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When gig workers become essential: Leveraging customer moral self- awareness beyond COVID-19

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Abstract The COVID-19 pandemic intensified economic reliance on gig workers that perform essential tasks such as health care, personal transport, food and package delivery, and ad-hoc tasking services within the developed and developing world. As a result, workers who provide such services are no longer perceived as low-skilled laborers but as essential workers who fulfill a crucial role in society. These workers' newly elevated moral and economic status increases consumer demand for corporate social responsibility toward this stakeholder group, specifically for practices that increase worker freedom and rewards. We provide algorithmic tools for online labor platforms to meet this demand, bolstering their social purpose and ethical branding while better protecting themselves against potential reputational crises. To do this, we propose a managerial strategy rooted in moral self-awareness theory that leverages customers' self-perceived virtuosity to increase gig-worker freedom.

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1. From instaservs to essential workers

The developed and developing world's reliance on gig workers has grown exponentially over the last

few years. Personal transport, food and package delivery, and ad-hoc tasking services (e.g., Uber, Lyft, GrubHub, Instacart, and TaskRabbit) now play a pivotal role in the gig economy. This is particularly true in the U.S. context—the primary focus of this article—in which 34% of workers operate in this sector (Pickard-Whitehead, 2021). By comparison, the gig economy in the U.K. represents about 10% of the workforce (Fennell,

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2022). The gig economy in the U.S. has grown so rapidly that several online labor platforms have emerged to dominate these markets, allowing them to dictate the terms by which suppliers and buyers of gig labor must abide (Grey & Suri, 2019). While this has generally been advantageous to consumers—who now have a plethora of options for outsourcing menial tasks at a moment's notice—gig workers have become more anxious and frustrated due to increased algorithmic control (Rahman, 2021), commonly characterized in pre-pandemic media as disempowered instaservs (Kuhn & Maleki, 2017).

However, the COVID-19 pandemic caused gig workers to be increasingly perceived as essential workers who fulfill a crucial role in society. Many now sustain vital supply chains that provide food, medicines, clothing, house cleaning, home care, and other critical goods and services to people under crisis conditions (i.e., the COVID-19 pandemic, power outages, or extreme weather events; Brammer et al., 2020). Essential gig workers have even been deemed heroic as they are often willing to take on greater physical and health risks to prevent vulnerable members of society from exposure.

The newly elevated moral and economic status of essential gig workers significantly raises consumers' appreciation and obligation toward them, increasing demand for corporations to be more socially responsible regarding this stakeholder group. We show how online labor platforms can leverage this demand by activating moral self-awareness within their customer group (Friedland, 2019), thereby increasing consumer and gig worker satisfaction and expanding or solidifying their market position via strengthened ethical branding (Berthon et al., 2021). Our managerial strategy, rooted in moral self-awareness theory (Friedland & Cole, 2019), can help activate consumers' virtuous self-perception.

In the postpandemic workplace, most employees who worked remotely during the height of the pandemic preferred continuing to do so on a hybrid work schedule (i.e., balancing in-person and remote work) as restrictions relaxed and employees returned to the office. A recent survey of U.S. workers found that 42% would quit if long-term remote options were not provided (Prudential, 2021). If this occurs, numerous employees may take up gig work when they depart, which will likely impose pressure on the government to enact legislation and create regulations that improve the pay, benefits, and job security of gig workers. Such trends are reinforced by a new federal regulatory philosophy that aims to classify gig workers as

employees, which provides new entitlements that allow them to enjoy the same advantages as those with workplace employee status. In a speech, U.S. Labor Secretary Marty Walsh indicated that some gig workers should be classified as employees so they are eligible for benefits and protected by labor laws that include the right to have union representation (Brown, 2021).

Still, most gig workers enjoy the flexibility and freedom afforded by their positions. This tension makes it difficult for any regulatory approach to reach a comfortable middle ground between job security and worker freedom. Arguably, it risks burdening businesses and restricting employee freedom. However, not doing enough to protect those workers who rely on gigs as their main source of income can be detrimental. We support regulatory approaches that protect workers effectively and preserve their independent contractor status (see Section 6). Our approach allows gig work platforms to take the lead and engage consumers' moral reflection to help businesses decide how to improve the economic well-being of their workers and not rely solely on government legislation that can produce unintended consequences (Thacker & Artlett, 2012). We offer a path toward gig worker well-being and customer satisfaction via mobile applications that leverage both the motivational power of moral self-reflection and consumers' desire to maintain a positive moral self-image (Friedland, 2019). We provide algorithmic tools that empower customers to acknowledge and take ownership of their shared responsibility toward the gig workers they depend upon. The proposed policies span the four stages of moral self-awareness (MSA), which increase in intensity as customers gradually attain higher levels of awareness and broader concern for the common good.

