

Advances in Strategic Human Resource Management
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HRM in Gig Economy Firms
Lecture - 08 C
Economic Perspective of HRM in Gig Economy

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**Toward an ecosystem perspective on
HRM in the gig economy**

An ecosystem refers to a
group of interacting,
yet semi-autonomous entities
that
depend on each other's activities and therefore
are somewhat hierarchically controlled

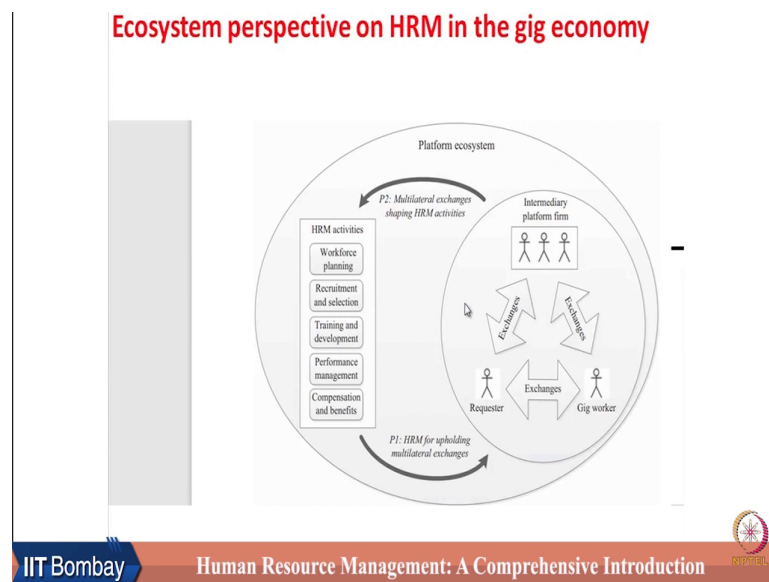
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In order to address some of these issues, these authors whose reference I gave in the beginning have suggested the ecosystem perspective on HRM. What is the ecosystem? Ecosystem is a interaction of several variables which has input, which take input through certain process and which has certain output. Ecosystem are always made up of or we can say a ecosystem an ecosystem is always made up of this small ecosystem which is part of the larger ecosystem.

So, ecosystem here refers to a group of interacting yet semi-autonomous entities that depend on each other's activities and therefore, are somewhat hierarchically controlled.

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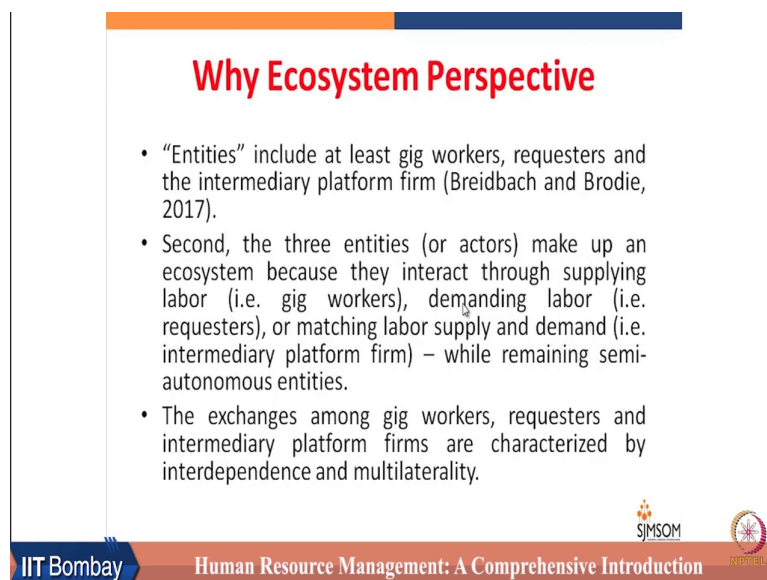
This is the model given by these authors which suggest that intermediary platform firm has exchanged with requester, gig worker, exchange takes place in all these three players and on the platform ecosystem, HRM uphold the multilateral exchange and multilateral exchange is shaped by HRM activities.

What are the HRM activities? Human resource or workforce planning, recruitment and selection, training and development, performance management, compensation and benefits. So, these activities still take place even if in the gig economy firm there are practically zero full-time employees.

So, we they do have full-time employees in their Airbnb office or Amazon office or Uber office, but that number is much much lesser in comparison to the number of drivers Ubers has or number of the delivery boy or number of the restaurant been enrolled with the Zomato.



But they are also even pertaining to the requesters, they use certain HR activities in the different shape and different form. And that not only helps in upholding the multilateral exchange that also is shaped by a multilateral exchange.

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Why Ecosystem Perspective

- “Entities” include at least gig workers, requesters and the intermediary platform firm (Breidbach and Brodie, 2017).
- Second, the three entities (or actors) make up an ecosystem because they interact through supplying labor (i.e. gig workers), demanding labor (i.e. requesters), or matching labor supply and demand (i.e. intermediary platform firm) – while remaining semi-autonomous entities.
- The exchanges among gig workers, requesters and intermediary platform firms are characterized by interdependence and multilaterality.

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So, ecosystem approach is very useful because like any ecosystem this ecosystem the gig economy firm, if considered ecosystem also is constituted of certain entities that include at least gig worker requester and intermediary platform firm.

Second the three entities make up an ecosystem because they interact through supplying labor, demanding labor, matching labor supply and demand while remaining semi-autonomous entities. And thirdly, exchange among gig worker, requester and intermediary platform firm are characterized by interdependence and multilaterality. So, the whole system can flourish together or sink together.

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Uber: An Example of Ecosystem Perspective

When Uber drivers withdraw from the Uber ecosystem (i.e. stop using the online platform to provide taxi rides), there is limited value created for passengers as they cannot be transported.

The contrary also holds: when passengers stop hailing taxi rides via the Uber platform, Uber drivers will not reap any benefits as there are no earnings to be made.

Ultimately, the value to intermediary platform firms also depends on the ongoing contribution of gig workers and requesters:

Therefore, ecosystem actors are said to be complementary: the activities of one ecosystem actor do not function and provide limited value without the actions of the other actors (Wareham et

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We can take example, we can understand this ecosystem with the example of Uber; when Uber driver withdraw from the Uber ecosystem, there is a limited value created for the passengers. So, for the passengers it is a value diminishing act. Contrary also hold when passenger stopped hailing taxi driver or taxi rider via the Uber platform, uber drivers will not reap any benefit as there are no earnings to be made.

Ultimately the value to intermediary platform firms also depends on the ongoing contribution of gig workers and requesters. So, therefore, ecosystem actors are said to be complementary in nature. The activities of one ecosystem actor do not function and provide limited value without the action of other actors.

So, value creation requires constant fruitful functional interaction of all three entities and the entities can increase as the complexity is increasing, as the technology is becoming more sophisticated, we are seeing multiple entities in any online platform system which constitutes the gig economy firm.