

Uncovering the Challenges and Opportunities of Gig Economy for Small Businesses

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ABSTRACT

The study examines the impacts of the gig economy on small businesses and focuses on the Philippine context. The study aims to explore the nature of gig work and its implications for small businesses, highlighting both benefits and challenges. The paper's findings indicate that the gig economy offers small businesses benefits such as reduced operational costs, access to a diverse talent pool, and increased productivity. However, it also presents challenges, including legal and tax issues, financial risks, and concerns about the quality control of gig workers. To navigate these complexities, the study suggests strategies such as enhancing digital literacy, improving worker competency through training, and implementing comprehensive risk management solutions. Additionally, it emphasizes the importance of developing supportive policies and frameworks to address the challenges that small businesses face. The significance of this study lies in its potential to inform policy development and provide practical recommendations for small businesses seeking to leverage the advantages of the gig economy while mitigating its inherent risks, supporting small businesses in making informed decisions, and fostering a more resilient and adaptable economic environment. The research employs thematic analysis to evaluate the gathered data. The sources are carefully selected from published articles from various databases as well as online resources, finding valuable insights such as the importance of policies and strategies for the successful management of gig workers in small businesses.

Keywords: Gig Economy, Business, Freelancers, Consumers, Employers, Gig workers

INTRODUCTION

The nature of employment, referred to as the gig economy, is a labor market characteristic. In their view, Singh Metha and Kumar (2020) defined the gig economy as, "The arrangement of supply of work for payment between workers and/or businesses directly through online platforms which intentionally organize the connection between sellers and buyers on a short-term and per-job basis." The concept of the Gig Economy and Digital Freelancing has brought drastic changes to the labor industry, opportunities, and risks for jobbers and organizations (Mia & Habaradas, 2020). Therefore, despite generating 35% higher freelancing earnings than before, the Philippines is now on the list of the world's fastest-growing freelancing market in the seventh position. This brought into question the fact of whether this popped up the labor market somewhat saturated as the pandemic still stands today (Motas, 2023). Further discussed by Bayudan-Dacuycuy, the COVID-19 epidemic and enhanced Information and Communication Technologies (ICT) infrastructure both contributed significantly to the accelerated rise of the gig economy. This was also accompanied by economic diversification in the form of growth in Gig Economy opportunities for the workers and an increase in international remittance in the country; banking activity also grew particularly through digital channels since the usage of e-payments surged in the availability of cell phones and mobile internet (Bayudan-Dacuycuy et al., 2020). The phenomenon of the gig economy has emerged as a prominent and rapidly developing segment in many countries including the Philippines owing to the development of technologies and the emergence of digital platforms that connect customers and providers of on-demand services and products, car rental services, food delivery, freelance writing and graphic design, and others, as described in the analysis made by Cassion (2024). The increase of gig workers in the Philippines is notable, which shows the influence of mobile applications and other digital platforms linking workers and clients. One more issue that needs to be addressed to ensure the future sustainability of the gig economy in the Philippines is the absence of an appropriate legal framework that would correspond to the needs

of gig workers and their activities (Mia & Habaradas, 2020). Intervention of government agencies along with cooperation from labor unions and platform businesses is necessary for expanding social welfare such as health services, unemployment insurance, and retirement plans. More could be done to equip gig workers to match the current market needs and to acquire better-paid opportunities; for instance, their digital literacy, customer service, and entrepreneurial skills can be enhanced (Cassion, 2024).

Independent troops of workers have shaped the new business strategies, especially for small businesses. The gig economy has the following advantages to the growth and development of small businesses. However, flexibility is one of the main advantages of a gig economy for small businesses because small businesses usually are exposed to unpredictable customers' demand and lack of funds, so fixed employment becomes a significant issue. Because of this, such businesses can employ freelancers or gig workers, or such firms can adjust their number of employees based on the amount required, or when such employees are necessary, all without worrying about having fixed long-term costs to meet (Winegarden, 2021). This has the effect of lowering operation expenses and the small business and can easily conform to the change in the market environment, threats and opportunities. Additionally, the presence of the gig economy implies that talent is available for small businesses through online platforms where, for instance, small businesses benefit from talent that big business employees might consider either inconvenient or a luxury. Such arrangements can lead to the conception of ideas and quality services that enhance the satisfaction of the client's needs since businesses can obtain specialties on a contractual basis (Roy and Shrivastava, 2020). Further, another advantage that can be considered as the significant one is the potential for a greater number of productions. Freelancers who are paid based on assignments have the needed impetus to work well and complete work effectively. All these can contribute to improved results and productivity among hiring organizations. Also, due to the competitive aspect that has engulfed gig platforms, the owners of gig platforms make sure that the best performers retain their jobs, thus promoting high-quality work (Mia & Habaradas, 2020).

The problem is that many small business representatives encounter numerous challenges while operating in the gig economy, including problems with the legislation related to gig work. Another issue challenges the legal and tax demarcation of the working team as independent contractors and not employees. The same Joshi et al. (2024) argue that more complexities surround these regulations due to the variation in standards across the regions, which translate to additional and considerable administrative costs for SMBs. This further culminates in instabilities, such as financial instabilities. Working can be unpredictable when one is relying on gigs, and this may put a lot of pressure on the financial capacity of small businesses, most of which are cash-strapped. To sum up themselves and the existing studies, Thakur et al. (2022) mention that significant challenges for small businesses consist of controlling cash flow and budgeting costs and revenues related to gig workers whose schedules are less stable than full-time employees. This leads to instability and unpredictability in costs, and more often than not, they can negatively impact businesses, making it hard to fund operations and growth. Third, another issue is associated with the quality and reliability of the gig workers. This way, the gig economy has a very large selection of available talent, but controlling for quality and reliability is difficult. Roy and Shrivastava (2020) explained that most small business organizations hire gig workers for important tasks since they are affordable, but the inconsistency in the quality of their skills and efforts affects their performance. Pre-screening and training gig workers take time and money that may not be available with small businesses, and thus there may be shortcuts that could compromise the quality of services and customer satisfaction. Additionally, the gig economy also amplifies rivalry. Small businesses or independent contractors face the hugeness of established corporations and dominant gig platforms (Thakur et al., 2022). According to Wayne Winegarden (2021), the gig economy is the fostering of working opportunities for the growth and development of gig workers themselves; however, the gig economy is also placing pressure on small businesses to adapt and 'up the ante' in creating competitive and attractive conditions for gig workers (Kwanya et al., 2023). This competition can prove to be very challenging for small business entities, which are usually capable of doing very little. However, an organization with a workforce that consists of gig workers is dissimilar from an organization with ordinary employees. Palhad et al. (2023) acknowledge that management practices require creating new small business management frameworks to accommodate gig workers' expectations. Such as early and late control, the use of part-time and full-time wages, and job design. These dynamics can prove rather delicate to manage, especially from a small business's perspective, especially while establishing a strong organizational culture.