2. Dominant gig-work platforms have vulnerable reputations

Gig-work platforms are particularly vulnerable to consumer backlash because their workers are now perceived as essential to the local sharing economy. This local sharing aspect gives the business model a communitarian identity in which social responsibility via consumer engagement is an essential component of business activity (Nadeem et al., 2021). As a result, consumer backlash can be more severe if the social compact is flouted due to irresponsibility toward workers, the environment, or society. Embedding MSA framing across more dominant gig-work platforms can help strengthen ethical branding and prevent severe reputational crises in the future.

Gig-work platforms (e.g., Amazon's Mechanical Turk) that are susceptible to customer scrutiny are rapidly approaching monopsonistic dominance in different consumer markets (Grey & Suri, 2019). Still, competing innovative platforms often subsist. This makes the dominant ones more vulnerable to reputational damage if scandals occur, as morally outraged customers may enact app-deletion campaigns on social media and cause the target company to lose valuable market share. For example, Uber experienced an app-deletion campaign in 2017, resulting in lost market dominance to Lyft whose market share increased 33% in a single year, up from only 10% 2 years prior (Leskin, 2019). This occurred because conscientious customers had already begun migrating to Lyft and were looking for a reason to abandon Uber after years of perceived social irresponsibility. A negative reputational tipping point created a tinder box of consumer ire (Isaac, 2017). Now, Lyft's U.S. market share has nearly tripled—currently at 29%—largely because of the platform's greater perceived social responsibility by comparison. The company screens its drivers more carefully with two initial background checks for all drivers compared to a single check for Uber (Davis, 2021). Lyft has always run an additional annual check, whereas Uber initially did so every 2 years and only began checking annually after its reputational crisis in 2017 (O'Brien, 2018). Lyft is also perceived to be more generous as it pays drivers more per ride (Meiggs, 2022) and pioneered in-app driver tipping—a policy adopted by Uber following the deletion campaign.

Unlike regular professionals, gig workers are far more subject to compromising working conditions, leaving the platforms they work for with a greater risk of associated reputational crises. Conversely, such firms may gain reputational advantage from leveraging consumer MSA via digital engagement tools, described in Section 3.

3. Workplace justice implications

3.1. Gig worker vulnerability

Gig workers are classified as independent contractors (i.e., freelancers). As such, they are not considered regular employees, a classification that confers a host of legal rights and entitlements. Regular employees in the U.S. have the legal right to receive the federal minimum wage of \$7.25 per hour, overtime pay (which is 1.5 times the base wage rate for each hour exceeding the traditional 40 hours per week), and legally required, employer-provided benefits coverage (i.e., unemployment

insurance, workers compensation, and social security). In addition, employees are likely to receive discretionary benefits such as health insurance, paid sick leave, vacation days, and retirement benefits (Watson et al., 2021). However, gig workers in the U.S. are not entitled to any such benefits because of their legal status as independent contractors (Flinchbaugh et al., 2020). While independent contractors are free to schedule their work hours, enjoy greater flexibility by being self-employed, and do not have to report to a supervisor or conform to company norms, they bear substantial economic disadvantages. This is particularly true among low-skill work, which constitutes most gig workers. As independent contractors, gig workers in the U.S. typically lack the bargaining power to negotiate favorable economic terms vis-à-vis the company and are likely to end up with pay, benefits, and working conditions well below those received by employees with standard work arrangements doing similar work (Spreitzer et al., 2017).

