

**TALENT ACQUISITION IN THE GIG ECONOMY: A DUAL
PERSPECTIVE ON EFFICIENCY AND WORKER PRECARIETY IN INDIA****Vrushali Sanjay Patil**

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Abstract

The fast growth of the gig economy has changed how people work around the world, especially in places like India that are still developing. This change is mainly because of digital tools, quick service platforms, and new technology. Gig work provides a way for companies to hire people more easily and quickly. But this kind of work also brings problems, such as job uncertainty, unstable pay, and not having proper support from the government or companies. This research looks at both sides of gig work in India. It examines how using gig workers helps businesses be more efficient and flexible, but also how it can make workers more vulnerable. The study uses information from government papers, reports, and recent research to look at how work patterns are changing, how companies hire through platforms, and the effect on workers' lives. The research finds that while gig work helps companies scale up, save money, and find more workers, it also leads to more informal jobs, control through algorithms, and less job security. The study ends with suggestions for policies that can help businesses be efficient while making sure workers are treated fairly in India's changing digital work environment.

Keywords: Gig Economy, Talent Acquisition, Digital Labour, Precarity, Platform Work, India, Informal Employment.

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Introduction

The rise of the gig economy is one of the biggest changes in today's job market.

Digital platforms like ride-hailing services, food delivery apps, and freelance websites have changed how people work. In India, the gig economy has grown a lot. The number of people working in this sector went from around 7.7 million in 2021 to nearly 12 million in 2025. It is expected to reach more than 23 million by 2030, showing how important this sector has become for the country's economy. A major change in how companies hire people is at the heart of this shift.

Companies are now using platform-based hiring to meet changing needs, cut costs, and be more flexible. Unlike traditional hiring, which usually means long-term jobs, gig-based hiring involves short-term tasks, specific projects, and matching workers with jobs through algorithms. But this change has its downsides too.

While freelancing offers flexibility and makes work more accessible, it also brings problems like uncertain income, no job security, and no benefits like health insurance or pensions. The Economic

Survey from 2026 says that almost 40% of gig workers in India make less than ₹15,000 a month, showing that many are struggling financially.

This paper will look at talent acquisition in India’s gig economy from two sides how efficient it is for companies and how difficult it is for workers.

• **Traditional Labor Market in India**

The traditional labor market in India is all about a well-organized system of employment where people are brought on board for the long haul, with clear roles, responsibilities, and contracts in place. It’s focused on providing stability and a sense of continuity in job relationships.

In this setup, you’ll find fixed salaries and a range of social security benefits like provident funds, gratuity, health insurance, and paid leave, all designed to offer financial security and protect workers. This model is typically seen in sectors such as government jobs, banking, manufacturing, and corporate firms.

Moreover, the traditional labor market is backed by robust regulations, including labour laws and trade unions, which safeguard workers’ rights and encourage fair employment practices. This framework helps ensure job security, opportunities for career advancement, and a strong commitment to the organization.

• **Gig / Platform Labor Market in India**

The gig economy in India is all about flexible, digital work arrangements where people take on short-term tasks or projects through online platforms and mobile apps, without the need for long-term commitments.

In this setup, workers are usually seen as independent contractors, which means they don’t get fixed salaries or the usual benefits that come with traditional jobs. Instead, work is assigned through algorithms, allowing for quick hiring and real-time matching of what employer's need with available workers.

While the gig labor market provides flexibility and easy entry into employment, it is also associated with income uncertainty, lack of job security, and limited social protection, making workers more vulnerable compared to those in traditional employment systems.

• **Difference Between Traditional and Gig Labour Market in India**

| Basis | Traditional Labour Market in India | Gig Platform Labour Market in India |
|--------------------------------|---|--|
| Nature of Employment | Permanent or long-term employment with formal contracts | Short-term, task-based, or freelance work without long-term commitment |
| Job Security | High job security with stable income | Low job security; income depends on availability of gigs |
| Work Structure | Fixed working hours and structured job roles | Flexible working hours and autonomy in choosing tasks |
| Employer-Employee Relationship | Clear employer-employee relationship governed by labor laws | Ambiguous relationship; workers often treated as independent contractors |
| Income Stability | Regular monthly salary with predictable income | Irregular earnings; depends on demand and platform algorithms |

