

Opinion Piece: South African businesses can leverage the growing gig economy for sustainability



The world is constantly changing, and business models need to adapt to these shifts. As we move further into the fourth industrial revolution (4IR), the old ways of working are becoming increasingly obsolete. The traditional concept of an eight-hour job where you clock in and clock out is no longer necessarily relevant, and the Covid-19 pandemic has both highlighted and accelerated this. With unemployment in South Africa on the rise, and businesses struggling to make ends meet with large permanent workforces, the time has come for a change. Temporary Employment Services (TES) are the ideal solution as the 'gig economy' becomes an increasingly attractive prospect in the country.

The trouble with permanence

One of the major challenges businesses have faced over the last two years is maintaining large complements of permanent staff, in the wake of pandemic lockdowns that left many unable to operate for months at a time. Supply and demand, and business operations themselves, have fluctuated dramatically, and the inflexible nature of permanent staffing has made adapting to these fluctuations a difficult prospect. Businesses were forced to retrench or lay off staff, which then left everyone in a precarious position. It also made ramping up operations difficult when 'business as usual' was allowed to resume. From an employee perspective, permanent jobs have also become less appealing, once again highlighted by Covid. They are inflexible, requiring employees to clock in and out at specific times and be present at work for the duration. With the pandemic and lockdowns and the ongoing instability, this lack of flexibility is a hindrance when things like healthcare and childcare need to be considered. For many people, the ability to have more flexible work with more flexible hours would be hugely beneficial, and would also enable them to potentially work at more than one job, which has become crucial in these times.

The growth of the gig economy

The 'gig economy' is described as 'a labour market made up of short-term jobs, contracted or freelance work, as opposed to permanent, in-house jobs'. It is by no means a new phenomenon, but the way the world is moving is bringing this concept to the fore, and the pandemic definitely highlighted its benefits. For businesses, not having large permanent workforces removes a significant amount of overhead, which could save them during these turbulent times. It also allows businesses to scale their workforce up and down, based on demand, so that they are able to meet fluctuations head on. For employees, gigs have become increasingly popular as they can ensure a steady stream of income, even when permanent positions are not available.

How can a TES provider help?

One of the biggest challenges businesses face when it comes to the gig economy is accessing a pool of skills to support short-term employment solutions. Employees themselves may also have challenges finding flexible positions. TES providers are perfectly positioned to assist on both sides, as their entire service model is geared toward this.

For businesses, TES providers have large databases of employees looking for temporary employment, who have already been vetted and have a broad skills base. This means that businesses are able to access these skills on demand, creating an agile workforce that is ideal in these turbulent times. For employees, getting into a TES database gives them access to a wide range of opportunities, helping them to find work that suits their needs and helps them ensure an income.

The Covid-19 pandemic has highlighted the need for greater flexibility when it comes to employment, and the gig economy is growing, powered by technology and 4IR. TES providers are the perfect partner to support businesses and job seekers as we transition away from a world dominated by permanent full-time employment.