Paradoxically, enacting a new labor law to reclassify the status of essential gig workers as employees with economic entitlements—as suggested by Labor Secretary Walsh—might not be viewed favorably by the majority of U.S. gig workers as they could lose much of the independence and flexibility of independent contractors that initially attracted them to gig work. As independent contractors, gig workers are free to work flexible hours at their preferred location, take breaks, or have time off that suits their lifestyle (Watson et al., 2021). An international McKinsey Global Institute (2016) study found that roughly 30% of gig workers preferred freelancing as primary income while another 30%–40% preferred the work as casual supplementary income. A recent survey of California gig workers indicated that most respondents supported a proposal that passed in a state election that clarified gig workers as independent contractors (Straight, 2021). Our approach does not relinquish the advantages lost by becoming employees under managerial control. Instead, it encourages gig-work customers, executives that manage online labor platforms, and boards of directors that represent stakeholder interests to appreciate the valuable services that gig workers provide. With increased awareness and appreciation of gig worker contribution, we expect subsequent improvements in their economic security.

The COVID-19 pandemic highlighted how essential services provided by gig workers were previously taken for granted by consumers. As a token of gratitude for these contributions, about

33% U.S. states provided COVID-19 relief aid via monetary bonuses to essential workers who performed such critical jobs. For example, Pennsylvania used \$50 million in federal aid to provide a temporary \$3 hourly wage increase to workers earning less than \$20 per hour. The bonus money was allocated to essential workers in health care, food products, cleaning services, and private security (Lieb, 2021). We aim to leverage this rising social awareness and embolden online labor platform leaders and social influencers to market new application tools that customers can use to repay essential gig workers with generosity and kindness.

Uber drivers who provide rides to clinics or emergency rooms, or make Amazon Prime or Instacart food deliveries to quarantined individuals are vulnerable in numerous ways. For example, on slow days with few requests for food or rides, Uber and Instacart drivers lose income as they still must cover the recurring cost of maintaining and insuring their vehicle (Weiler & Andrews, 2020). When business picks up, drivers who receive requests for services in unsafe circumstances or unfamiliar neighborhoods may need to quickly decide whether to accept the risk and provide the service or turn it down. As freelance contractors, they are unlikely to be covered by workers' compensation if an accident occurs and will probably lose income while recovering from an injury or exposure to COVID-19 while at work.

Nursing homes now also rely on gig workers to fill in on short notice for regular staff who are out due to illnesses brought on by the coronavirus or quarantining to avoid infecting other caregivers and residents. Caregivers performing gig work are less likely to have adequate health insurance or paid sick leave and must make do with low wages (Eaton, 2020) while heroically providing care and support to vulnerable elderly residents. This disturbing situation cries out for a remedy to restore moral and economic justice to workers who are risking their lives to help others in urgent need (Bapuji et al., 2020). The moral and economic injustice of essential gig workers can best be described in distributive and procedural terms.

3.2. What does distributive justice look like for gig workers?

The lens of distributive justice (Colquitt et al., 2001; Cropanzano et al., 2007) reveals the moral underpinnings of contexts in which essential gig workers expect to receive a fair distribution of economic rewards proportional to the value of their work relative to the customer. According to

distributive justice theory, the rule of equity (i.e., a fair distribution of rewards) should be used by organizations as a basis for allocating economic outcomes that reflect the value of an individual's contribution to the receiving party that benefits from the gig labor (Greenberg, 1990). This includes gig workers who perform essential tasks, particularly during public crises or when providing critical services to individuals in need (i.e., delivering medication or prepared meals to parents juggling work and educating children remotely). In such circumstances, the economic reward for the gig labor should reflect the perceived value of the service that is provided to the requesting party based on the equity rule (Rupp et al., 2017). Gig-work labor platforms should explicitly guarantee the workers 100% of their tips, which is sometimes not the case. Further options harnessing the motivational power of moral self-awareness are discussed in Section 4.

If customers provide gig workers who deliver food or medications with inequitable tips, the workers go underpaid compared to counterparts who receive better tips from socially responsible customers (Cropanzano et al., 2001). Inequitable tips that are perceived to be unfair can cause righteous indignation (Barling et al., 2009; Fieseler et al., 2019). Consequently, gig workers who experience inequity due to underpayment may adopt counterproductive work behaviors such as speaking to customers in an uncivil manner, providing incomplete food orders on purpose, or posting negative and insulting reviews on social media to harm the online platform's reputation (Adams, 1965; Greenberg, 1990). However, platforms that proactively inform customers with clear guidelines for providing equitable tips can minimize harm to both customers and the platform triggered by inequitable tips (Aguinis et al., 2021).

