Wisdom of the Crowd

The Gig Delivery Model in Trust and Safety (T&S)

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Introduction

Over the past few years, the global gig economy – an umbrella term for short-term/temporary employees protected by labor laws and freelancers who sign up for work without entering into an employment agreement – has grown manifold from being present in just a handful of industries to becoming ubiquitous today.

Enterprises and providers employ gig workers due to a combination of factors, including cost efficiencies, data sensitivity, talent availability, language and market maturity, and strategic priorities. In Trust and Safety (T&S) services, IT, and broad-based Business Process Services (BPS) firms that focus on core content moderation do not rely much on alternate delivery models such as gig due to the sensitive nature of their work, compared to Language Service Providers (LSP) and other language services specialists, which deal with more transactional work.

Flexible working models such as gig may well prove to be a welcome addition in the space as, in addition to providing obvious benefits such as cost optimization and dynamic scalability, they can help moderators balance the stresses of their jobs (especially exposure to extreme, disturbing, and explicit content on a regular basis) and take better care of their mental health. However, to reap these advantages, organizations in the space need to solve for challenges such as data security of sensitive information and the lack of standardized well-being policies. The pandemic has demonstrated that resolving these challenges can make gig a viable model in T&S, especially core content moderation services.

This viewpoint explores the adoption of gig workers in T&S; the advantages, challenges, and risk mitigations strategies; regulations for gig workers worldwide, tools and technologies for leveraging gig workers, engagement models to harness the gig workforce's potential, and the future of gig workforce in T&S.

Adoption of the gig model in T&S

Providers in the T&S space have been quick to adopt the gig workforce for multiple work-types within T&S. In fact, the gig model's growth in T&S is likely to rise from over 15% in 2019-21 to almost 20% YoY in the next three to four years[1].

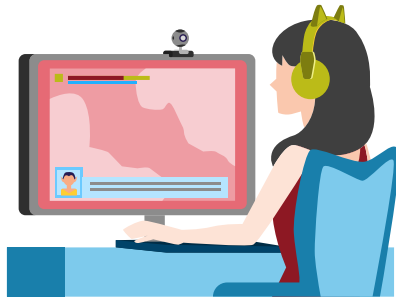The exhibit below depicts illustrative use cases of the gig workforce.

EXHIBIT 1

Representative use cases of the gig workforce

Source: Everest Group (2022)

Use case 1

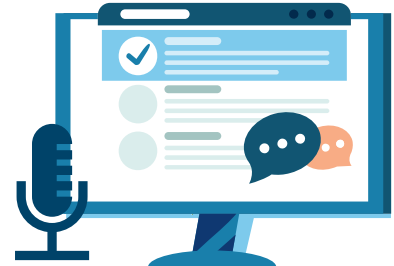A gaming company wants to launch its website in other countries

Use case 2

A leading multilingual search engine provider wants to improve its ad relevance

Use case 3

A software company needs transcription service for its voice assistant tool

Three factors are responsible for the gig model's increased adoption in T&S:

- A shift to the Work From Home (WFH) model following COVID-19, coupled with a readily available multi-skilled workforce that could reutilize its capabilities from adjacent industries, such as customer experience management, human resource outsourcing, marketing, banking, and financial services
- A rapid rise in content volumes driving up the demand for a larger workforce at optimum cost levels
- Enterprise demand for alternate delivery models in specific instances

Industries such as healthcare and life sciences, hi-tech, and social media – in which the demand for translation and transcription services have increased – use the gig workforce the most for T&S use cases, as the following exhibit illustrates. With increased digital penetration and a surge in virtual reality, these industries will increasingly adopt gig workers in the coming years.

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1   Based on inputs from 30+ providers and Everest Group estimates

EXHIBIT 2

Gig workforce in T&S - split by industry, % of total revenue

Source: Based on inputs from 30+ providers

32%-36%
Hi-tech and social media

17%-21%
Healthcare and life sciences

9%-13%
Retail and Consumer
Packaged Goods (CPG)

6%-8%
Banking, Financial Services,
and Insurance (BFSI)