This paper seeks to find out and suggest possible measures that can be embraced to address these challenges. Small businesses in South African teachers contend with specific issues and have peculiar advantages according

to (Palhad et al., 2023). Strategies to address these include the following to mention but a few; providing the gig economy workers with financial services and insurance. Courses promoting general awareness and enforcing organizational requirements to enhance worker competency as well as the formulation of worker networks and training programs to enhance organizational performance. Programs to exchange information, goods, and services with each other regarding the subject of nursing. Furthermore (Blanchard, 2024) responds to the absence of experienced employees in the configurations of self-employment, that is the construction of interactional relations with such establishments and educational facilities. Organizations to develop relevant training interventions as well as to provide lucrative rates and remunerations. Thus, can draw the desired skill sets of gig workers. Employing the use of networking sites to find jobs for skilled employees and the right employer for the particular employee. Opportunities are also effective. Based on the general understanding of the gig economy, (Joshi et al., 2024) have described the general challenges and their effects. Economy of small businesses. On the other hand, the mitigation measures involve the due process of establishing proper project management plans. Measures that would facilitate the management of the gig work arrangements, now that the flow of information between gig workers and the management of the business, and the development of acceptable methods of payments to ensure people trust and rely on businesses.

LITERATURE REVIEW

Characteristics of the gig economy: flexibility, temporary and freelance jobs

The new trend in employment, which is referred to as the gig economy, is well-known and regarded as the labor market demand for flexibility, temporary, and freelance work (Kwanya et al., 2023). Particularly, several important factors are recognized to underlie this change, which provides different opportunities and risks for workers and employers. Flexibility is one of the key characteristics that define the gig economy. The employees sometimes have flexibility within their working schedule and place of work, which makes it easier to manage family and work responsibilities (FasterCapital, 2024). Lehdonvirta (2018) stated that it could be gratifying as this flexibility enables gig workers to coordinate time relating to different piecework online platforms suitably regarding their needs and preferences. Such flexibility is especially attractive to those who have other commitments besides work, and who do not wish to be tied to the 9-to-5 schedule characteristic of most static employment models that are typical of so many industries. The lack of permanency of the job is another feature that stands out. Companies that offer gig services are also known to provide short-term employment to their workers. A gig worker can take up a certain job, complete it, and move on to another without necessarily having strong ties to the employer as is the case with traditional employment. This can be advantageous to anyone acquiring skills in assorted fields or wishing to change career paths without having to endure a lengthy commitment to a particular company or industry. Still, it also implies that independent workers are likely to suffer from earnings and employment uncertainties, which may not be devoid of drawbacks (Schwellnus et al., 2019). Freelance work is the third component of the gig economy for several reasons. Freelancers offer services on their own and not as employees hence are in control of the way they work and are fully responsible for all aspects of business and legal issues, taxation, allowances, and insurance. The advancement in the use of digital platforms in the provision of freelance work has helped expand the variety of jobs provided by connecting workers with prospective clients across the globe (Roy & Shrivastava, 2020; Johnston, 2020).

Opportunities of the gig economy in small businesses

The gig economy provides small businesses with various prospects. In the work of Yildirmaz et al. (2020); FasterCapital (2024) found out that one of the biggest advantages of the gig economy is the flexibility that enables workers to have improved control over their work lives, with the option of over 70% of gig workers indicating they preferred to be gig workers (Fiers, 2024). This flexibility is very useful for cost control and also for quickly increasing or decreasing the number of personnel, depending on the situation in the market. By reaching out to individuals through the gig economy, businesses get access to expertise that would be less accessible due to the high transaction costs in the traditional economy. In addition, these platforms also reduce the cost of recruiting employees and the legal and tax expenses associated with recruiting people. All these benefits are still so important for small businesses that have to compete with competitors with more significant financial resources (Winegarden, 2021). The essence of the gig economy provides access to a wealth of talent that may be quite challenging for small businesses to access (FasterCapital, 2024). Independent workers and contractors provide a unique, valuable service because of the specific knowledge that they possess. This is

especially helpful for small firms that may not afford to pay for regular employees with professional expertise (Roy & Shrivastava, 2020). Through this talent pool, small businesses can advance and remain sustainable in today's market while not following the conventional recruitment pattern meticulously. The gig economy proves to be advantageous not only for Filipino workers but also for businesses that have the opportunity to obtain talent around the world. As Graham and Anwar (2019); Mia and Habaradas (2020) refer to it as the 'planetary labor market'. The world is fast evolving into a linked market in which every imagined activity that businesses may demand can now be sourced through digital channels. In the Philippines, enterprises will suddenly have vast and unexplored access to talent from beyond the local market. Thus, the opportunities for further expansion and investment within the premises of the gig economy are numerous, primarily, in terms of the progressive advancement of the digital landscape in the country. Given that millions of people in the Philippines have become vested in the gig economy, there is a need to establish provisions for such a growing industry (Mia & Habaradas, 2020).

Legal compliance and risk management

Modern small businesses experience numerous issues due to the increasing number of extraordinary and constantly changing regulations. To ensure legal compliance in relation to multiple applicable laws, rules, and guidelines from different fields. Inability to abide by many costs, including social costs in terms of the organization's reputation and finances and legal costs such as legal consequences, and disturbances to the operations. It is similarly important in this process since risk management entails the identification of risks that may jeopardize the success of the projects. Analyzing, and managing or preventing possible threats which may affect the function of the businesses, its image, and financial performance. Some general policies and procedures are visible and each of the employees can obtain them if the need arises. While also Making sure that all other measures concerning the Businesses' affairs have complied with laws and regulations by defining effective policies and procedures in accordance with the businesses' established goals and objectives. It is also vital to carry out fixed regular assessments. That helps in risk assessments by outlining and rating potential risks which may affect an organization. It is also relevant to consider future threats to the organization so that the latter will be ready for them. Mentally prepared to face problems, and establish the necessary instruction and initiatives for employees, and workers on the need to adhere to the set laws and the consequences that are likely to be inflicted on the violators. Informing the employees on their duties on compliance and risk as part of their training. Furthermore, checking on the continuous effectiveness of the compliance and risk management program fosters employers' responsibility to their employees by providing them the means to receive, understand, and track compliance information vital for employees' orientation and performance. Develop suggestions for enhancing and obtaining the most up-to-date details or introducing new ideas. Thus, by following these above-mentioned steps, businesses can be ensured that they are optimally prepared to oversee risks and ensure legal requirements are met to safeguard their businesses, image, and money. (Republic Act 11058, 2018). Financial risk management is relevant in sustaining financial stability translated by controlling cash flows. evaluating the financial interdependencies and performing the risk analysis to manage the risks and helps in providing for financial stability to ensure that an institution is in a position to cater to its needs all the time if it lacks something, it gets a chance to look for ways of restocking it quickly. The improvement of the operational processes is crucial for operational effectiveness. Which include putting measures that ensure quality within the firm, reduction of the number of steps in a process and the optimization of these steps. Cut the expenses, increase efficiency, and increase customer satisfaction. Protecting a business & reputation preserves the company's image and plans the control over it to react to emergencies and incidents. Uphold a positive reputation. In addition, it is critical to address specification with strategic objectives since success at the strategic level requires the formulation of strategies, assessment of danger and prevention of threats to the achievement of strategic goals and targets to stay afloat in the market. These are strategies that are combined to make an efficient management system, and this involves the following legal conformance, solvency, productivity, image, and business outcomes (Criz Saranza, 2024). Make sure that the employees are provided for to afford them a shot at competing within the free market economy. Violations of the right to competition represent the law as follows; remuneration, defamation, coerced appearance in cases, and administrative, civil, and criminal penalties. On the other hand, compliance with competition law has a number of advantages. It can enhance the operational results of firms, boost organizational image, facilitate talent acquisition, and enhance competitiveness. Companies are valued for professional corporate management, non-tolerance for non-compliance and such as operational safety (Nghia et al., 2022).