3.3. What does procedural justice look like for gig workers?

Procedural justice prioritizes fair processes that result in decisions affecting gig workers, including work assignments, rewards, and performance ratings (Colquitt et al., 2001). Procedural justice is promoted when the platform or the party that contracts gig labor allows gig workers to have either input regarding the decision-making process or voice over seemingly unfair outcomes. A fair process is free of bias, based on accurate information, consistent in the way it treats gig workers, and provides a procedure to correct erroneous decisions (Cropanzano et al., 2007; Leventhal,

1980). When gig workers experience higher levels of procedural justice (i.e., being included in the decision-making process and presiding over the outcomes), their freedom is enhanced, and they no longer feel trapped in an invisible algorithmic cage (Rahman, 2021). Such frustrations often stem from opaque worker evaluation systems, and we suggest improvements via greater transparency and algorithmic fairness.

It is fair for gig workers to enjoy a reasonable amount of freedom since they are classified under the law as independent contractors and afforded control over how the work is performed for the party that contracts them. As such, gig workers benefit from a myriad of freedoms that would not be available to regular employees:

- They have the discretion to take spontaneous breaks (e.g., for a doctor's appointment or a child's athletic event);
- They can work at different locations that suit their needs on any given day; and
- They have control over how the work gets done without supervisor oversight, which can even include agreeing to share part of the work with others to meet an impending project deadline.
- As freelancers, they can also compete with the platforms themselves, making future arrangements with their customers directly.

In contrast, when gig workers have little control over how their work is performed, authorities may perceive them as regular employees rather than contractors, entitling them to respective legal rights and privileges under U.S. labor law. We argue that if procedural justice is prioritized over decision-making and work outcomes for the gig labor suppliers—affording gig workers a greater sense of control—it will be more advantageous to both the gig-labor platform and the requesting parties who utilize gig labor. Labor platforms benefit via increased worker retention, which reduces uncertainty over the quality of workers. Those who contract gig workers will also enjoy a greater sense of control and likely achieve greater consistency of work outcomes as a more experienced gig labor supply would require fewer do-overs.

As we discuss in Section 4, moral self-awareness theory offers a dynamic way for gig-work labor platforms to demonstrate their commitment to these evolving distributive and procedural justice

norms by activating the moral engagement of their customers (Friedland, 2019).

4. Leveraging customer moral self-awareness via gig-work platforms

Moral self-awareness (MSA) is a four-stage framework of an evolving mindset based on moral identity, namely what one's actions say about oneself given the negative impact on others or society that one's action may affect, and what one contributes to others and/or society by a given action (Friedland & Cole, 2019). As such, it is a powerful motivator of prosocial behavior that can be leveraged by designers and institutional clients of gig-work labor platforms to mobilize customers, increase social responsibility, and induce change against the distributive and procedural injustices that workers face. Gig-work labor platforms that provide essential services amid and beyond pandemics can design their interfaces to include notifications that act as cognitive speed bumps to engage consumer self-reflection (Calo, 2013). This functions as part of system two, or the thinking slow part of cognitive dual process theory (Kahneman, 2011). Such notification mechanisms reinforce users' moral engagement while guiding them up the chain of MSA (Friedland, 2019). Below, we provide algorithmic tools that increase workplace justice and improve customer satisfaction and financial performance.

4.1. Social reflection

In *social reflection*, the first level of awareness, actors rely upon negative feedback from observers to guilt or shame them into improving their behavior. Consider imperatives that advocate against littering or honking. Gig-labor platforms can activate this mindset by highlighting responsible behaviors that impact the safety and best interest of all parties. One way to do this is tip-baiting, or encouraging early tip commitments for food deliveries with the option to lower gratuity upon delivery in case the driver abuses the promise—a practice Instacart currently employs. Telling customers to honor tip-level commitments with a warning that their follow-through rates would be made public to future drivers is one incentive the online platform provides for receiving negative feedback. Customers could also be shown how much of their tip—ideally 100%—would go to the worker. In addition, if customers choose not to honor a tip commitment, they could

be asked for an explanation and notified that it will be provided to the worker. Such behavioral notices function as cognitive speed bumps to engage customer self-reflection and ultimately preserve algorithmic fairness. Once customers have exhibited consistently responsible behavior, these notices could be relaxed.

