

Why gig work needs to demonstrate loyalty, and how to do it

Article

Accepted Version

Laker, B. ORCID: <https://orcid.org/0000-0003-0850-9744>
(2021) Why gig work needs to demonstrate loyalty, and how to do it. MIT Sloan Management Review. ISSN 1532-9194
Available at <https://centaur.reading.ac.uk/101463/>

It is advisable to refer to the publisher's version if you intend to cite from the work. See [Guidance on citing](#).

Published version at: <https://sloanreview.mit.edu/article/why-gig-work-needs-to-demonstrate-loyalty-and-how-to-do-it/>

Publisher: MIT Sloan School of Management

All outputs in CentAUR are protected by Intellectual Property Rights law, including copyright law. Copyright and IPR is retained by the creators or other copyright holders. Terms and conditions for use of this material are defined in the [End User Agreement](#).

www.reading.ac.uk/centaur

CentAUR

Central Archive at the University of Reading

Reading's research outputs online

Why Gig Work Needs to Demonstrate Loyalty, and How to Do It

Both workers and organizations can engage with each other as temporary life companions in cycles of episodic loyalty.

Workers and organizations exist as temporary life companions through numerous cycles of defined duration. Before the pandemic, companies avoided having to provide benefits and full-time salaries for ad hoc work. Gigs requiring less-specialized labor, such as working as a delivery driver, typically attracted minimally trained workers who needed flexibility or supplemental income. And gigs requiring specialized knowledge, such as design work, typically attracted “professional” freelancers who charged a premium rate and often enjoyed lower tax rates for their efforts relative to their full-time employee (FTE) counterparts.

While this arrangement has benefited many generations of workers, the pandemic is affecting those at both ends of the gig economy — skilled freelancers and less-specialized laborers — more severely than FTEs, because large numbers of staff redundancies increased the gig worker pool. Early in the pandemic, a flood of these [newly unemployed people](#) shifted to high- and low-skill gig work; this glut led to a drop in individuals’ hourly pay due to supply severely outstripping demand — for everyone from marketers to Uber drivers.

As a result, an unprecedented increase in competition has forced many existing and new gig workers — many of whom are [young and shut out of the job market](#) — to scramble for their next paycheck. Amid increasingly desperate competition for delivery gigs, for example, some [Amazon Flex workers hung their phones on trees](#) close to cell towers for a split-second advantage over rivals to snag jobs first. Instacart workers have protested and even [called on customers to delete the app](#) as their hourly pay has declined.

Creating Episodic Loyalty

The extraordinary lengths that some people are willing to — and need to — resort to in order to find work opens up the debate on episodic loyalty. Episodic loyalty occurs when people view organizations as temporary life companions. These relationships shift through defined periods as organizations and their collaborators — either FTEs or freelancers — engage, disengage, and subsequently reengage with each other throughout a person’s career. For employees who stay within an organization, this loyalty shift occurs as internal episodic loyalty as they take on new tasks, projects, and roles. Gig workers, who are extraneous to an organization, develop external episodic loyalty, often due to the relationships they build with coworkers as they undertake multiple jobs for the organization, and because work processes become more familiar to them over time.

Our current economic climate has led to far [fewer full-time positions than there are workers](#), which is forcing people into the gig economy, willingly or not. This makes it much more difficult for the relationships and familiarity between external collaborators and organizations to grow, which hinders external episodic loyalty from developing between workers and the companies they work for, as well as between workers and colleagues.

Evidence suggests that [workers increasingly value trust, engagement, and communication](#), whereas organizations favor rapid adaptation to technology to drive job performance. However, suppose an organization demonstrates loyalty to a gig worker by providing them with an attractive benefit typically given only to FTEs — such as paid vacation time — but the gig worker doesn’t demonstrate reciprocal loyalty by continuing their relationship with the company. In that case, the company finds itself in the situation of having invested time and

money training the gig worker only to have them to move on to another gig, as is the nature of the gig economy.

At the same time, organizations need to balance gaining episodic loyalty with their long-term goals and activities. They must weigh how much they're willing to invest in achieving this loyalty and retaining the specialist knowledge of gig workers who repeatedly return against what they need to invest to reach their long-term goals. In many cases, both concerns will go hand in hand, given that knowledge retention is paramount for organizations to reach their overarching goals.

Ultimately, in order to make gig working fair for all, both workers and organizations must understand and accept the cyclical nature of episodic loyalty, engaging with each other as temporary life companions. Doing so will establish a functioning mechanism for constructively engaging in, disengaging from, and reengaging with employees and collaborators.