Creating policy beyond providing alternative forms of employment

Fueled by technological advancement and increasing Internet access, the gig economy in the Philippines was growing before the pandemic; it has been ranked as the sixth fastest-growing gig economy market in the world today. One thing to note is that the gig economy has rapidly expanded over the past few years, and therefore policymakers have been in the process of considering how they can contain the gig economy with regard to workers. Potential freelancers who use the flexibility that a gig economy platform offers do not factor in discipline when it comes to saving for health insurance and social security funds as noted by the Philippine Institute for Development Studies in their article. Lately, the Philippine Congress has enacted the Freelance Workers Protection Act, with some provisions that mandate terms of employment, the business formalization in the employer and the freelancer, and the legally enforceable document working out the wages, benefits, employment period, and reason for contractual violation (Yatim, 2021). According to PayPal (2018), 58% of independent contractors stated that they sometimes do not receive their payments because clients are insensitive to deadlines; this was in Singapore, the Philippines, Indonesia, and Vietnam (Aziz, 2018). The use of a framework and strategy in evolving the skills that may be described as essential for global competitiveness is useful when using a whole governmental approach since everyone in government, businesses, unions, employees, academicians, and service providers will ensure that sustenance of the skills system and continuity and sharing of information tools and other resources subsists as the system evolves to meet the global and domestic economy needs and demands (Bayudan-Dacuycuy, 2020). The spread of the gig economy raises quite a lot of regulatory issues. Gig economy platforms are changing different industries, given that it is possible to carry out large-scoped modifications to bring the existing laws to the needs of modern businesses, buyers and sellers, employees, and contractors. Limiting the regulatory burden and creating a flexible employee benefit and social protection system should be the priorities of such reforms (Winegarden, 2021). Thus, to ensure the workers on the other side, where they have less bargaining power than employees, can get into the workplace social bargain, policymakers must find some other ways to look at gig workers. However, based on the type of classification, they should be protected by legal obligations (Harris, 2018). House of Representatives Representative Martin Romualdez admitted there is no current law to protect independent contractors but also noted, "Independent contractors also rise as the gig economy grows among Filipino freelance workers." To be more precise, members of the gig economy, especially independent contractors, do not possess any formal legal channel through which they may seek justice if wronged in any way. With the increase in the advancement of the economy around the world and the improvement in technology involving the workplace, there is a need for new laws and policies for the protection of workers, despite the nature of the job they are undertaking (Presto and Tugade, 2023).

The gig economy is growing very fast, creating prospects and concerns that need to be investigated before coming up with the correct policies and business models. However, there are several important research gaps that have not been fully addressed yet. Analyzing the possibilities of gig economy platforms together with managing risks associated with gig employment and customer detriment, it is crucial to adjust pre-existing policy measures on product and labor markets while consistently applying these measures to both traditional businesses and platform businesses. Also, there is a lack of knowledge on how to link businesses with opportunities to get the desirable services they need in a way that suits them. To develop future legal strategies, all ongoing and past legal issues of companies within the gig economy should be examined. Furthermore, it is necessary to find innovative approaches to the governance of small businesses operating in the context of the gig economy to respond to these new challenges and protect both clients and contractors.

This research aims to address key points to achieve this balance. Companies that prioritize fair and ethical practices foster trust and loyalty among workers and consumers, leading to a more stable and productive environment for small businesses. Encouraging effective business practices can enhance relationships between businesses and gig workers, thereby increasing customer satisfaction and loyalty. The research will explore strategies to support gig workers, which in turn benefit small businesses by creating a more reliable and committed workforce. Understanding the complexities of legal frameworks governing gig businesses is critical; by examining these regulations, the research will identify challenges and opportunities, advocating for policies that support innovation while protecting workers and consumers. Balancing innovation with regulation is necessary to prevent exploitation. Unregulated innovation can lead to instability and exploitation, so this research will explore how regulatory measures can protect against exploitation without stifling innovation. By addressing these points, the research aims to contribute to a fair, ethical, and productive gig economy.

Problem Statement

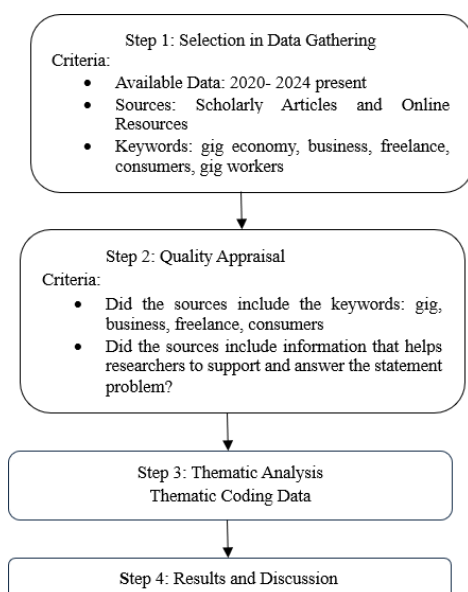
This study aims to investigate the challenges and opportunities of the gig economy for small businesses. Hence, the following research questions are expected to be answered at the end of the study:

1. What strategies can foster a fair and ethical business environment that balances innovation and flexibility with the welfare of both employers?
2. How can businesses enhance their operations to cultivate better partnerships with gig workers, resulting in improved customer satisfaction and loyalty?
3. How do complexities of gig work impact businesses` operations and decision-making processes?
4. Which policies should businesses develop to protect the rights of freelancers, promote economic stability, and ensure fair treatment in the labor market?