3%-5%
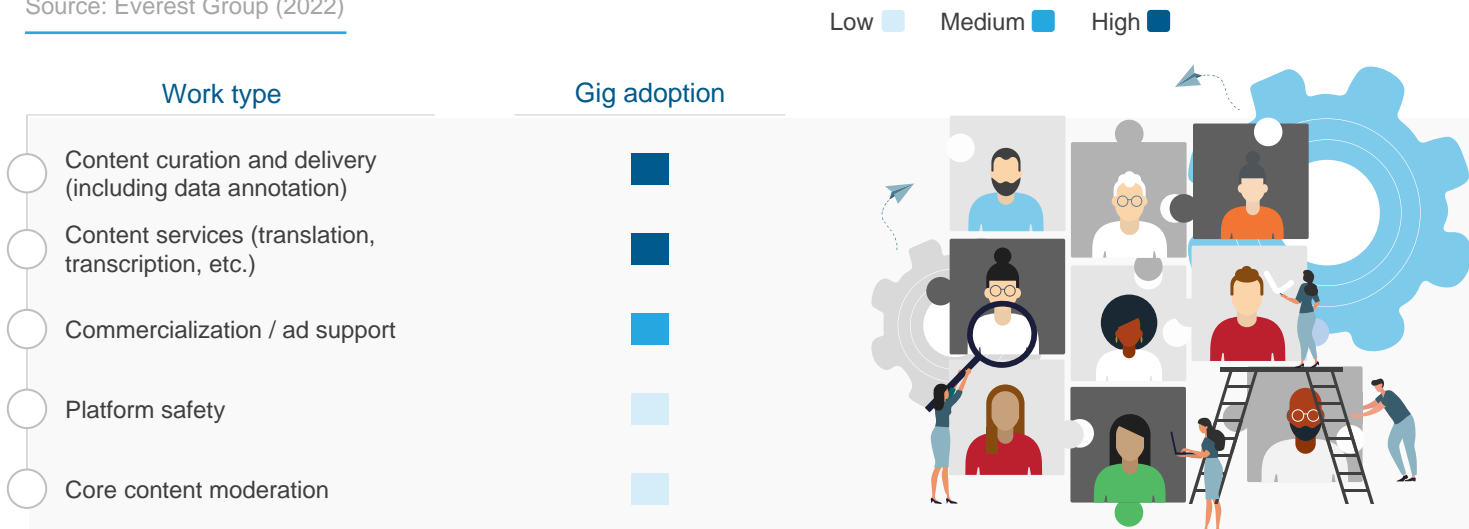Gaming

22%-26%
Others
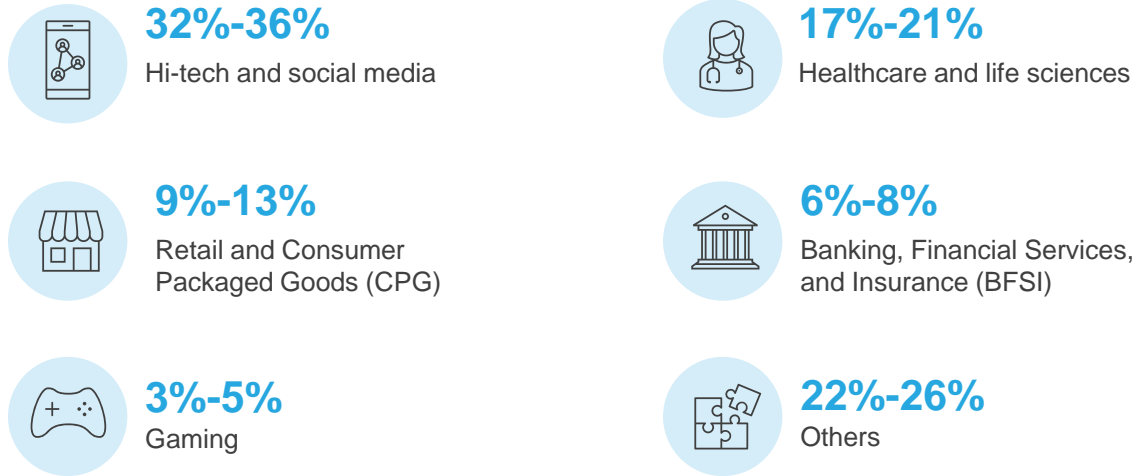
However, the use of gig workers is not uniform across T&S services, with gig workers largely confined to non-core activities such as quality rating and AI training, content services, and commercialization / ad support. The continued rise in content volumes and the need for cultural sensitivity, along with socio-political context, high standardization, and well-documented policies, make gig workers a viable and scalable solution in related work-types. That said, core T&S activities such as content review and compliance and platform safety have not relied much on the gig model due to concerns around moderator well-being and data sensitivity.

