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Gig and Contingent Workforce Integration in Traditional Employment Systems

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Abstract

In recent years, organizations tend to mix up their permanent workforce with freelancers, gig workers through digital platforms, fixed-term employees, and agency workers. However, current human resource management (HRM) approaches are mainly focused on the standard employment system. Thus, this paper is aimed at investigating the opportunities for integrating gig and contingent workers into the traditional employment system without losing equality, engagement, and organizational cohesiveness. Fifteen scholarly articles published between 2019 and 2023 have been analyzed in an integrative literature review. The studies have been thematically categorized across six integration dimensions. As it turned out, algorithmic management and control (46.7% of the total number of reviewed papers) and HR architecture modification (40.0%) are prevailing topics in current scientific works, whereas identity and well-being, legal status and equality, and motivation get more moderate consideration. Collaboration of contingent and regular employees is the most understudied topic (20.0%) despite its critical importance for integration in practice. A blended workforce integration model based on four key levers has been proposed in this paper, namely HR architecture, algorithmic governance, identity, and collaboration.

Keywords: Gig Economy, Contingent Workforce, Blended Workforce, Algorithmic Management, HR Architecture, Workforce Integration.

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Introduction

The modern organizational structure of work does not revolve solely around the traditional full-time indefinite contract. The emergence of digital labor platforms and freelance marketplaces has enabled companies to source talent on an as-needed basis. Many organizations today use the mixed model where permanent employees co-work with gig and contingent workers on the same tasks and in the same process of interaction with customers (Vallas & Schor, 2020).

Traditional employment systems, on the other hand, are a product of a different time and place. The entire recruitment process, from onboarding through performance review and rewards to training and career development, presupposes the existence of an enduring relationship between the company and the employee. Gig and contingent workers are often not part of any of those procedures either due to the limitations posed by their legal status or because of the absence of recognition within HR policy (Meijerink & Keegan, 2019). The consequence of all that is a dualism within the organization where contingent workers feel a sense of exclusion, lack of voice and underdevelopment, and permanent workers see them as competitors or a threat to their stability in the organization (Cropanzano et al., 2023).

Both industry reports and policy discussions repeatedly stress that independent and contingent employment is becoming a large and increasingly prevalent phenomenon not only in the developed countries but also in emerging economies like India, where gig platforms offering delivery, ride-hailing, IT services, and professional freelancing became widespread. For the human resource functions in traditionally structured firms, this creates specific organizational challenges regarding classification of workers, onboarding and evaluation procedures for contingent workers, as well as the implications of their employment for permanent workers.

On the other hand, many aspects of gig employment become mediated by algorithms which assign tasks, assess performance, and decide on compensation of workers with minimal human involvement (Kellogg et al., 2020). The encounter of algorithmic and conventional HR practices creates tensions regarding transparency, fairness, and control (Duggan et al., 2020). This means that integration is more complex and challenging than simply introducing a new type of worker into HR practices. With this backdrop, the current research paper attempts to answer the following questions: (1) what dimensions of integration have been studied so far, (2) what does the evidence say regarding good practices of integration, and (3) what are the gaps that need to be filled with further research. The current paper will provide a thematic review of recent literature and an operational model of integration.

Related Work

Contingent work involves those situations where there is no explicit or implied long-term employment relationship contract, such as temporary agency work, fixed-term contracts, independent contracting and freelancing. Gig work is one of its types involving task-based engagements that usually take place within the framework of digital platforms (Vallas & Schor, 2020). Cropanzano et al. (2023) define gig work by considering the factors such as time flexibility, payment per task, and the use of a third-party mediator that affect the psychology of the worker and change the psychological contract between them. Gig workers often deal with different clients simultaneously; thus the organization boundaries are vague in this situation. The early HR architecture approach identified the core workers and the peripheral workers based on commitment-based and contractual management practices. According to Meijerink and Keegan (2019), HRM practices in the gig economy take place between the requesting organization, the platform, and the worker, thus becoming an ecosystem rather than just one employer-employee relationship. This idea was further developed by Keegan and Meijerink (2023), who claim that the HR architecture in question is dynamic and contractors actively participate in its realignment. Kuhn et al. (2021) state that organizational decision-makers responsible for HR are often unaware of the existence of platform workers, while Connelly et al. (2021) highlight the need for HRM theory to address digital labor.

