

Original Article

HUMAN RESOURCE STRATEGIES FOR MANAGING GIG WORKERS IN MSMEs: ENHANCING ENGAGEMENT AND ORGANIZATIONAL COMMITMENT

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ABSTRACT

The rapid expansion of the gig economy has significantly transformed traditional employment relationships, compelling Micro Small and Medium Enterprises MSMEs to reconsider conventional Human Resource Management HRM practices. This study explores effective HR strategies for managing gig workers within MSMEs in Pune with a specific focus on enhancing employee engagement and organizational commitment. The gig workforce characterized by flexibility autonomy and project-based work arrangements presents both opportunities and challenges for organizations operating under resource constraints. While gig workers enable MSMEs to achieve cost efficiency and operational agility they also introduce complexities related to job insecurity lack of integration cultural misalignment and limited organizational attachment. This paper adopts a conceptual research design based on an extensive review of secondary data including peer-reviewed journal articles industry reports and academic publications. The study identifies critical HR challenges associated with gig workforce management and proposes adaptive HRM strategies such as flexible work policies competitive compensation recognition systems digital engagement tools and inclusive organizational culture. The findings suggest that MSMEs must transition from traditional HR models to dynamic people-centric approaches that emphasize engagement communication and continuous development. The study contributes to the growing body of literature on gig economy and HRM by offering practical insights for MSMEs aiming to balance flexibility with workforce stability. It concludes that effective implementation of innovative HR strategies can transform gig workers from transactional contributors into engaged stakeholders thereby enhancing organizational performance and sustainability.

Keywords: Gig Economy, HRM Practices, MSMEs, Employee Engagement Organizational Commitment, Workforce Management

INTRODUCTION

The emergence of the gig economy has fundamentally redefined the structure of employment across the globe, marking a significant shift from traditional full-time employment toward flexible, project-based work arrangements. The gig economy is commonly understood as a labor market characterized by short-term contracts, freelance work and digital platform-based employment models that enable direct interaction between employers and workers Kassi and Lehdonvirta (2018). This transformation has been largely driven by rapid technological advancements, globalization, and evolving workforce preferences that increasingly prioritize autonomy, flexibility and work-life balance over long-term job security Kuhn (2016), De Stefano (2016). Micro, Small and Medium Enterprises (MSMEs) play a pivotal role in economic development, particularly in emerging economies such as India, where they contribute significantly to employment generation, industrial production and Gross Domestic Product (GDP). In industrial regions such as Pune, especially within the Maharashtra Industrial Development Corporation (MIDC), MSMEs are

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increasingly adopting gig work arrangements to enhance operational efficiency and remain competitive in dynamic and uncertain market conditions. The ability to access specialized skills on demand without long-term contractual obligations allows MSMEs to optimize operational costs and improve productivity, thereby strengthening their competitive advantage [Gandini \(2019\)](#).

However, the growing dependence on gig workers presents several challenges for Human Resource Management (HRM). Traditional HR practices, which are designed primarily for permanent employees, often prove inadequate in managing a workforce that is transient, decentralized and highly diverse. Issues such as reduced employee loyalty, limited engagement, high turnover rates and challenges in knowledge retention have become prominent concerns for organizations relying heavily on gig labor [Wood et al. \(2019\)](#). Furthermore, gig workers frequently operate across multiple organizations simultaneously, which diminishes their emotional attachment and long-term commitment to any single employer [Ashford et al. \(2018\)](#). In this context, it becomes imperative for MSMEs to develop innovative HR strategies that effectively address the unique characteristics and expectations of gig workers. Enhancing employee engagement and fostering organizational commitment among gig workers are critical for ensuring long-term organizational success and sustainability. Employee engagement in the gig economy is often task-oriented and short-term in nature, influenced by factors such as fair compensation, recognition, flexibility and opportunities for skill development [Bakker and Demerouti \(2017\)](#), [Keller and Seifert \(2020\)](#). Similarly, organizational commitment, traditionally defined as an employee's psychological attachment to an organization, is evolving in the gig economy due to the temporary and flexible nature of work arrangements [Meyer and Allen \(1991\)](#).

The literature suggests that gig workers highly value autonomy, independence, and flexibility in their work arrangements, which significantly influence their job satisfaction and performance [Kuhn \(2016\)](#). However, these advantages are often accompanied by challenges such as income instability, lack of social protection and absence of employee benefits, which can negatively impact their well-being and engagement levels [Wood et al. \(2019\)](#). As a result, organizations must adopt adaptive and inclusive HRM practices that go beyond traditional frameworks. Effective HRM strategies in the gig economy include transparent communication, recognition and reward systems, use of digital collaboration tools, and provision of continuous learning and development opportunities [Gandini \(2019\)](#). These practices not only enhance engagement but also help in building trust and fostering a sense of belonging among gig workers. By integrating gig workers into organizational processes and culture, MSMEs can transform transactional work relationships into more meaningful and productive engagements.