The exhibit below depicts the use of gig workers in different T&S work-types.

EXHIBIT 3

Adoption of the gig model across work-types

Source: Everest Group (2022)

Low ☐   Medium ☐   High ■

| Work type	Gig adoption
Content curation and delivery (including data annotation)	■
Content services (translation, transcription, etc.)	■
Commercialization / ad support	■
Platform safety	☐
Core content moderation	☐

Advantages, challenges, and risk mitigation strategies

Engaging a gig workforce helps organizations enjoy numerous benefits, as listed in the exhibit below

EXHIBIT 4

Advantages of gig workers

Source: Everest Group (2022)
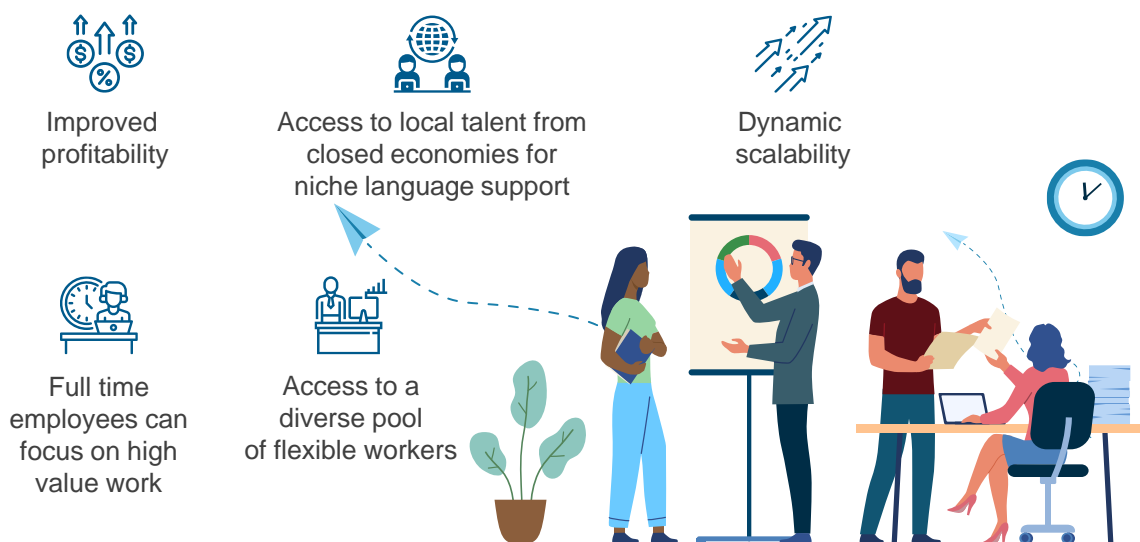
We look at each of these benefits in detail below

- **Improved profitability**: Almost 70% of enterprises that have engaged a gig workforce have reported 30-40% cost savings due to lower employee costs and savings on real estate[2]

- **Access to local talent from closed economies for niche language support**: Organizations may engage freelancers from countries such as Costa Rica and several African countries that do not have FDI-friendly laws to deliver services in niche languages without setting up shop in these countries

- **Dynamic scalability**: Engaging a gig workforce helps effectively manage ad hoc human resource requirements. For example, live-streaming platforms such as YouTube can engage more gig workers for live subtitling in different languages during major sporting events

- **Full-time employees can focus on more high-value work**: Enterprises are increasingly seeking freelancers to perform transactional tasks such as annotation and language-related services and help free up full-time employees for higher-value work

