

Organizational Commitment Among Gig Workers And The Role Of Relational Psychological Contract Development.

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ABSTRACT: The onward march of technology has given rise to new employment context called “ gig economy” where the people work on-demand via apps. The gig economy is increasingly becoming popular among management scholars because of its recent growth. In this article, the psychological contract theory and social exchange theory is applied to build a conceptual model. The hypothesized model gives the relationship between a) work-related factors and relational psychological development and 2) the association between relational psychological contract and the affective, continuance and normative commitment of the independent contractors to the platform in which they are working for further analysis.

KEYWORDS: Gig economy, Relational psychological contract, organizational commitment, psychological contract theory, social exchange theory.

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I. INTRODUCTION AND REVIEW OF LITERATURE:

The emergence of new technology has given rise to a new type of job and work relationships replacing traditional employment landscapes (Todolí-Signes, A.2017). As said by Friedman, G. (2014) these new employment methods called the gig economy or sharing economy is mediated by the online platforms where the gig workers are in short term relationship with the service provider till the completion of a task. The people who work in the gig economy are called independent contractors or on-demand workforce as they have no permanent employment contract with the service provider (De Stefano, V.2015).

The gig economy is characterized by flexibility (working on-call, temporary work), Autonomy, compensation on completion of a task and it also has some vulnerabilities like violations of labour welfare and social security and low payment (Stewart, A., & Stanford, J. 2017). According to Thompson, B. Y. (2018) due to present fast-paced global business transition and benefits provided by the gig economy, workers are shifting from traditional to non-traditional employment and some people take it as a side hustle. Even though the work performed by the independent contractors temporary they exhibit some kind of psychological bonding with the platform he works (Lemmon, G., Wilson, M. S., Posig, M., & Glibkowski, B. C. (2016)). As the psychological bonding with the focal platform increases the independent contractor is supposed to stay committed with the particular platform. This study examines the relationship between psychological contract development among gig workers and their commitment to a particular platform.

1.1 Review of literature

Friedman, G. (2014), the growth of technology and varying economy has made people to work outside the traditional job context where the worker is in long term connection with the organization he works and this non-traditional work arrangement is known as Gig economy. The word Gig was derived from the employment of musicians where they perform evening for a particular set. Nowadays the term gig includes a wide variety of jobs like software designer, architect, writer, delivery person, technical specialists, accountants, business consultants, taxi drivers etc. The people who work in traditional context work for a monthly salary in a company for the long term being loyal and committed to a particular organization or an individual whereas in contrast the gig workers are characterized by flexibility and autonomy, short term connection with the employer, get paid for the task completed and informal work arrangements. This gig economy gives rise to the new ambitious, talented and entrepreneurial generation. The rise of the gig economy is considered as a fourth industrial revolution because there is a shift from traditional working landscapes to contingent works.

Lemmon, G., Wilson, M. S., Posig, M., & Glibkowski, B. C. (2016).

The current fast-growing business has shifted the way in which the organizations manage their human assets. Nowadays the organizations are preferring independent contractors for specialized tasks instead of

training the existing employees. This is done to reduce the cost incurred in training and development given to the employees because the independent contractors charge less and also they owe nothing in return to the organization. They are not given employment benefits and rights enjoyed by the traditional worker. The important area of inquiry is the obligations of the employer to the independent contractor which is explained by the psychological contract theory by Rousseau and social exchange theory, according to which the employees reciprocate something in return to the employer for fulfilling his obligations. In this study, the relationship between negotiation behaviours, three components of psychological behaviour and performance and distributive justice is studied. In first half of the study the negotiation behaviours (problem-solving, forcing and avoiding) to balanced, transactional and transitional psychological aspects were studied. In the latter part, balanced contract predicts the goods, transactional contracts predicts the status and transitional contract predicts the love which in turn predicts the performance and distributive justice of the independent contractors.

Lee, G. J., & Faller, N. (2005).

This study is about the relational and transactional psychological contract development among the contingent workforce in the South African Business Environment. The researcher answers the questions regarding the relationship between contingent workforce and the employing agencies, whether the contingent worker are loyal and committed to the client organization. The author uses the psychological contract theory to explain the relationship between the worker and the agency. The results clarify that the transactional contract develops first within the worker and after six months the relational contract emerges within the contingent workforce.

Allen, N. J., & Meyer, J. P. (1990).

The author conducted two studies to test the three components of organizational commitment. The affective component is about the emotional attachment arising out of positive attitude towards the individual's job and his organization. The continuance component talks about the cost incurred if the employee decides to leave the organization and if the cost is high when compared to stay with the same organization the employee continues to work with the same organization. The last component is a normative commitment which refers to the feelings of obligation associated with the organization.

In study 1, the scales to measure organizational commitment questionnaires were developed and tested. The correlated items were used for further study.

In study 2, the antecedents of affective, continuance and normative commitment were studied. This study differentiates the relationships between three components of commitment both theoretically and empirically.