METHODS

The study employs an exploratory research design to investigate the challenges and opportunities of the gig economy for small businesses. This design is suitable due to its flexibility and ability to provide in-depth insights into an unexplored area (Creswell, 2014). The data gathering process is bounded by specific criteria to ensure the relevance and currency of the data. The selected data spans from 2020 to the present 2024, a period chosen to capture the most current trends and developments in the gig economy. Sources are meticulously chosen from scholarly articles and online resources to provide a balance of peer-reviewed, reliable insights and contemporary perspectives. Keywords such as "gig economy," "business," "freelance," "consumers," and "gig workers" are used to filter the data, ensuring alignment with the study's objectives and research questions. The primary objective is to explore the key issues small businesses face within the gig economy and the potential benefits and strategies for navigating this landscape. The research questions focus on identifying the primary challenges, opportunities, regulations, and proposed strategies for small businesses in the gig economy. The quality appraisal criteria mandate that the sources include the identified keywords and provide information directly relevant to the research questions. This ensures that the data used in the study is credible and closely aligned with the study's aims. Thematic analysis involved coding the data and identifying key themes related to the gig economy's impact on small businesses (Evangelou & Kafatygiotou, 2024; Braun & Clarke, 2006). This method allows researchers to systematically categorize and interpret complex data sets, providing insights into the gig economy's dynamics. Furthermore, the discussion incorporates findings from existing literature and theoretical frameworks to contextualize the results. This is crucial for interpreting the data, drawing meaningful conclusions, and offering practical recommendations for small businesses operating within the gig economy. By following this approach, researchers were able to gain meaningful insights and contribute to the broader understanding of the gig economy's impact on businesses.

Fig. 1. Data Collection and Preparation



Source: (Delmo et al., 2023)

RESULTS AND DISCUSSIONS

Table I: Strategies for Fostering a Fair and Ethical Business Environment Balancing Innovation, Flexibility, and Employee Welfare.

Strategies	Description	Welfare
Flexible Work Arrangements (Curran Daly, 2023).	Offer options like remote work, flexible schedules, and part-time roles.	Worker: Improved work-life balance, reduced commute time, ability to accommodate personal needs (Howington, 2024). Employer: Access to a wider talent pool, increased productivity, reduced overhead costs (Howington, 2024; AIContentfy, 2023).
Fair Compensation (Rashmi, 2024).	Ensure wages meet or exceed industry standards and provide benefits like health insurance and retirement plans.	Worker: Financial security, ability to meet basic needs, peace of mind (Etihad, 2024). Employer: Attract and retain top talent, boost morale and loyalty, and reduce turnover costs (Shaikh, 2023).
Professional Development (Hudek et al., 2024).	Provide career progression pathways, mentorship opportunities, and training programs (FasterCapital, 2024).	Worker: Skill enhancement, improved job prospects, increased job satisfaction (Hudek et al., 2024). Employer: Develop a more skilled and knowledgeable workforce, and foster innovation and growth (Hudek et al., 2024).
Workplace Safety (Amato et al., 2020).	Implement robust safety protocols, provide necessary equipment and training, and prioritize physical and mental well-being.	Worker: Reduced risk of injuries or illnesses, sense of security and support (Amato et al., 2020). Employer: Comply with regulations, reduce liability, and maintain a healthy and productive workforce (Zapanta, 2023).
Diversity and Inclusion (Dennis, 2024).	Foster an environment that values and respects difference and promotes equal opportunities for all.	Worker: Feeling valued and respected, exposed to diverse perspectives, reduced discrimination (Dennis, 2024). Employer: Tap into a wider talent pool, foster creativity and innovation, and enhance reputation (Dennis, 2024).
Employee Engagement (Salmah, 2024).	Encourage open communication, solicit feedback, recognize and reward contributions.	Worker: Feeling heard and valued, opportunity to influence decisions, increased motivation (Salmah, 2024). Employer: Identify areas for improvement, boost productivity and loyalty, reduce absenteeism and turnover (Salmah, 2024).
Ethical Leadership (LIM, 2024).	Lead by example, make decisions based on integrity and fairness, promote transparency and accountability.	Worker: Trust in management, confidence in the company's values, feeling part of a mission-driven organization (LIM, 2024). Employer: Maintain a positive reputation, attract and retain values-aligned employees, foster a culture of trust and collaboration (Miranda, 2024).

Source: Process by Authors

The provided table outlines several strategies aimed at fostering a fair and ethical business environment while

balancing innovation, flexibility, and employee welfare. Flexible work arrangements offer significant benefits for workers, such as improved work-life balance, reduced commute times, and the ability to accommodate personal needs. Employers, in turn, benefit from increased productivity, reduced overhead costs, and access to a wider talent pool (AIContentfy, 2023; Curran Daly, 2023). Fair compensation ensures financial security for employees, which enhances their peace of mind and loyalty, while employers can attract and retain top talent, boosting morale and reducing turnover costs (Rashmi, 2024). Professional development opportunities enable workers to enhance their skills, improve job prospects, and increase job satisfaction. For employers, these opportunities lead to a more skilled and innovative workforce. Workplace safety is crucial, providing employees with a sense of security and reducing the risk of injuries or illnesses. Employers benefit from compliance with regulations, reduced liability, and maintaining a healthy and productive workforce (Hudek et al., 2024). Diversity and inclusion efforts make employees feel valued and respected, exposing them to diverse perspectives and reducing discrimination. These efforts allow employers to tap into a wider talent pool, fostering creativity and innovation while enhancing their reputation (Dennis, 2024). Employee engagement is essential for making workers feel heard and valued, offering them the opportunity to influence decisions and increasing their motivation. This, in turn, helps employers identify areas for improvement, boost productivity, and reduce absenteeism and turnover (Salmah, 2024). Ethical leadership builds trust in management, instills confidence in the company's values, and makes employees feel part of a mission-driven organization. For employers, ethical leadership maintains a positive reputation, attracts and retains values-aligned employees, and fosters a culture of trust and collaboration (LIM, 2024). These strategies emphasize the need for businesses to integrate ethical considerations into their core operations. This approach benefits employees and supports the organization's growth and reputation. By adopting these strategies, businesses can create a sustainable and positive work environment that balances innovation with employee welfare (FasterCapital, 2024).

Table II. Operational strategies in cultivating a partnership with gig workers

Strategies	Description	Benefits
Clear Communication and Expectations (Gig4U, 2023).	Ensure transparent and consistent communication with gig workers.	It improves clarity in task assignments, reduces misunderstandings, and fosters a sense of inclusion among gig workers (Gig4U, 2023).
Flexible Work Arrangements (Harrison, 2023).	Offering flexible schedules and project-based assignments.	Offering flexible work schedules to gig workers can improve their performance and job satisfaction, which will improve client loyalty and service (FasterCapital, 2024; Harrison, 2023).
Training and Development Opportunities (Jones, 2023; Gupta et al., 2021).	Offer training to improve the skills and knowledge of gig workers.	Investing in gig workers' development can improve their capabilities, increase job satisfaction, and improve service quality (Jones, 2023; Gupta et al., 2021).
Implement Feedback Mechanisms (Rana, 2022).	Regularly gathering and acting on feedback from gig workers and customers.	Implementing to gather feedback from gig workers ensures continuous improvement in operations and addresses any issues that may affect customer service (Rana, 2022).
Utilize Technology Solutions (Balakrishnan, 2022).	Leveraging technology to streamline operations and gig worker management.	Streamlines operations improves efficiency, and provides better support for gig workers (Balakrishnan, 2022).
Supportive Work Environment (Mohsin et al., 2022; Salmah et al., 2024).	A supportive work environment improves gig worker engagement.	A positive and inclusive work environment helps gig workers feel valued and engaged, leading to higher-quality work and better customer interactions (Mohsin et al., 2022; Salmah et al., 2024).