| | | |
|--------------------------|---|--|
| Social Security Benefits | Includes benefits like PF, gratuity, insurance, and paid leaves | Limited or no social security benefits; mostly self-managed |
| Skill Requirements | Often requires formal education and specialized skills | Skills vary; many jobs require minimal formal qualifications |
| Regulation | Highly regulated under labor laws in India | Less regulated; evolving legal and policy framework |
| Examples | Government jobs, corporate employment, factory workers | Ride-sharing drivers, delivery partners, freelance digital workers |
| Career Growth | Defined career progression and promotions | Limited career growth; depends on ratings and platform performance |

Research Methodology

This study adopts a qualitative and analytical research approach based on secondary data. Data sources include:

- Government reports (Economic Survey, NITI Aayog)
- Academic journals and research papers
- Industry reports and news articles
- Case studies of platform-based companies

The study uses thematic analysis to identify key dimensions of talent acquisition and worker precarity in the gig economy.

Objective

- To evaluate the efficiency of talent acquisition in the gig economy in India.
- To assess the level of job security and economic stability among gig workers.
- To compare gig economy employment with the traditional labour market in India.
- To analyze the impact of digital platforms on recruitment and worker-employer relationships.

Literature Review

1. Concept of Gig Economy and Digital Labour Platforms

The gig economy is all about a labor market where short-term, flexible, and platform-based jobs take the spotlight instead of traditional, permanent positions. As noted by the International Labour Organization in 2021, digital labor platforms have really changed the game by making on-demand work possible through apps like Uber and Swiggy. While these platforms make it easier for people to enter the workforce, they also shift a lot of the risks from employers onto the workers themselves. In a similar vein, NITI Aayog reported in 2022 that India boasts over 7.7 million gig workers, a number that's expected to rise significantly. The report points out that while gig work offers economic flexibility, it often comes without the formal employment protections that many workers rely on.

2. Talent Acquisition Efficiency in the Gig Economy

Research indicates that gig platforms have truly transformed the hiring landscape, making the process quicker, more data-driven, and budget-friendly. According to Deloitte Global (2021), companies can tap into a vast, flexible talent pool without the burden of long-term commitments.

Thanks to algorithms, matching skills with job demands happens in a flash. Yet, while these systems boost efficiency, they often place a greater emphasis on speed rather than the quality and stability of workers. The World Bank (2019) points out that while digital hiring methods lower transaction costs, they can also create imbalanced power dynamics between the platforms and the workers.

3. Worker Precarity and Employment Insecurity

A significant issue highlighted in the literature is the unstable nature of gig work. Guy Standing (2011) coined the term “precariat” to describe workers who experience inconsistent income and limited rights. Those in gig jobs often find themselves without job security, health insurance, or retirement benefits. In India, the Centre for Monitoring Indian Economy reports that gig workers struggle with income fluctuations and the lack of formal contracts. Additionally, the International Labour Organization (2021) points out that algorithmic management results in increased worker surveillance and diminished bargaining power.

4. Gender Dimensions in the Gig Economy

Gender disparities in gig work are quite pronounced, especially when it comes to participation and earnings. The World Economic Forum (2023) highlights that women are often left out of platform-based jobs, primarily due to concerns about safety, the digital divide, and the burden of unpaid care work. In India, a report from NITI Aayog (2022) points out that while women make up a smaller portion of gig workers, they tend to be found in lower-paying, more flexible roles like home-based jobs. Although gig work can provide some flexibility, it might also perpetuate the gender inequalities that already exist.

5. Comparison with Traditional Labour Market

Traditional labor markets in India are known for their long-term job security, legal protections, and clear paths for career advancement. On the flip side, gig work is more informal and flexible, but it often lacks the safety nets that come with traditional jobs. The International Labour Organization points out that while traditional employment offers social security and stability, gig work tends to place the burden of risk on the workers themselves. That said, gig work can provide a sense of freedom and income opportunities for those who might not have access to formal employment.

6. Role of Technology and Algorithmic Management

Technology is at the heart of gig work, shaping how it all operates. Platforms rely on algorithms to assign tasks, keep tabs on performance, and set wages. Alex Rosenblat (2018) points out that this algorithmic control is taking over traditional management roles, often leading to less transparency. While this can boost efficiency, it also brings up important issues like fairness, data privacy, and the autonomy of workers. Many gig workers find themselves with little say over their ratings and job assignments, which can have a direct effect on their earnings.

