

The Gig Economy at a Glance

PART 1 of 3

An Overview Addressing Concerns
Gig Platforms Face When
Onboarding Their Workforces



What is the Gig Economy?

The Gig Economy, as defined by Gartner⁽¹⁾ is “composed of independent workers, hired on an on-demand basis by organizations to complete short-term, project-based jobs. These workers can be hired either directly or via specialized platforms.”



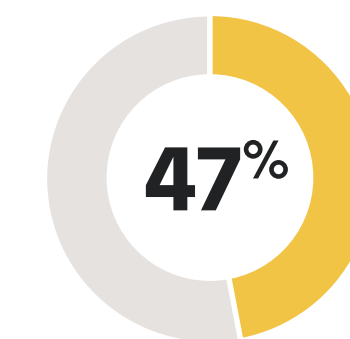
Gig economy workers are not considered full-time employees of a company but are just as vital to the success of the platform. From drivers to dog walkers, gig workers are the people performing the services that help these businesses grow. The flexibility and reduced stress of a gig job makes the highly-adopted business model ideal for many people.

The popularity of people opting into gig work as either a primary or secondary form of income has increased to over **59 million people** in the U.S. alone in 2020³.

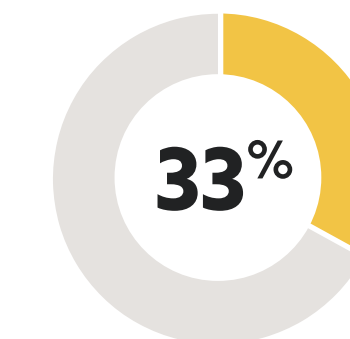
From 2020 to 2021, people reporting as independent workers increased 34%, with 51% reported as occasional independent workers³.

Why are Americans utilizing gig work as a source of income?

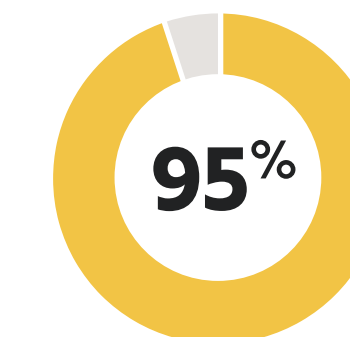
Gig economy workers are often viewed as belonging to the “fluid” or “liquid” workforce. According to Zippia’s 2022 research, Americans are utilizing gig work as a source of income because they:



are unsatisfied with their current financial situation



are unsatisfied with their current jobs



believe flexible work is important

The Gig Economy business model allows for contingent workers to operate as independent contractors or freelancers, either as their primary employment or in addition to other full-time or part-time jobs.

3 Concerns Platforms Face When Screening Gig Workers



The onboarding process for gig workers differs dramatically from traditional full-time employees. Because the gig business model is relatively new and being adopted rapidly on a global scale, platforms are still defining the onboarding process is for gig workers.

HR Future touched on a few concerns⁴ to help pinpoint three main concerns:

1



User Experience

Platforms are finding that a negative user experience increases friction during onboarding and often leads to high candidate drop-off rates. A positive user experience is critical to gig platforms that need to continually build and maintain a strong workforce in order to deliver services to customers.

2



Time to Onboard

Gig workers expect to begin working the same day as they sign up, and are not interested in waiting to start work. Because long screening processes can result in candidate drop-off, turnaround time on screenings must be fast, but also produce quality results.

3



Risk

Brands rely on trust and safety teams to properly screen their workforce, but because compliance regulations vary from state to state and change regularly, teams may not always be up to date which leaves the company vulnerable to scrutiny.

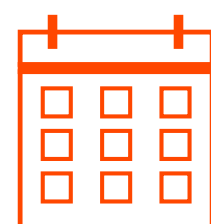
How Do Gig Jobs Affect Traditional Hiring Processes in the US?

With more Americans searching for non-traditional work, platforms are having to shift their existing hiring processes. **HR professionals are adapting to a new era of workers by:**



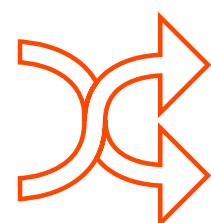
Creating User-friendly Apps

The expectation people have when submitting their information to a gig platform is that it will be user-friendly and easy. Gig workers will not complete tedious onboarding questions in order to begin working.



Decreasing Onboarding Time Frame

Trust and safety teams are forced to fine-tune the process to occur within hours of submission to avoid candidate drop-off because there is always a competitor that these workers can consider.