Performance Incentives (Laker, 2021).	putting in place a bonus and reward structure based on performance indicators.	Acknowledging and praising gig workers for their accomplishments might improve their spirits and motivate them to deliver great service (Laker, 2021).
Building Long-Term Relationships (Bowen, 2023).	Fostering long-term partnerships with gig workers promotes loyalty and better service.	Developing long-term relationships with gig workers can lead to more consistent and reliable service, enhancing overall customer experience and loyalty (Bowen, 2023).
Ensure Fair Compensation (Lynx, 2024).	Provide fair and attractive pay rates and incentives.	Ensuring fair compensation and offering benefits can motivate gig workers to perform better, leading to increased customer satisfaction and loyalty (Lynx, 2024).

Source: Process by Authors

An overview of the tactics that companies can use to improve their operations and form stronger relationships with gig workers is given in this table, which will ultimately result in more customer happiness and loyalty. Building trust and ensuring that gig workers are aware of their obligations are two things that communication helps with (Gig4U, 2023). It also helps to clear up misunderstandings and enhances coordination between businesses and gig workers, which promotes smoother operations and happier customers. Employers can enhance work-life balance and job satisfaction by providing flexible work schedules and remote work options to gig workers, in order to meet their diverse needs. Improved retention rates and productivity follow from employees' propensity to remain with a company that values their requirements (FasterCapital, 2024; Harrison 2023). Training and skill development are investments that boost productivity and job satisfaction for gig workers. Well-trained personnel are more likely to deliver high-quality services that improve the customer experience (Jones, 2023; Gupta et al., 2021). Employers may improve employee engagement and promptly handle issues with gig workers by implementing feedback systems. Ultimately, this is advantageous to both sides because it raises worker morale. Investing in technology platforms that facilitate gig worker management and support efficient work processes streamlines operations and reduces administrative burdens. This improves the gig worker experience and efficiency allowing them to be more productive and responsive to customer needs, making it easier for businesses to manage and support their gig workforce effectively (FasterCapital, 2024; Balakrishnan, 2022). A supportive and inclusive work environment helps gig workers feel valued and engaged; it also reduces stress and improves performance. This positive engagement translates into better service delivery and a more satisfying customer experience (Mohsin, et al., 2022; Salmah, et al., 2024). Implementing performance-based incentive programs motivates gig workers to deliver high-quality work by rewarding them based on their performance and customer feedback. This fosters a sense of achievement and drives better customer service, as workers strive to meet and exceed expectations can result in better customer interactions and higher satisfaction levels (Laker, 2021). Developing long-term relationships with gig workers fosters loyalty and consistency in service delivery. Long-term partnerships with gig workers can lead to more reliable and high-quality service, enhancing customer satisfaction and loyalty (Bowen, 2023). Ensuring that gig workers are fairly compensated can attract and retain top talent. Fair compensation leads to a more reliable workforce, which is essential for maintaining service quality (Lynx, 2024). These measures not only improve the work experience of gig workers but also lead to higher customer satisfaction and loyalty, creating a win-win scenario for both businesses and their customers.

Table III. Business Operations and Decision-Making Complexities of the Gig Economy

Complexities	Description	Positive Impacts on Business Operations	Challenges and Considerations
Regulatory Frameworks	Current legislation is inflexible and	Flexibility and Scalability: Without the requirement for long-term employment contracts, the gig	Regulatory Framework: Current legislation is often inflexible and needs to be updated to address the

<p>(Kozák et al., 2023).</p>	<p>needs to be updated to address non-conventional workplaces (Kozák et al., 2023).</p>	<p>economy enables firms to easily scale up or down in response to demand. According to Sweetlyn (2023), this adaptability is especially helpful during busy times or unanticipated spikes in demand.</p>	<p>non-conventional workplaces and work arrangements that the gig economy brings. This can include issues related to taxes, healthcare, and retirement planning for gig workers (Exceed College, 2022).</p>
		<p>Cost Efficiency: Hiring gig workers can be more cost-effective than traditional full-time employees (HireQuotient, 2024). Gig workers typically do not require benefits, healthcare, or retirement plans, which reduces overhead expenses for businesses (Jebra, 2023; Schwab, 2023).</p>	<p>Income Instability: Gig workers often face income instability due to the project-by-project nature of their work. This can lead to financial uncertainty and require gig workers to manage their finances carefully (Jebra, 2023; Schwab, 2023).</p>
		<p>Access to Specialized Skills: For particular projects or tasks, businesses can take use of the specialized skills and knowledge that gig workers frequently possess. Having access to a variety of skill sets can improve operations and spur expansion for businesses (Jebra, 2023; Schwab, 2023).</p>	<p>Integration with Traditional Workforce: Integrating gig workers into traditional business operations can be challenging. Businesses need to adapt their management strategies and processes to effectively manage both full-time and gig workers (Sweetlyn, 2023; Schwab, 2023).</p>
		<p>Work-Life Balance: Independent contractors are free to choose jobs that fit into their personal schedules and to set their own hours (FasterCapital, 2024). Increased job satisfaction and lower turnover rates may result from this flexibility (Jebra, 2023; Schwab, 2023).</p>	<p>Technology and Platforms: The gig economy is heavily reliant on digital platforms and technology. Businesses need to invest in these platforms to connect with gig workers and manage their work efficiently (Woodcock, 2020).</p>
<p>Employment and Labor Laws (Prof. Gülaçtı ŞEN, 2022).</p>	<p>Codified laws for traditional workplaces do not suffice for gig work relations and require changes (Prof. Gülaçtı ŞEN, 2022).</p>	<p>Cost Savings: Businesses can save money on overhead expenses like benefits, office space, and equipment by utilizing the gig economy (FasterCapital, 2024). Businesses may save a lot of money as a result of this (CFI, 2023; 2021 Addison).</p>	<p>Lack of Worker Loyalty: Gig workers frequently only work on projects or assignments for a short period, they frequently show little loyalty or long-term commitment to the company. This may affect cooperation and make it more difficult to build solid, long-lasting connections (Native Teams, 2023; Manevska, 2024).</p>
		<p>Flexibility and Scalability: Gig workers provide businesses with the ability to quickly scale their workforce up or down in response to changing market demands.</p>	<p>Worker Misclassification: Determining gig workers as independent contractors instead of employees can create legal and financial issues for firms (Native</p>