Algorithms management refers to the use of computer programs in performing tasks that were previously done by the manager, such as allocation of tasks, monitoring of performance, and evaluation or disciplining of employees. Kellogg et al. (2020) regard algorithms as the new battlegrounds of control, while Wood et al. (2019) illustrate that the remote gig workers face both autonomy and algorithmic control in their work. Implications of app-work for employment relations and human resource management have been identified by Duggan et al. (2020), and in their subsequent study of app-workers, they found that algorithmic control through HRM is perceived to be opaque and challenging (Duggan et al., 2023). There are no holding environments within the organizations for contingent workers. According to Petriglieri et al. (2019), the independent worker needs to deliberately construct routines, spaces and relations in order to maintain his/her work identity. In a study by Caza et al. (2022), there is an assessment tool which measures the difficulties faced by gig workers in relation to economic, relational and identity pressures. In a study from the

motivational theory, Jabagi et al. (2019) claim that motivations for gig workers come from autonomy, competence and relatedness but not necessarily financial motives alone.

Research Gap

While there have been numerous studies conducted on gig work in recent times, most of the existing research on the subject tends to look at platform workers independent of the companies that employ them. Very little has been studied with regard to how gig and contingent workers can be integrated within organizations where there exist an HR function and culture in place. According to Kuhn et al. (2021), there is generally a lack of collaboration between HR and platform management.

Methodology

The review utilized an integrative literature review methodology that is appropriate for the synthesis of diverse theory-based and empirical literature on a nascent topic. The Scopus, Web of Science and Google Scholar databases were searched for combinations of the keywords: "gig work", "contingent workforce", "blended workforce", "algorithmic management", "human resource management" and "integration". Articles were eligible for inclusion in this review if (a) they were published in peer-reviewed journals or scholarly review series between 2019 and 2023, (b) related to the management, experience or human resource management of gig or contingent workers, and (c) had organizational implications related to the management of a blended workforce which is shown in fig. 1.