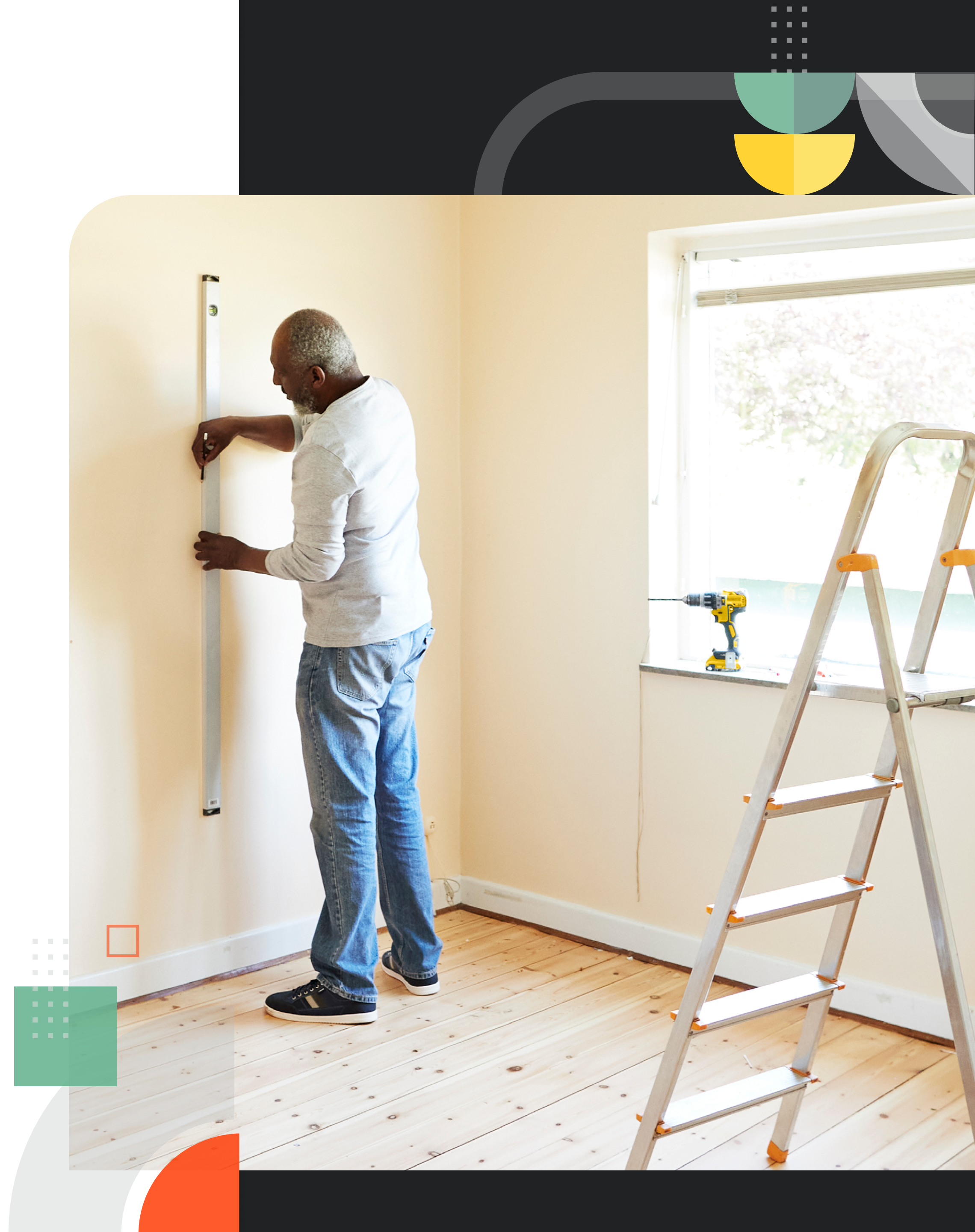
Increasing Role Flexibility

To stay competitive within the market and reduce the risk of losing top talent, platforms are beginning to find ways to incorporate more flexibility into their work practices and discover ways to turn conventional jobs into gig work.



Decreasing Risk

Trust and safety teams must meet compliance standards for their gig workforce especially in states that require stricter guidelines for contracted workers than full-time employees. The goal is to reduce misclassification of their workforce and avoid expensive lawsuits by placing heavy emphasis on their compliance teams.





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