- **Talent Acquisition in the Gig Economy: Efficiency Perspective**

Cost Efficiency

Gig-based hiring offers a smart way for organizations to cut down on costs tied to recruitment, training, and employee benefits. With this approach, companies only pay for the tasks that are completed, which means they can avoid the burden of fixed salary commitments.

Flexibility and Scalability

Organizations can scale their workforce up or down based on demand. This is particularly beneficial in sectors such as food delivery, logistics, and ride-hailing.

Access to a Wider Talent Pool

Digital platforms enable companies to access a large and diverse workforce. India’s gig economy includes both low-skilled workers (delivery agents) and high-skilled professionals (freelancers, consultants).

Speed of Hiring

Algorithm-driven platforms facilitate instant matching of workers with tasks, significantly reducing hiring time.

Reduced Administrative Burden

Companies are not required to manage payroll, benefits, or compliance for gig workers, as they are classified as independent contractors.

- **Worker Precarity in the Gig Economy**

While the gig economy has its perks, it also brings a host of challenges for those who work within it.

Income Instability

Gig workers often deal with unpredictable earnings that can vary widely based on demand. Many find themselves earning less than minimum wage, leaving them with little financial security.

Lack of Social Security

The majority of gig workers miss out on essential benefits like health insurance, paid time off, or retirement plans. This lack of support makes them more vulnerable to economic downturns.

Algorithmic Control

Workers are often at the mercy of algorithms that dictate how tasks are assigned, how they’re rated, and how much they get paid. This can strip away their sense of independence and create a feeling of uncertainty.

Job Insecurity

Gig jobs typically don’t come with long-term contracts. Workers can be removed from platforms without any warning, adding to their stress.

Occupational Risks

Those in gig roles, especially in delivery and ride-hailing, face various safety risks. Research shows that a large number of these workers are genuinely concerned about their physical safety while on the job.

Lack of Grievance Redressal

Many gig workers find it tough to access support systems or ways to voice their complaints, which often leads to feelings of dissatisfaction and exploitation.

- **Dual Perspective: Efficiency vs Precarity**

The gig economy presents a fundamental trade-off:

| Efficiency (Employers) | Precarity (Workers) |
|---------------------------|---------------------|
| Cost reduction | Income instability |
| Flexible workforce | Job insecurity |
| Fast hiring | Lack of benefits |
| Scalable operations | Algorithmic control |
| Reduced compliance burden | No legal protection |

- **A Comparative Analysis of the Gig Economy: India and Global Perspectives**

The gig economy has really taken off as a global labor market trend, but its size and effects can look quite different from one country to another. For instance, in India, about 7.7 million workers

are part of the gig workforce, which makes up roughly 1.5% of the total workforce, according to NITI Aayog. On the flip side, the United States sees a much larger share, with nearly 36% of its workforce involved in gig or freelance jobs, showcasing a more developed and tech-savvy labor market. Meanwhile, countries in the European Union report around 20% participation, suggesting a more balanced integration of gig work within their regulated labor systems. When it comes to growth, India is experiencing the fastest rise in the gig economy, fueled by rapid digitalization, urbanization, and the emergence of platform-based services. Research shows that India's gig workforce is set to expand significantly over the next decade, likely outpacing that of developed nations.

In contrast, while the United States and Europe are still growing, their rates are relatively stable since they already have established gig markets. This indicates that India is still in the developing stage, while Western economies have reached a more mature phase in the gig economy. One major difference is in income levels and the types of work available. In the United States, gig jobs often involve high-skilled professions like IT, consulting, and creative freelancing, which leads to much higher earnings. On the other hand, India's gig economy is primarily made up of low- and medium-skilled positions, such as delivery services, ride-hailing, and retail work, resulting in lower and more unpredictable incomes. European countries, however, offer a mixed bag, featuring both service-oriented and professional gig work, backed by wage regulations and labor standards.