		allowing for more efficient use of resources (WGU, 2022; Addison, 2021).	Teams, 2023), as they may be required to provide certain benefits and protections (Manevska, 2024; Oranburg et al., 2021).
		Access to Diverse People: Regardless of the location, businesses may find the best people for certain projects or activities by embracing the gig economy, which provides them access to a worldwide pool of outstanding workers (WGU, 2022; Addison, 2021).	Lack of Worker Commitment: Because gig labor is project-based and has a short duration, it might be difficult for employers to develop a long-term relationship with their employees. This may affect output and the caliber of the job (Manevska, 2024).
Risk Management and Liability (Exceed College, 2022).	Emerging threats such as worker misclassification need to be addressed (Exceed College, 2022).	Reduced Labor Costs: Classifying workers as independent contractors rather than employees can reduce labor costs (Ortes, 2024; Provenzano, 2022; Shakil, 2024).	Legal Penalties and Fines: Potential legal penalties and fines for misclassifying workers, including back pay for wages, benefits, and taxes (Ortes, 2024; Provenzano, 2022).
		Increased Workforce Flexibility: Hiring and managing the workforce becomes more flexible when workers are classified as independent contractors (CXC, 2024; Provenzano, 2022).	Reputational Damage: Misclassification can lead to reputational damage and loss of trust from employees and customers if discovered (CXC, 2024; Provenzano, 2022).
		Avoidance of Employee Benefits: Classifying workers as independent contractors allows businesses to avoid providing benefits such as healthcare, retirement plans, and paid time off (Ortes, 2024; Provenzano, 2022).	Unfair Competitive Advantage: Misclassification can provide an unfair competitive advantage over competitors who properly classify their workers (CXC, 2024; Provenzano, 2022).
		Simplified HR Administration: Treating workers as independent contractors simplifies payroll and HR administration (CXC, 2024; Provenzano, 2022).	Complexity of Regulations: Properly classifying workers can be complex due to ambiguous or changing regulations (Ortes, 2024; Provenzano, 2022).
		Scalability of Workforce: The ability to scale the workforce up or down more easily to meet business demands is facilitated by classifying workers as independent contractors (CXC, 2024; Provenzano, 2022).	Legal Action and Lawsuits: Misclassified workers may take legal action or participate in class-action lawsuits seeking compensation (Ortes, 2024; Provenzano, 2022).
Integration and Coordination	Supervising both regular and gig employees	The ability to scale the workforce quickly to meet demand in the gig economy allows companies to quickly scale their workforce to	Requires new business model and management approach

(Woodcock, 2020). (Woodcock, 2020).	requires a new business model.	meet demand (Blaney, 2024; Manevska, 2024).	Supervising a hybrid workforce of regular employees and gig workers requires a new business model and management approach (Blaney, 2024; Cho, 2020).
		access to a wide range of skilled, adaptable people In the gig economy, companies can access a huge, flexible workforce with a variety of backgrounds and skill sets (Blaney, 2024; Manevska, 2024; Native Teams, 2023).	access to a wide range of skilled, adaptable people In the gig economy, companies can access a huge, flexible workforce with a variety of backgrounds and skill sets (Blaney, 2024; Manevska, 2024).
		Cost savings by only paying for actual labor provided The gig economy provides cost savings by only paying for actual labor provided, without the expenses of a permanent workforce (Blaney, 2024; Manevska, 2024).	Risk of inconsistent brand representation by gig workers unfamiliar with company values There is a risk of inconsistent brand representation if gig workers are unfamiliar with company values. Proper onboarding and training are needed to mitigate these risks (Blaney, 2024; Assist. Prof. Gülaçtı ŞEN, 2022).

Source: Process by Authors

The table lists the main challenges that businesses in the gig economy must overcome, such as legal frameworks, labor and employment regulations, risk management and liability, integration, and coordination, and so forth. Regulations: The laws that exist now are rigid and must be changed to consider the unconventional workplaces the gig economy offers. The specific dynamics of gig work are not sufficiently covered by the laws and regulations now in place since they were created for traditional employment models (FasterCapital, 2024). Positive Effects on Business Operations highlights how gig economy activities assist companies, especially when it comes to cost-effectiveness and operational flexibility. The gig economy eliminates the need for long-term employment contracts and enables firms to easily scale up or down in response to demand. This adaptability is especially helpful at peak (Sweetlyn, 2023) discusses how the gig economy enables rapid scaling of business operations, which is crucial for handling fluctuations in demand. The concept is echoed by other sources noting that businesses can leverage gig workers to maintain operational flexibility and scalability. Gig workers may be less expensive to hire than regular full-time staff. Gig workers usually don't need benefits, healthcare, or retirement plans, which lowers overhead costs for companies (HireQuotient, 2024). According to Jebra (2023), companies that hire gig workers can save a lot of money on long-term commitments and perks. Schwab (2023); FasterCapital (2024) also highlights the cost advantages, noting reduced overhead expenses as a key benefit of the gig economy. Gig workers often possess specialized skills and expertise that businesses can leverage for specific projects or tasks. Having access to a variety of skill sets can improve operations and spur expansion for businesses. According to Jebra (2023), gig workers provide a range of specific abilities that enable companies to leverage knowledge that might not be present in-house. According to Schwab (2023); FasterCapital (2024), companies looking to develop and expand can greatly benefit from having access to specialist skills. Gig workers are free to choose jobs that fit into their own lives and set their own hours. This adaptability may result in lower turnover rates and more job satisfaction. According to Jebra (2023), gig workers have a beneficial impact on work-life balance, which can lead to increased job satisfaction and decreased turnover. Schwab (2023) concurs, noting that flexibility in choosing work schedules is a significant benefit for gig workers. Challenges and Considerations highlight the challenges businesses face when adopting gig economy practices, particularly in terms of legal issues and worker management. Businesses must navigate complex and often evolving regulations

related to the gig economy. This includes ensuring compliance with labor laws, tax obligations, and other legal requirements. Kozák et al. (2023) emphasize the need for updated legislation to better fit the gig economy, noting that current regulations are often inadequate. Exeed College (2022) discusses how businesses need to adapt to changing regulatory environments to avoid legal issues. Gig workers face unpredictable income streams, as their earnings depend on the availability of gigs and market demand. This can lead to financial uncertainty and stress. Jebra (2023); Schwab (2023) both identify income instability as a major challenge for gig workers, emphasizing the need for effective fiscal management strategies. Managing a hybrid workforce that includes both full-time employees and gig workers can be complex. Businesses need to develop strategies to integrate these two groups effectively. Sweetlyn (2023) discusses the complexities of managing a hybrid workforce and the importance of updated management strategies. Schwab (2023) emphasizes how important it is for companies to create procedures that can efficiently handle both full-time and contract employees. Technology and digital platforms are vital to the gig economy. To effectively manage the work of gig workers and establish connections with them, businesses must invest in these platforms. The importance of technology in supporting the gig economy is discussed by Woodcock (2020); FasterCapital (2024), emphasizing the necessity for companies to embrace and invest in suitable digital platforms.