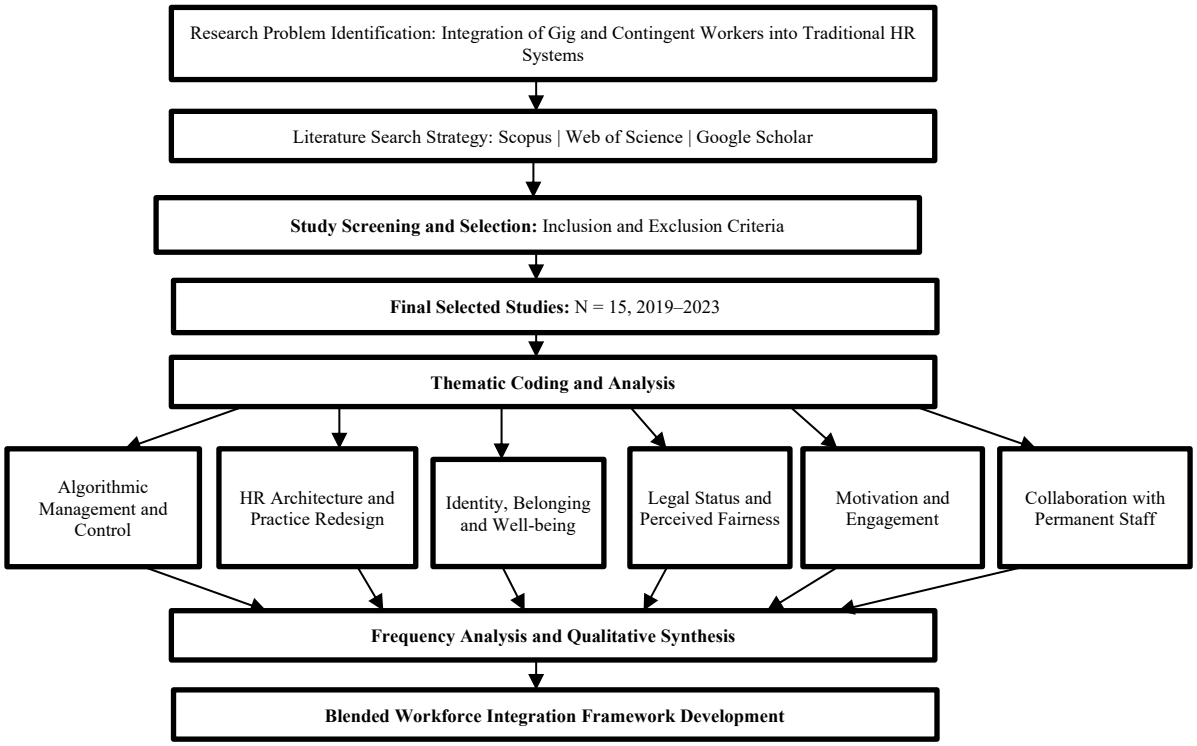


Fig. 1: Integrative Review Methodology Framework

Fifteen studies that fit the criteria were selected for the synthesis. All fifteen studies were carefully studied and coded with respect to six integration dimensions found in the literature: algorithmic management and control, HR architecture and practice redesign, identity and belonging and well-being, legal status and perceived fairness, motivation and engagement, and collaboration with permanent employees. One study may have been coded with regard to several dimensions. Then the frequency of each of the dimensions was counted to determine the areas of overrepresentation and underrepresentation and synthesize the findings of each of the dimensions.

Results and Discussion

Table 1 is the thematic synthesis where the number of studies related to each theme is stated along with the main findings and their implications on the integration of contingent workers into regular organizations.

Table 1: Thematic Synthesis of Integration Dimensions in the Reviewed Studies (N = 15)

Integration Dimension	Studies (n)	Key Findings	Implication for Integration
Algorithmic management and control	7	Algorithms allocate, monitor and evaluate work; control is often opaque and its legitimacy shapes compliance or resistance (Kellogg et al., 2020; Wiener et al., 2023).	Make algorithmic rules transparent and provide human review and appeal channels.
HR architecture and practice redesign	6	HRM is distributed across organization, platform and worker; the HR architecture is dynamic rather than a fixed core-periphery split (Keegan & Meijerink, 2023).	Extend selected HR practices (onboarding, feedback, recognition) to contingent workers.
Identity, belonging and well-being	5	Contingent workers face economic, relational and identity strains and must build their own holding environments (Petriglieri et al., 2019; Caza et al., 2022).	Create inclusion rituals, peer networks and access to well-being resources.
Legal status and perceived fairness	5	Classification and platform logics create institutional complexity and perceptions of unequal treatment (Meijerink et al., 2021).	Align pay, voice and grievance procedures with fairness principles within legal limits.
Motivation and engagement	4	Autonomy, competence and relatedness drive motivation more than monetary incentives alone (Jabagi et al., 2019).	Design meaningful tasks, skill development and clear performance feedback.
Collaboration with permanent staff	3	Limited evidence on knowledge sharing, trust and team dynamics in blended teams (Kuhn et al., 2021).	Build shared goals, joint onboarding and collaboration protocols for blended teams.

Note: A single study may address more than one dimension; percentages are calculated on the total of 15 studies.

As is demonstrated in table 1, algorithmic management and control have been explored by scholars in the largest number of articles – seven out of the fifteen reviewed (46.7%). Such focus is justified by the visibility of platform work and the novelty of algorithmic control. It has been confirmed that the employment of algorithms undermines the ability of workers to comprehend and question the decisions made by managers regarding their job duties and thus decreases trust (Duggan et al., 2023). For businesses employing gig workers, it means that algorithms related to assigning tasks or assessing performance should have an explanation component. The second most prominent dimension is that of redesigning HR architecture and practice (40.0%). The reviewed literature indicates that there is consensus regarding the inflexibility of the core-periphery framework in the current context of labor markets. Contingent workers can do core activities, and they also have an ever-changing relationship with the organization (Keegan & Meijerink, 2023). The integration process thus involves selectively incorporating HR practices, like structured onboarding, feedback, and recognition for contingent workers. Fig 2 shows the spread of the six dimensions in the reviewed literature.