Another key aspect to consider is gender participation. In India, the involvement of women in the gig economy is still quite low, largely due to issues like safety concerns, the digital divide, and socio-cultural obstacles. On the other hand, the United States sees a higher rate of female participation, thanks to better access to technology and more flexible remote work options. The European Union also fares better in terms of gender inclusion, bolstered by robust labor policies and social support systems. However, despite these advancements, gender disparities continue to exist worldwide, highlighting ongoing structural inequalities in access to gig opportunities.

When it comes to labor protection and job security, these regions show significant differences. In India, gig workers often find themselves without formal contracts, social security, or legal protections, which leaves them vulnerable to income fluctuations and job instability. In the U.S., while gig work does offer flexibility, there's still a heated debate about worker classification and rights. In contrast, the European Union provides stronger protections through labor laws, minimum wage standards, and social security benefits, which help to mitigate worker precarity.

Overall, looking at the international landscape reveals that the gig economy presents a mixed bag across different regions. While it brings flexibility and efficiency to labor markets around the globe, the level of worker protection and income stability varies widely. Developed economies generally offer better safeguards and higher earnings, while developing countries like India focus more on creating jobs, often at the expense of worker security. This comparison highlights the urgent need for India to find a more balanced approach that fosters growth while ensuring adequate labor protections.

- **Case Study: Platform-Based Companies in India**

- Food Delivery Platforms**

- Companies like Swiggy and Zomato depend a lot on gig workers. While they do offer some income opportunities, these workers often find themselves dealing with long hours, low pay, and stiff competition.

- Ride-Hailing Services**

- Services like Uber and Ola provide flexible ways to earn money, but they also come with high turnover rates and a lot of dissatisfaction among drivers.

Freelancing Platforms

Online platforms open doors for skilled workers, but they also bring fierce competition and the challenge of price undercutting.

- **Policy and Regulatory Framework**

The regulatory environment for gig work in India is still evolving. Key developments include:

- Introduction of labour codes recognizing gig workers
- Initiatives like the e-Shram portal for unorganized workers
- Proposed social security schemes for platform workers

However, implementation remains limited, and many workers continue to operate in a legal grey area.

- **Challenges in Talent Acquisition**

From an organizational perspective, gig-based talent acquisition also presents challenges:

- High attrition rates
- Low worker loyalty
- Quality control issues
- Difficulty in maintaining organizational culture

Studies indicate that attrition rates in gig-based companies can be significantly high, increasing recruitment costs.

- **Future Perspective of the Gig Economy and Talent Acquisition**

The gig economy in India is expected to grow rapidly in the coming years, becoming a significant part of the labour market. Reports by NITI Aayog suggest a sharp increase in gig workers driven by digitalization, platform expansion, and rising demand for flexible work.

From a talent acquisition perspective, organizations will increasingly depend on gig workers for cost efficiency and flexibility. The use of digital platforms and AI-based systems will make recruitment faster and more efficient, but may also raise concerns regarding transparency and fairness.

However, worker precarity is likely to remain a major issue. Many gig workers may continue to face income instability and lack of social security unless policies like the Code on Social Security are effectively implemented.

Gender participation is expected to improve with the rise of remote work opportunities. Still, challenges such as safety concerns and digital access must be addressed to ensure equal participation of women in the gig economy.

Globally, regions like the European Union are moving toward stronger regulations for gig workers. India can adopt similar approaches to balance flexibility with worker protection and ensure sustainable growth.

Recommendations

For Policymakers

- Introduce minimum wage standards for gig workers
- Provide social security benefits
- Strengthen labour laws and enforcement

For Organizations

- Ensure fair pay and transparent algorithms
- Provide insurance and welfare benefits
- Develop grievance redressal mechanisms

For Workers

- Enhance skill development
- Diversify income sources
- Participate in collective bargaining

Conclusion

The gig economy has truly reshaped how talent is acquired in India, bringing in a wave of flexibility, efficiency, and innovation. But this shift doesn't come without its downsides workers face uncertainty, fluctuating incomes, and a lack of social safety nets. The dual perspective discussed in this paper emphasizes the importance of finding a middle ground that balances efficiency with fairness. As India dives deeper into the world of digital capitalism, the real challenge is to build a gig economy that serves both companies and workers well. It's crucial for policymakers, businesses, and society to join forces to ensure that the future of work is not just efficient, but also equitable and inclusive.

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