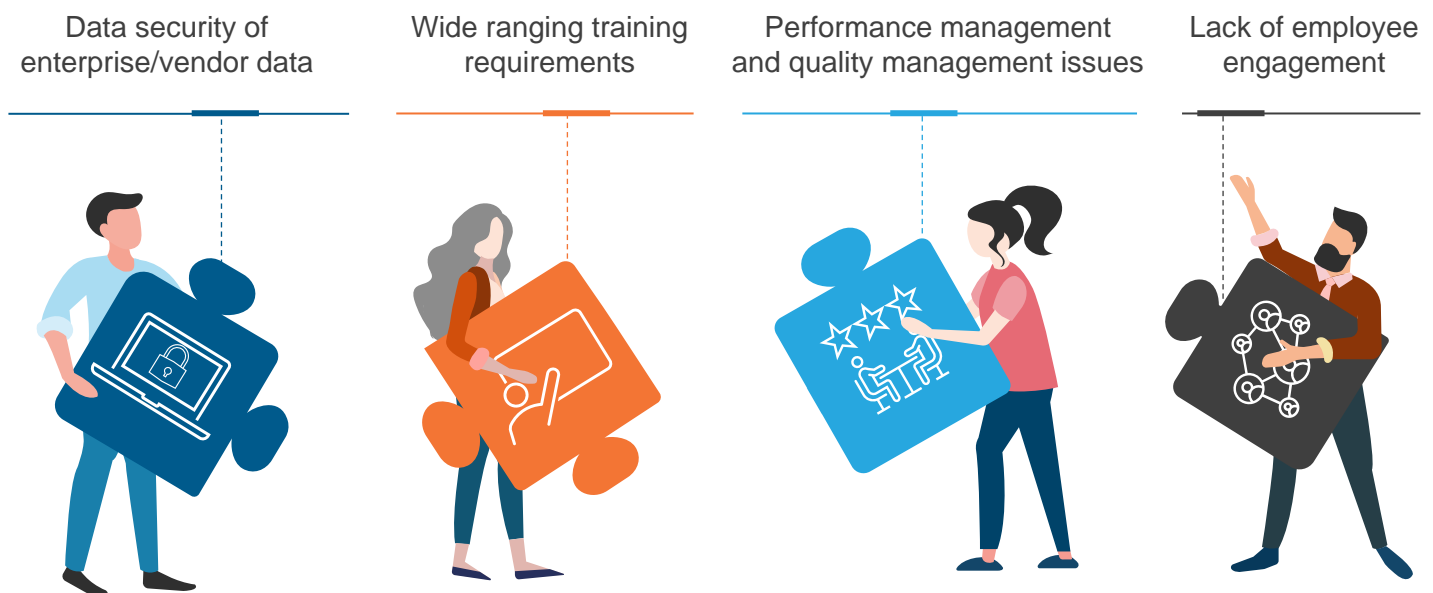2   Based on a study on 30+ providers

● **Access to a diverse pool of flexible workers:** Gig workers offer more flexibility to enterprises in terms of work timings, including working hours and workdays (many freelancers also work during weekends)

At the same time, organizations should be mindful of certain challenges that accompany the gig model, as highlighted below.

EXHIBIT 5

Challenges with deploying a gig model
Source: Everest Group (2022)

Data security of enterprise/vendor data	Wide ranging training requirements	Performance management and quality management issues	Lack of employee engagement

The biggest risk to address with a gig workforce in T&S is that of data security and confidentiality in a remote setup, especially with respect to enterprise or vendor systems / databases from personal workstations. Other challenges with a gig workforce include:

● **Wide-ranging training requirements:** Gig workers have varied training requirements, including functional skills training and project-specific training requirements, to help them align with client requirements

● **Performance management and quality assurance issues:** Performance management practices employed for full-time employees do not work as well for freelancers, and the gig workforce requires special interventions to adhere to quality standards. The lack of accountability is another lingering issue with freelancers due to the temporary nature of their engagements

● **Lack of employee engagement:** Since the gig workforce has limited touchpoints with the provider and clients due to the work's remote nature, it is difficult to keep such workers engaged. Well-being initiatives go a long way in keeping them engaged and subsequently stemming attrition

Below we depict some measures that organizations can take to mitigate risks when engaging a gig workforce.

EXHIBIT 6

Risk mitigation strategies
Source: Everest Group (2022)

Access via VPN, data masking, policy briefs

Use Augmented Reality (AR) / VR to deliver wellness, breaks, counsellor access

Training followed by quizzes to check understanding for skill enablement, standard operating procedures

Automated spot checks, manual checks

Gig workers should be provided with a secure connection to client environments through VPN and receive masked client data. They should be mandated to share data through insourced platforms and are be trained on data protection policies and information security. For their well-being, organizations should provide gig workers access to online counselling, a wellness app to monitor mood, AR/VR well-being lounges and breaks. For skill enablement, providers should offer regular training resources and quizzes and access to glossaries and dictionaries, as well as adopt a gamified learning approach. To manage output quality and ensure consistency, providers should perform automated spot checks to check the accuracy of work.