II. HYPOTHESIS DEVELOPMENT

2.1 Psychological contract development and work-related factors.

Rousseau, 1989, propounded the concept of psychological contract where he supposed contract as the mutual obligation between employer and employee which helps in the development of emotional bonding between the two parties. The process of psychological contract development starts well before the individual's entry into the organization and continues to take shape after his organizational entry (Louis, 1980; Sutton and Griffin, 2004). There are various factors affecting the psychological contract development of an individual after entering the organization, one and most important factor is the work-related factors (Flexibility and Autonomy) (Guest, D, 2004). From the essence of psychological contract theory proposed by Rousseau, 1989, flexibility and autonomy are the mutual obligations by the focal organization to the independent contractor and if these promises are fulfilled, it develops an affiliation towards the particular platform. (Lee, G. J., & Faller, N. 2005). The employment conditions under which independent contractors, work has an effect on the connection between the online platform and him (Lemmon et al, 2016). According to Robinson, S. L., Kraatz, M. S., & Rousseau, D. M. (1994) there are two types of psychological contract, a transactional and relational contract where former is connected with monetary terms and later with non-monetary intangible benefits provided by the focal organization. There are numerous studies predicting the monetary transactional psychological contract while there are a few studies predicting the relational psychological development among gig workers. Therefore drawing from the past studies the following proposition is postulated.

P1: work-related factors flexibility and autonomy have a positive relationship with relational psychological contract development.

2.2 Relational psychological development and commitment to a particular platform:

Gig workers are a type of contingent workforce who doesn't work with the same organization for a long tenure and there is no continuous relationship with the service provider (De Stefano, V. 2015). Here the gig workforce helps to connect customers to the service providers through online platforms which act as an

aggregator between consumers and the business Friedman, G. (2014). These workers are signed-up in multiple aggregating platforms but work for one platform at a time where choosing to work with that particular platform is because of some emotional attachment towards that platform (Lehdonvirta, V. 2018). This attachment arises due to the fulfillment of the worker's obligations by the organization and this leads to the generation of commitment towards the platform (McCabe, T. J., & Sambrook, S. 2013). There are three components of commitment, first is the affective commitment which is an emotional attachment one feels towards his job and organization, second comes the continuance commitment which defines the cost associated with leaving the organization and the last is the normative commitment which arises out of sense of obligation which one owes to the organization (Allen, N. J., & Meyer, J. P. 1990). According to Social exchange theory, the individual owes a sense of obligation to one who provides him with emotional support or valid information and this tendency is called as norm of reciprocity (Liden, R. C., Wayne, S. J., Kraimer, M. L., & Sparrowe, R. T. 2003) and following this theory three propositions are formulated,

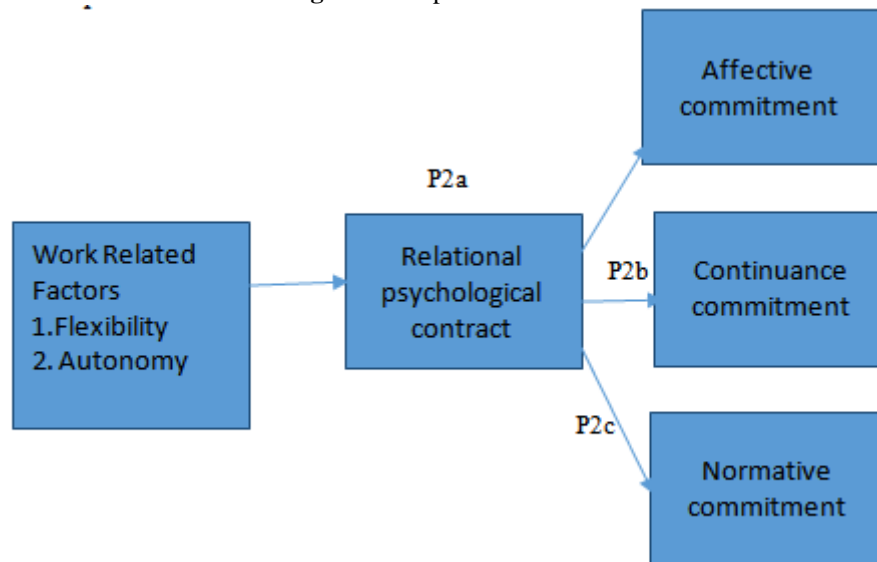
P2a: Relational psychological contract is positively associated with affective commitment

P2b: Relational psychological contract is positively associated with Continuance commitment.

P2c: Relational psychological contract is positively associated with Normative commitment.

The proposed model is,

Figure 1. Proposed Model



III. CONCLUSION AND FUTURE IMPLICATIONS:

The present paper is to introduce the concept of relational psychological contract development and the components of organizational commitment in the context of gig workers based on the literature study. Several studies in the gig economy are found in the western context but there are only very few studies in the Indian context. The paper can be further extended to study the transactional and balanced psychological contract of gig workers.

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