Changes are necessary to the codified employment and labor regulations for gig work relations, as they are insufficient for these types of work relationships. Gig workers' unclear labor status. They are frequently categorized as independent contractors rather than employees. This creates challenges around benefits, protections, and worker rights. Positive Impacts on Business Operations focuses on the benefits that gig economy practices bring to businesses, particularly in terms of cost efficiency and operational flexibility. Utilizing gig workers allows companies to reduce overhead costs such as benefits, office space, and equipment. Considerable financial savings may result from this (CFI, 2023; Addison, 2021; HireQuotient, 2024). Gig workers maximize resource utilization and operational efficiency by enabling firms to swiftly increase their workforce in response to market demands (WGU, 2022; Addison, 2021). Through the gig economy, companies can access a worldwide talent pool, enabling them to find the best professionals for specific tasks regardless of location (WGU, 2022; Addison, 2021; FasterCapital, 2024). Challenges and Considerations highlight the challenges businesses face when adopting gig economy practices, particularly in terms of legal issues and worker management. Gig workers often lack long-term commitment to a single organization, which can affect collaboration and the establishment of strong, lasting relationships within the company (Manevska, 2024). Misclassifying gig workers as independent contractors rather than employees can create legal and financial complications, requiring businesses to navigate complex regulations and potential liabilities (Manevska, 2024; Oranburg et al., 2021; Native Teams, 2023).

Risk Management and Liability the emerging threats such as worker misclassification need to be addressed in the gig economy. Businesses must navigate new risks and liabilities associated with engaging a flexible, on-demand workforce. Positive Impacts on Business Operations focuses on the benefits that gig economy practices bring to businesses, particularly in terms of cost efficiency and operational flexibility. Classifying workers as independent contractors rather than employees can drastically cut labor costs (Ortes, 2024; Provenzano, 2022; Shakil, 2024). Workers who are categorized as independent contractors enjoy greater flexibility in terms of hiring and managing the workforce. Businesses may swiftly adjust to shifting market conditions and customer expectations because of this flexibility (FasterCapital, 2024; AIContentfy, 2023; Provenzano, 2022). Businesses can forgo offering benefits like paid time off, retirement plans, and healthcare by categorizing their employees as independent contractors. Significant cost reductions may result from this (Ortes, 2024; Provenzano, 2022). Treating workers as independent contractors simplifies payroll and HR administration, reducing the administrative burden on businesses (CXC, 2024; Provenzano, 2022). Treating workers as independent contractors simplifies payroll and HR administration, reducing the administrative burden on businesses (CXC, 2024; Provenzano, 2022). Challenges and Considerations highlight the challenges businesses face when adopting gig economy practices, particularly in terms of legal issues and worker management. Misclassifying workers can lead to potential legal penalties and fines, including back pay for wages, benefits, and taxes. This presents a significant financial risk for businesses (Ortes, 2024; Provenzano, 2022). If misclassification is found, it can result in loss of trust from consumers and employees and reputational harm. A company's reputation and relationships with its clients may suffer as a result (CXC, 2024; Provenzano, 2022). Misclassification can provide an unfair competitive advantage over competitors who properly classify their workers, potentially leading to regulatory scrutiny and ethical concerns (AIContentfy, 2024; Provenzano, 2022). Properly classifying workers

can be complex due to ambiguous or changing regulations. Navigating these complexities requires ongoing legal and administrative efforts (Ortes, 2024; Provenzano, 2022). In the gig economy, one of the significant challenges and considerations for businesses involves legal actions and lawsuits arising from worker misclassification (Habaradas, 2020). Misclassification refers to incorrectly designating workers as independent contractors instead of employees. This misclassification can lead to various legal consequences (Ortes, 2024; Provenzano, 2022).

Integration and Coordination when supervising both regular and gig employees requires a new business model. Integrating and coordinating the efforts of a hybrid workforce, including both traditional and gig workers, presents operational complexities for organizations. Positive Impacts on Business Operations focuses on the benefits that gig economy practices bring to businesses, particularly in terms of cost efficiency and operational flexibility. Businesses can swiftly increase their workforce to meet changing demands thanks to the gig economy. This flexibility lessens the need for long-term job commitments, which is especially advantageous during peak periods or for short-term initiatives (Blaney, 2024; Manevska, 2024). Businesses have access to a wide range of people with diverse backgrounds and skill sets thanks to the availability of diversified skills. Diversity within the organization can result in creative solutions and improved problem-solving skills (Blaney, 2024; Manevska, 2024). By allowing companies to simply pay for the actual labor supplied, the gig economy reduces expenses by doing away with the overhead involved in keeping a permanent workforce (Blaney, 2024; Manevska, 2024). The difficulties firms have while implementing gig economy techniques are highlighted in Challenges and Considerations, especially regarding worker management and legal concerns. To successfully incorporate gig workers into the company's activities, new business models and management techniques are needed for managing a hybrid workforce. Creating regulations and procedures that cater to the particular requirements and traits of gig workers is one way to do this (FasterCapital, 2024; Blaney, 2024; Cho, 2020). Commitment issues gig workers may lack a commitment to the long-term success of the business. This transient nature can lead to challenges in building a cohesive team and maintaining consistent performance levels (Blaney, 2024; ŞEN, 2022). There is a risk of inconsistent brand representation if gig workers are not familiar with the company's values and standards. Proper onboarding and training are crucial to mitigate these risks and ensure that gig workers represent the brand effectively (Blaney, 2024; ŞEN, 2022). Overall, the table illustrates the major operational, risk, regulatory, and legal problems that firms face as the gig economy develops and grows.

