in the recent past seen many upheavals, in few cases even leading to the shutdown of the whole plant because of the large income, benefits and working condition disparity between the temporary staff and the permanent staff. Often these temporary staff are exploited and have to work for longer hours compared to the permanent staff, on lesser remuneration, lesser holidays and without much of benefits. For eg; The temporary staff may not be provided the meal benefits, which might be provided to the permanent staff deployed in the same premises and working on the same project.
- k) Working conditions for the employees:** A very big challenge in the temporary staffing is the safety of the people deployed. The temporary staff though work on the project and the site of the Client, but yet the responsibility remains with the staffing agency. The provisions for safety for women or the employees deployed on remote locations is a big concern and needs to be suitable addressed before accepting the project. The staffing firms should also carefully draft the indemnity clause for such projects.