4.2. Self-reflection

Repeated exposure to first-level feedback gradually leads to *self-reflection* in which actors become more reflective of their behavioral implications. Rather than relying solely on outside observers to bring negative impacts to their attention, actors can provide their feedback source—often following another person’s positive example to avoid a negative social impact. Consider observing someone using the correct bins for recycling and compost instead of carelessly tossing all their waste into ones marked for trash and thinking, “Perhaps I should do that too.” Ride-hailing platforms, for example, could engage this level of awareness by highlighting their policy that any rating below five stars would reflect negatively on the driver. This is currently the policy at Uber and Lyft, which may be perceived as a procedural injustice inflicted on drivers (Kuhn & Maleki, 2017). Such notifications invite customers to more carefully reflect on the potential harm caused by careless choices. The algorithm could also allow drivers to weigh in on rides that occur under extenuating circumstances such as rude or hostile riders or unexpected traffic jams that delay arrival time. These tools would maintain procedural justice by increasing gig workers’ sense of control while lowering the anxiety induced by possibly losing status over uncontrollable extenuating circumstances. We recommend making evaluation criteria transparent to both customers and workers. While the temptation for platforms to resist completely disclosing their evaluation criteria to avoid workers gaming the system is understandable, such criteria directly impact worker earnings by dictating their access to preferred trips and customers (Rahman, 2021). Workers and their customers have a right to know how performance is evaluated, especially given that opaque algorithms can reflect structural or inherent racial, gender, or age biases (Dougherty et al., 2019).

4.3. Anticipatory self-reflection

Avoiding one’s negative behavioral impacts gradually becomes habitual, leading to the third level

of awareness: *anticipatory self-reflection*. There, actors look forward and consider negative future impacts on themselves or others before acting. This forward-looking behavior often comes after reflecting on prior behavior that led to an internal sense of guilt or shame. Consider acknowledging and correcting unhealthy habits in one’s children, lowering one’s carbon footprint, or gardening with fewer toxic chemicals. Gig-work labor platforms can foster this level of awareness by offering tools for institutional clients and customers to lower their carbon footprints by highlighting ecological in-app options such as hybrid or electric vehicles for an on-demand ride service. Ride-hailing services already do this, charging a higher fare for greener vehicles. Unfortunately, the extra income does not go to the driver, offering no direct incentive to purchase such a vehicle. This may be perceived as a distributive and procedural inequity. Online labor platforms can rectify this by notifying customers that the rate increase is shared with the driver, increasing gig workers’ sense of control while preserving both distributive and procedural justice. Customers who have consistently exhibited heightened MSA via previous conscientious in-app choices could be provided such options. Reminders of prior environmentally-friendly decisions increase similar purchasing behaviors in the future by leveraging pride and guilt avoidance (Roe et al., 2019).

4.4. Proactive self-reflection

Recognizing the future collective impacts of one’s actions leads to the fourth and highest level of awareness, *proactive self-reflection*, in which actors become increasingly forward-looking. They consider both positive and negative potential impacts and purposely engage in appropriate actions to realize positive outcomes. At this level, individuals internalize the ideal of the self as a hero rather than a villain. Consider picking up someone else’s litter or choosing to patronize local businesses or crowdfunded enterprises. Gig-work labor platforms could activate this level of awareness by offering novel ways for customers to thank workers who go beyond expectations. User-preferred gig workers could be rewarded with the option to link a personal crowdfunding site for a college fund or other fundraising targets, thereby increasing individual freedom via enhanced career options. Customers who have consistently exhibited heightened MSA via previous conscientious in-app choices could be offered an in-app tool to add a gift to a particularly helpful or innovative gig worker. In a highly-publicized recent example, an

Uber rider paid off his driver’s unpaid college fees so that she could return to college and graduate (Elassar, 2021; Kindelan, 2020). In addition, retail employees with essential worker status post-pandemic have started to benefit from full college tuition reimbursement mechanisms at some of the nation’s largest employers including Walmart, Target, and Starbucks. Uber even offers full tuition at Arizona State University for all drivers who perform 3,000 trips (Reader, 2018). Allowing online platform customers to contribute to gig workers’ college funds as a reward for good service may be an apt way for dominant labor platforms to follow suit, preserving distributive justice for their best workers.