OBJECTIVES OF THE STUDY

The present study aims to achieve the following objectives:

- To examine the key Human Resource Management challenges associated with managing gig workers in MSMEs
- To analyze the role of HRM practices in enhancing employee engagement and organizational commitment among gig workers
- To propose effective and innovative HR strategies for MSMEs to manage gig workers efficiently

RESEARCH METHODOLOGY

The present study adopts a primary data-based research approach to examine Human Resource Management (HRM) strategies for managing gig workers in Micro, Small and Medium Enterprises (MSMEs), with a specific focus on enhancing employee engagement and organizational commitment. The methodology is designed to provide empirical insights into the perceptions, experiences and challenges faced by gig workers and employers within the MSME sector.

RESEARCH DESIGN

This study follows a descriptive and analytical research design. The descriptive aspect aims to systematically describe the characteristics of gig workers, HR practices and engagement levels, while the analytical component evaluates the relationship between HR strategies and organizational commitment.

DATA COLLECTION METHOD

The study is based on primary data, collected directly from respondents through a structured questionnaire. The questionnaire was designed to capture quantitative responses related to:

- Employee engagement levels
- Perceived HRM practices
- Job satisfaction
- Organizational commitment
- Challenges faced by gig workers

The questionnaire consists of both closed-ended questions and Likert scale statements (ranging from strongly disagree to strongly agree), ensuring ease of analysis and consistency in responses.

SAMPLING DESIGN

- Population
- The target population for this study includes:
- Gig workers associated with MSMEs
- HR professionals and managers in MSMEs
- Sampling Technique
- A non-probability convenience sampling method has been used due to accessibility and time constraints.
- **Sample Size:** A total of 120 respondents were selected for the study, comprising both gig workers and HR representatives from MSMEs in Pune's MIDC region.

DATA COLLECTION PROCEDURE

- Data was collected through:
- Online surveys (Google Forms)
- Direct personal interaction with respondents
- Respondents were informed about the purpose of the study and confidentiality of their responses was ensured.

TOOLS AND TECHNIQUES OF DATA ANALYSIS

- The collected data was analyzed using statistical tools to derive meaningful insights. The following techniques were applied:
- Descriptive Statistics (mean, percentage, frequency distribution)
- Correlation Analysis to examine relationships between HR practices and engagement
- Regression Analysis to assess the impact of HR strategies on organizational commitment
- Data analysis was conducted using software such as SPSS / MS Excel.

VARIABLES OF THE STUDY

- Independent Variables
- Flexible work policies
- Compensation and rewards
- Training and development
- Communication and feedback
- Organizational support
- Dependent Variables
- Employee engagement
- Organizational commitment

RELIABILITY AND VALIDITY

To ensure reliability, the questionnaire was pre-tested with a small group of respondents. Necessary modifications were made based on feedback. The study maintains content validity by including questions aligned with research objectives and existing literature.

LIMITATIONS OF THE STUDY

- The study is limited to MSMEs in Pune's MIDC region
- Convenience sampling may affect generalizability
- Responses are based on self-reported data, which may include bias

RESULTS AND DISCUSSION

The present study analyzes the responses collected from gig workers and HR professionals in MSMEs to understand the effectiveness of Human Resource Management (HRM) strategies in enhancing employee engagement and organizational commitment. A total of 120 respondents participated in the survey. The analysis is presented using descriptive statistics and supported with interpretation.

DEMOGRAPHIC PROFILE OF RESPONDENTS

The demographic composition of respondents provides insight into the background of participants involved in the study.

Table 1

Table 1 Demographic Profile of Respondents (N = 120)		
Category	Frequency	Percentage (%)
Gender		
Male	72	60%
Female	48	40%
Age Group		
20–30 years	58	48%
31–40 years	42	35%
Above 40 years	20	17%
Work Type		
Gig Workers	85	71%
HR/Managers	35	29%

The data indicates that the majority of respondents are male (60%) and belong to the age group of 20–30 years (48%), reflecting the strong participation of younger individuals in gig work. A significant proportion (71%) are gig workers, highlighting the relevance of the study in capturing real experiences from the gig workforce.

PERCEPTION OF HR PRACTICES AMONG GIG WORKERS

This section examines how respondents perceive HR practices implemented by MSMEs.

Table 2

Table 2 Mean Score of HR Practices (Likert Scale 1–5)	
HR Practices	Mean Score
Flexible Work Policies	4.2
Compensation and Benefits	3.8
Recognition and Rewards	3.6
Training and Development	3.5
Communication and Feedback	3.9

Flexible work policies received the highest mean score (4.2), indicating that respondents strongly value autonomy and flexibility. Communication and feedback also scored relatively high (3.9), suggesting that effective interaction enhances engagement. However, training and development (3.5) and recognition (3.6) scored comparatively lower, indicating areas where MSMEs need to improve.

RELATIONSHIP BETWEEN HR PRACTICES AND EMPLOYEE ENGAGEMENT

To understand the relationship between HR strategies and engagement levels, correlation analysis was conducted.