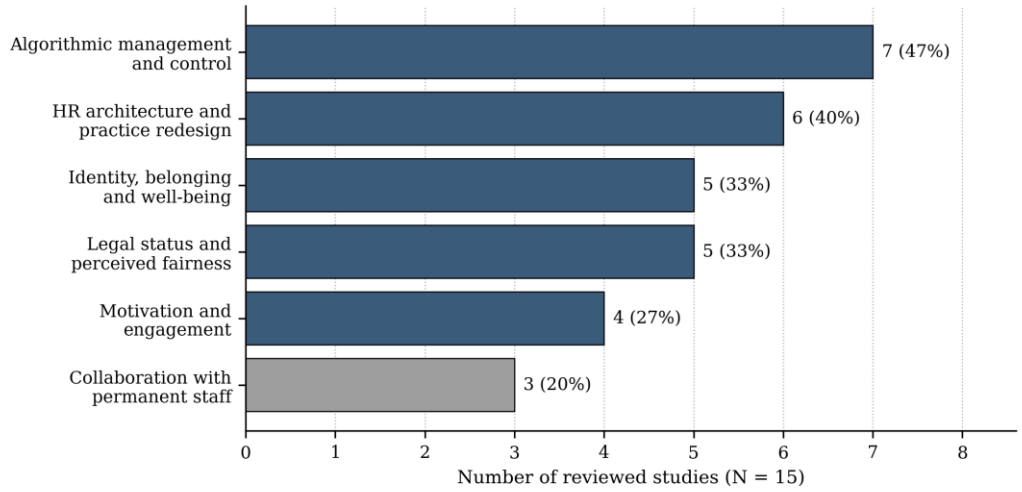


Fig. 2: Distribution of Integration Dimensions Across the Reviewed Studies (N = 15)

This is illustrated in fig 2. Identity, belonging, and well-being, legal status, and perception of fairness are discussed in five articles each (33.3%), while motivation and engagement are the focus of four articles (26.7%). In the literature on identity, contingent workers face the responsibility of building their stability and community (Petriglieri et al., 2019), while relational isolation represents a unique source of strain (Caza et al., 2022). In the case of fairness, the research has established that the differences in classification and platform regulations represent an institutional complexity that affects worker perceptions (Meijerink et al., 2021). The research on motivation has shown that psychological needs, not only payment, keep gig workers engaged (Jabagi et al., 2019).

The least investigated aspect relates to cooperation with permanent employees, which was mentioned only in three articles (20.0%). It is important since integration actually takes place in practice through knowledge sharing, coordination of activities, and establishing trust within blended teams. There can be a problem with knowledge transfer by permanent employees, who may not feel like sharing their knowledge with employees who will soon quit the company. Also, contingent workers can be denied access to informal communication channels (Kuhn et al., 2021).

Summing up these insights, the literature review highlights a hybrid approach to workforce integration based on the following four interrelated levers. First, an inclusive HRM structure recognizes contingent employees as rightful members of the workforce and applies relevant HRM practices to them. Second, there is a need for transparent and accountable algorithmic governance to ensure that the digital governance tool supports rather than undermines the development of trust. Third, there should be identity and belonging facilitation in terms of peer networking and access to well-being resources. Fourth, there should be structured collaboration to institutionalize knowledge exchange and collaboration between contingent and regular employees. The proposed approach aligns with the existing recommendations for incorporating the digitalization of work into the theoretical framework of HRM (Connelly et al., 2021) and with empirical findings concerning the need for balanced autonomy and control in gig work (Wood et al., 2019).

Practical Implications

There are also some implications for HR professionals working in traditional organizations from this study. First, workforce planning should consider contingent workforce as a part of it instead of looking at them as a cost of procurement. Second, managers need to be educated on how to lead hybrid teams. The contribution and experience of contingent workers have to be captured in HR analytics. Third, organizations need to pay attention to the perception of fairness of both groups because integrating them in such a way that favors one group over another is likely to lead to resentment and turnover. From an organizational behavior point of view, integration affects the attitude of permanent employees. If contingent workers start working and no communication on the reasons for that occurs, permanent workers will feel threatened about their own job security. Communication on the reasons why contingent workers were hired and on the division of responsibilities between contingent and permanent workers will alleviate these concerns. Leading by example and involving contingent workers in team activities and meetings is one of the ways leaders can foster cooperative norms.

Limitations and Future Research

The synthesis is based on fifteen empirical studies and a coding scheme derived from the literature; hence, the frequencies may not be considered an indication of practical significance but rather of research interest. The majority of the empirical studies reviewed are conducted in Europe and North America, and the focus of research is on platform-mediated work; thus, findings cannot be generalized to other types of contingent labor such as agency workers, fixed-term contracts, and developing economies. In the future, researchers can consider conducting surveys of blended teams to validate the relationship suggested by the theoretical model, employ a multilevel design, and study longitudinal cases of organizations redesigning their HR systems.

Conclusion

This paper provided a thematic review of the integration of gig and contingent workers in employment processes, based on the analysis of fifteen recently published papers. According to the findings of this review, today's academic literature focuses on algorithmic management and HR architecture reengineering, but the collaboration of contingent and regular employees has been least researched among the dimensions considered. The suggested framework of gig and contingent worker integration, which incorporates inclusive HR architecture, algorithmic governance, identity and belonging, and collaboration, provides a theoretical foundation for HR managers who want to construct collaborative and balanced workplaces. As organizations will continue to use flexible labor, integration of gig and contingent workers is likely to turn into one of the most critical competencies of HR, and empirical validation of the framework is a logical next step.

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