The nurse shortage during the pandemic illustrates that healthcare is an increasingly relevant business sector because now it often relies on gig work via apps like Medely to fill essential nursing positions during labor shortages in public health crises (Eaton, 2020). Platforms facilitating such employment contracts could encourage their clientele to use in-app tools to provide recruiting and performance bonuses to essential gig workers and compensate them for working in stressful and risk-prone environments. Hospital visitor apps could also offer ways for families to reward healthcare workers that provide excellent care to patients. Such tools would improve organizational performance and buttress ethical branding via increased distributive justice. Figure 1 features

the underlying characteristics of the four levels of moral self-awareness and examples of digital notifications sent to customers.

5. Synergistic benefits

Empowering consumers to act socially responsibly in their economic choices via convenient in-app tools will influence workers to act in complementary directions, which drives both social responsibility and financial performance and builds the ethical branding capital necessary for weathering future reputational storms. For example, if customers are encouraged to promote fuel efficiency by choosing hybrid and electric vehicles—knowing that a portion of the higher fare will go to the drivers—it may encourage gig workers to purchase such vehicles, dramatically lower their carbon footprint, and increase return on investment. Introducing worker-freedom enhancement tools across the platform as described in Figure 1 will also improve morale via increased workplace justice and help the labor platform maintain or augment its market share (i.e., enhancing a company’s reputation to the customer as a socially responsible organization).

A socially responsible approach worked for Amazon when it developed a series of packing strategies aimed at reducing its carbon footprint. What followed was a reduction in the size, number, and packaging of its shipments that led to

Figure 1. Raising customer moral self-awareness in four levels

	Social impact focus	Feedback focus	Motivators	Digital showing notices/tools leading to	Worker autonomy-enhancement
Level 1: Social reflection	<ul style="list-style-type: none"> Negative via others 	<ul style="list-style-type: none"> Negative Social 	<ul style="list-style-type: none"> Guilt Shame 	<ul style="list-style-type: none"> Customer tipping averages made available to gig workers before accepting task Tip-adjustment explanations required and forwarded to workers 	<ul style="list-style-type: none"> Workers given clearer choices to accept Tip-baiting discouraged Workers given useful feedback to improve performance
Level 2: Self-reflection	<ul style="list-style-type: none"> Negative via reflection on outcomes achieved by others 	<ul style="list-style-type: none"> Negative Social Self 	<ul style="list-style-type: none"> Guilt Shame Pride 	<ul style="list-style-type: none"> Notice that any rating below five will reflect negatively on the worker and may be contestable Evaluation criteria made transparent to workers and customers 	<ul style="list-style-type: none"> Decreased anxiety over losing status due to extenuating circumstances Preserved algorithmic fairness including avoiding racial, gender, age bias
Level 3: Anticipatory Self-reflection	<ul style="list-style-type: none"> Negative via forward-looking consideration 	<ul style="list-style-type: none"> Negative Self 	<ul style="list-style-type: none"> Guilt Shame Pride 	<ul style="list-style-type: none"> Green options given with notice that percentage increase goes to driver 	<ul style="list-style-type: none"> Workers incentivized to purchase greener vehicles by sharing the green-fare percentage increase
Level 4: Proactive Self-reflection	<ul style="list-style-type: none"> Positive via self-actualization of internalized values 	<ul style="list-style-type: none"> Positive Self 	<ul style="list-style-type: none"> Pride 	<ul style="list-style-type: none"> Special gifting options provided for workers who exceed expectations 	<ul style="list-style-type: none"> Workers given more options for career development via educational funds

Source: Adapted from Friedland (2019), Friedland and Cole (2019)

improved shipping algorithms, optimization of the transportation network, and efficiency in storage and distribution. Ultimately, this saved the company millions of dollars (Green, 2017). Such an approach—when buttressed by increasing MSA—can also forge a broader organizational culture of social purpose (Friedland & Jain, 2022; Rauch & Ansari, 2022). Given the community-centered nature of the gig economy, we believe these hold an even greater synergistic capacity for increased performance in gig-work labor platforms.