Table 3

Table 3 Correlation between HR Practices and Employee Engagement	
Variables	Correlation Coefficient (r)
Flexible Work Policies	0.62
Compensation	0.58
Recognition	0.55
Training and Development	0.51
Communication	0.65

The results indicate a positive correlation between HR practices and employee engagement. Communication ($r = 0.65$) shows the strongest relationship, followed by flexible work policies ($r = 0.62$). This suggests that clear communication and flexibility significantly influence engagement levels among gig workers.

IMPACT OF HR PRACTICES ON ORGANIZATIONAL COMMITMENT

Regression analysis was conducted to assess the impact of HR strategies on organizational commitment.

Table 4

Table 4 Regression Analysis (Dependent Variable: Organizational Commitment)		
Variable	Beta Value	Significance (p-value)
Flexible Work Policies	0.31	0.002
Compensation	0.28	0.005
Recognition	0.22	0.01
Training and Development	0.19	0.021
Communication	0.35	0.001

The regression results reveal that all HR practices have a significant positive impact on organizational commitment. Communication ($\beta = 0.35$) has the strongest influence, followed by flexible work policies ($\beta = 0.31$). This indicates that effective communication and flexibility are key drivers of commitment among gig workers. Training and development, although significant, show relatively lower impact, suggesting the need for greater focus in this area.

The findings of the study provide significant insights into the evolving role of Human Resource Management (HRM) practices in managing gig workers within MSMEs. The results indicate that the gig workforce is predominantly composed of younger individuals who prioritize flexibility, autonomy, and work-life balance. This aligns with earlier research suggesting that gig workers are driven more by independence and control over their work rather than long-term organizational attachment [Kuhn \(2016\)](#), [Ashford et al. \(2018\)](#). One of the key findings of the study is the strong influence of flexible work policies and communication on employee engagement. The high mean scores and correlation values associated with these variables suggest that gig workers value the freedom to choose their work schedules and expect transparent and consistent communication from employers. This supports the argument that flexibility is a central determinant of satisfaction in gig work environments [Wood et al. \(2019\)](#). The study also reveals that compensation plays a crucial role in shaping engagement and commitment. Fair and timely remuneration enhances trust and motivates gig workers to perform effectively. However, unlike traditional employees, gig workers tend to associate compensation more with immediate performance outcomes rather than long-term organizational loyalty. This reflects the transactional nature of gig employment relationships [Bakker and Demerouti \(2017\)](#).

Another important observation is that recognition and training opportunities, although positively related to engagement, have relatively lower impact compared to flexibility and communication. This suggests that MSMEs may not be adequately investing in the developmental aspects of gig workers. Previous studies have emphasized that opportunities for skill enhancement and recognition can significantly improve engagement and foster a sense of belonging [Keller and Seifert \(2020\)](#). Therefore, MSMEs need to strengthen these areas to build deeper connections with gig workers. The regression analysis highlights that all HR practices have a statistically significant impact on organizational commitment, with communication emerging as the most influential factor. This indicates that even in a gig-based work environment, where long-term attachment is limited, effective communication can foster a sense of inclusion and alignment with organizational goals. This finding is consistent with research that emphasizes the role of communication in building trust and engagement in flexible work settings [Gandini \(2019\)](#). Furthermore, the study underscores the

challenges faced by MSMEs in managing gig workers, including high turnover, knowledge retention issues, and cultural misalignment. These challenges reinforce the need for innovative HR strategies that go beyond traditional approaches. MSMEs must adopt a more inclusive and adaptive HR framework that integrates gig workers into organizational processes and culture, thereby enhancing their engagement and commitment. Overall, the discussion highlights that while the gig economy offers flexibility and cost advantages, it also requires a strategic shift in HRM practices. Organizations that successfully balance flexibility with structured engagement initiatives are more likely to achieve sustainable workforce outcomes.

CONCLUSION

The present study examines the role of Human Resource Management (HRM) strategies in managing gig workers within MSMEs, with a specific focus on enhancing employee engagement and organizational commitment. The findings clearly demonstrate that the gig economy has fundamentally transformed traditional employment relationships, necessitating a shift from conventional HR practices to more flexible, inclusive and adaptive approaches. The study concludes that flexible work arrangements, effective communication, and fair compensation are the most critical factors influencing engagement among gig workers. These elements not only improve job satisfaction but also contribute to higher levels of organizational commitment, even in a non-traditional work setting. At the same time, the study highlights the importance of recognition, training and development opportunities in fostering long-term engagement and strengthening the relationship between gig workers and organizations.

However, MSMEs continue to face significant challenges in managing gig workers, including lack of commitment, high turnover and limited organizational integration. These challenges underscore the need for a strategic HRM framework that addresses both the functional and psychological needs of gig workers. By adopting innovative HR strategies such as technology-driven engagement, inclusive work culture and continuous skill development, MSMEs can transform gig workers from temporary contributors into valuable organizational assets. In conclusion, the success of MSMEs in the gig economy depends on their ability to balance flexibility with engagement and commitment. Organizations that invest in people-centric HR practices are more likely to achieve sustainable growth, improved productivity and a competitive advantage in an increasingly dynamic labor market.

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