Table IV. Policies that businesses should develop to protect the rights of freelancers, promote economic stability, and ensure fair treatment in the labor market

Statement	Sub-themes	Themes
Mandate clear and detailed contracts to define terms of engagement, payment schedules, and deliverables, ensuring mutual understanding and reducing disputes (FlexJobs, 2023).	Comprehensive Freelance Contracts (Cochran, 2023).	Legal protection
Implement strict anti-discrimination policies to protect freelancers from bias based on race, gender, age, or other characteristics fostering a fairer labor market (WEF, 2021; FasterCapital, 2024).	Anti-Discrimination Policies (Torkington, 2021).	
Provide freelancers with access to legal recourse for non-payment of services to ensure timely and fair compensation (Rappler, 2023).	Legal Recourse for Non-Payment (Gotinga, 2021).	
Establish minimum pay standards for freelancers to ensure they receive fair compensation for their work, promoting economic stability (WEF, 2022).	Fair Wage Standards(Lee, 2022).	Economic Stability
To provide long-term financial stability, rules should be created that give independent contractors access to benefits	Access to Benefits (Bowen, 2023).	

including paid time off, retirement programs, and health insurance (Bowen, 2023).		
Include freelancers in economic recovery programs to provide financial support and resources during economic downturns, such as those caused by the COVID-19 pandemic (WEF, 2021).	Economic Recovery Support (Torkington, 2021).	
Require businesses to disclose pay rates, project scope, and working conditions upfront to ensure freelancers can make informed decisions (Presto & Tugade, 2023).	Transparency in Hiring Practices (Presto & Tugade, 2023).	Fair Treatment
Promote access to training and professional development opportunities to help freelancers enhance their skills and marketability (Rappler, 2020).	Professional Development (Gotinga, 2020).	
Support the establishment of freelance unions or associations to provide a collective voice in negotiations and policy advocacy (WEF, 2021).	Collective Bargaining Rights (Johnston & Land-Kazlauskas, 2019).	
Regulate digital platforms to ensure transparency in algorithms and accountability for fair treatment of freelancers, addressing issues such as arbitrary changes to terms and conditions (Bowen, 2021).	Transparency and Accountability (Andersen, 2024).	Digital Platform Regulation
Implement fair and transparent rating and review systems on digital platforms to prevent biases and ensure accurate representation of freelancers' work quality (Salem, 2021).	Rating and Review Systems (Salem, 2021).	

Source: Process by Authors

The table presents the policies that businesses should develop to protect the rights of freelancers, promote economic stability, and ensure fair treatment in the labor market. Enforcing detailed contracts ensures clarity in expectations and obligations between freelancers and businesses, minimizing conflicts and fostering a professional work environment (FlexJobs, 2023). This policy can significantly reduce disputes over payment and deliverables, enhancing trust in freelance engagements. Establishing robust anti-discrimination measures is crucial in protecting freelancers from unfair treatment based on inherent characteristics. This policy helps create a more inclusive labor market, ensuring equal opportunities for all freelancers (WEF, 2021). Providing freelancers with legal avenues to address non-payment issues is essential for securing their financial well-being. It ensures that freelancers can confidently offer their services without fear of being exploited (Rappler, 2023). Implementing minimum wage standards for freelancers helps combat the undervaluation of freelance work and ensures a baseline income that promotes economic stability (WEF, 2022). This policy can help close the income gap between traditional employees and freelancers. Policies that grant freelancers access to benefits such as health insurance and retirement plans are critical for their long-term economic security. These benefits reduce the financial vulnerabilities associated with freelance work (Bowen, 2021). Including freelancers in economic recovery initiatives, especially during crises like the COVID-19 pandemic, provides necessary financial assistance and resources to sustain their livelihoods (WEF, 2021). Requiring businesses to disclose all relevant information about freelance gigs upfront ensures that freelancers can make informed decisions, promoting fairness and reducing misunderstandings (Presto & Tugade, 2023). Access to continuous training and development opportunities is vital for freelancers to keep their skills relevant and competitive. This policy enhances their employability and career growth (Rappler, 2023). Supporting the formation of freelancer unions or associations empowers freelancers to negotiate better terms and conditions collectively, strengthening their position in the labor market (WEF, 2021). Regulating digital platforms to ensure transparency and accountability protects freelancers from arbitrary changes and unfair practices, fostering a more stable and reliable freelance economy (Bowen, 2021). Implementing transparent and unbiased rating systems on digital platforms ensures

that freelancers' work quality is fairly represented, which can enhance their reputation and opportunities (Salem, 2021). By adopting these policies, businesses can create a more equitable, stable, and supportive environment for freelancers, promoting their rights and well-being in the modern labor market.

CONCLUSIONS

The study highlights the intricate dynamics of the gig economy and its impact on businesses. The present research focuses on the changes in the gig economy and the importance of the topic for businesses. The gig economy gives businesses a chance to improve operations, reduce costs, and quickly respond to changes by hiring flexible workers from an extensive talent pool. Platforms that connect gig workers with employers altered the traditional model of employment and provided small businesses with opportunities they might not have been able to access before. Nevertheless, the concept of the gig economy also entails certain disadvantages. Businesses face a multitude of legal and tax issues, have no way of bringing the availability and the quality of the work produced by gig workers, and are always in a battle with larger companies over talent. Below are these challenges affecting small businesses. These challenges put a lot of pressure on the financial position as well as operation of these businesses, hence calling for the need for these businesses to find solutions to these challenges. Thus, businesses need to develop and implement effective risk management and legal compliance strategies. Nevertheless, these opportunities are possible to realize only through planning and proper management and engagement of different stakeholders to create necessary conditions for gig workers and businesses. Also, sustaining a good organizational culture, and enhancing management techniques to embrace the gig workforce is among the ways through which small businesses could benefit from the gig economy with little drawbacks. On balance, the gig economy brings the prospect of favorable conditions for businesses' development and performance. Nevertheless, these opportunities are possible to bring into reality only through planning and proper management as well as engagement of different stakeholders in order to create necessary conditions for gig workers and businesses. Therefore, with the future growth of the gig economy, there will be a need for further constant research and policy formulation to realize the potential while mitigating the risks associated with this emerging economy.

RECOMMENDATIONS

The researcher makes the following recommendations for challenges and opportunities of the gig economy for small businesses. Based on the identified challenges and opportunities of the gig economy business model, the following strategic recommendations are suggested. Policy creation is crucial as it creates an exhaustive freelance relationship mechanism that outlines engagement, payment, and deliverable terms, thus avoiding misunderstandings. To prevent discrimination against freelancers based on race, gender, age, or any other factor, it is important to establish anti-discrimination policies to reduce discrimination in the labor market. Ensuring freelancers receive timely and fair compensation is secured by providing legal redress for non-payment. Establishing standard wages develops minimum wages that help freelancers achieve reasonable earnings for improved economic stability. It can cause freelancers to receive health insurance, retirement plans, paid leaves, and be part of economic recovery packages. Making hiring practices more transparent can include communicating pay scales, job descriptions, and working environment to allow freelancers to make informed decisions. Training and professional development are effective in improving the skills of freelancers and making them more marketable through training and professional development. Promoting freelancer unions fosters the formation of unions or associations of freelancers to engage in bargaining and lobbying on behalf of the members. By regulating digital platforms, transparency in algorithms and fair treatment of freelancers, like arbitrary changes to their terms and conditions can be instilled. Preventing biases is a way of ensuring freelance workers' work quality is well represented through fair and transparent rating and review systems. Through the fulfillment of these suggestions, small businesses can improve their understanding of the gig economy, support a more ethical business culture, and experience continued growth and success.

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