6. Innovation vs. regulation

It is important to avoid inefficient regulatory burdens on organizations imposed by one-size-fits-all laws that attempt to generically address labor shortages. It may be more efficient and politically expedient to give organizations the flexibility to develop incentives that deal with labor supply shortages based on the unique economic conditions faced by each institution. One example is a recent misguided attempt in California to enact a bill that would award \$7 billion in bonuses to healthcare workers throughout the state who were deemed heroes and deserving of higher pay during the pandemic (2021). A \$10,000 bonus in 2022 would have been distributed to each full-time healthcare worker in California, with lesser amounts given to part-time workers in hospitals, clinics, and nursing homes. However, the proposed bill was defeated in the California state assembly (Gutierrez, 2021) due to a massive lobbying effort by hospitals that feared losing control of their labor costs. In addition, a California law passed in 2020 ensured that gig workers were considered independent contractors but was later ruled unconstitutional the following year by court order and is currently under appeal (Conger, 2021).

Fortunately, effective regulations that improve working conditions while avoiding reclassifying gig workers as regular employees have avoided backlash. In the wake of Hurricane Ida in 2021, gig workers in New York City were lauded for delivering essential goods to residents in need. As a result, the city passed a package of new laws granting app-based couriers numerous basic working standards which were sought collectively (Subin, 2021), including the following key improvements:

- Drivers can set a maximum distance traveled per trip and choose not to accept trips over bridges or in tunnels;
- Food delivery apps cannot solicit a tip unless they disclose how much is paid to the delivery worker and whether it is available immediately or paid in cash;
- Apps must credit gratuities to workers and notify the amount added and if/why a customer removed the tip; and
- Food delivery services must add a provision in contracts with restaurants that allow couriers to use bathrooms when they are picking up a delivery.

We support such regulatory labor protections in the U.S., which acknowledges the essential role gig workers increasingly provide to their communities and, thus, its rules strike a balance between labor rights and freelance flexibility. Such rules underscore the importance of transparency and worker freedom that can be leveraged by our innovation-based approach. Other countries in which workers tend to enjoy more labor protections, such as those in the EU and the U.K., provide similar protections with additional core benefits enjoyed by regular employees such as the right to paid leave, better protection against work accidents, unemployment and sickness benefits, and contributory old-age pensions (Butler, 2021; European Union, 2021). Furthermore, some gig-work platforms operating in those localities have even started hiring workers under standard contracts (McCulloch, 2021). It may be possible in certain cases to improve business performance by switching to standard contracts while avoiding regulatory mandates (Berg & Johnston, 2019).

However, regularizing gig workers into standard contracts may prove more feasible within political economies that predominantly rely on full-time contracts with stronger labor protections (i.e., the EU and U.K.) than in those where freelancers are more common and where employment-at-will is the default rule (i.e., allowing either party to end the employment relationship at any time and for any reason). In contrast, jurisdictions that adopt for-cause employment rules legally mandate justification and/or prior notice before either party terminates the relationship. Bhargava and Young (2021) argued that justifying such contrasting public norms depends on existing complementarities among institutions within the jurisdiction's political economy. Specifically, they maintain that liberal market economies depend more on disruptive innovation—which requires greater labor flexibility—rather than coordinated market economies that depend on incremental innovation,

constituting greater investment in developing firm-specific skills.

7. Leveraging the importance of gig workers can foster ethical branding

As legendary investor Warren Buffett once said: “It takes 20 years to build a reputation and 5 minutes to ruin it. If you think about that, you will do things differently” (Benzinga Staff, 2016). Buffett’s observation particularly applies to essential services increasingly provided by dominant online labor platforms in the gig economy. There, the reputational damage can result in mass app-deletion campaigns and lead to cascading revenue losses with long-term or permanent market-share reductions. Resilient ethical branding is essential to weather reputational storms in this sector, given its local sharing identity that embodies communitarianism. This aspect makes gig-work labor platforms fit to leverage the moral self-awareness of their customers who tend to consider themselves within the same community as the workers they depend on. This bond becomes most evident during public health crises or extreme weather events in which gig workers—who normally regard themselves as independent and less bound by traditional vocational commitments—are newly called upon to perform indispensable tasks. Gig-work labor platforms that activate the moral self-awareness of their customers will tap into an invaluable resource for strengthening their brands by demonstrating their commitment to a shared social purpose that goes beyond mere financial interest.

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