The regulatory landscape

In recent times, many countries have established laws or are relooking at existing legislations on the gig workforce. Such legislations typically address two major aspects of the gig model:

- Classification of gig workers as "employees"
- The benefits payable to them

Legislations around the globe

- **US** – There are different legislations regarding gig workers across the US. The most popular are the **AB5 Bill in California** and the **Texas Employment Law**. The AB5 Bill directs enterprises to reclassify freelancers (termed as independent contractors in the US) as employees, with exceptions such as freelance writers, editors, and translators. The Texas employment law lays down the rules for differentiating contractors from permanent employees. A regulation that would have made it simpler for businesses to designate their employees as independent contractors was withdrawn by the US Department of Labor

- **Canada** – Workers in Canada are classified as employees or independent contractors based on the organization's control over the worker and their dependency on the company. The federal government set up the Expert Panel on Modern Federal Labor Standards to examine labor protection for non-standard workers, including gig. This panel addressed concerns related to working conditions and expressed the need for stronger protection and benefits for gig workers[3]

- **Australia** – Workers are classified as employees or independent contractors (with gig workers falling under independent contractors), but the courts have acknowledged ambiguities in the two terms. The country is now relooking at the **Fair Work Act** to cover for all kinds of workers for labor standards and minimum wages

- **France** – In France, the gig model works on the assumption that the gig worker is self-employed. A law passed in 2017 granted certain basic rights to people who work for companies that provide services online. These rights included the requirement that such companies pay for workers' work-related accident insurance, financial obligations to pay for professional development, and the ability to strike and form a union. Through a new law, an effort was made in 2019 to permit platforms to establish their own social policies or charters outlining the rights and obligations of the workers. The Constitutional Court, however, declared the law's proposed provision unconstitutional on the grounds that the courts should have the authority to determine whether a person is an employee. On a case-to-case basis, the courts have also ruled in favor of certain riders being company employees[4]

In addition to these legislations, a legislation has been proposed in the EU to ensure that gig workers on delivery platforms are paid employee benefits, but self-employed freelancers are exempted. Similarly, Spain recategorized platform workers as employees with its **Rider Law**, which entitled these workers to certain protections. In India, the **Code on Social Security** aims to provide social security benefits to the gig workforce / freelancers.

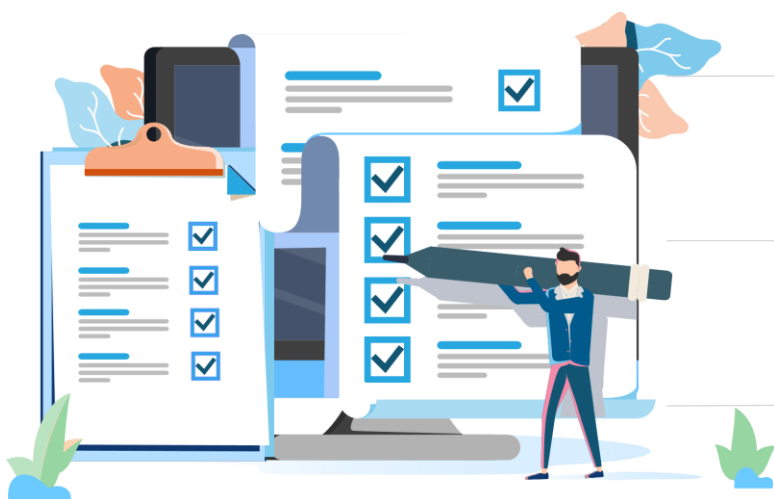3   Bunny Studio
4   Norton Rose Fulbright

Impact of legislations and policies

It is vital for enterprises and providers to proactively redesign content moderation services and gig work policies, with focus on labor laws, wellness policies, and location strategies, as depicted below.

EXHIBIT 7

Key policy design implications

Source: Everest Group (2022)

Increased costs and liabilities
Tighter regulations to increase sourcing costs and liabilities

Wellness policies
Need for improved well-being policies for gig workers

Location strategies
Location-based, customized gig policies instead of one-stop solutions

We look at these implications in detail below.

- **Increased costs and liabilities** – If gig workers are entitled to the same benefits as permanent employees, the cost of sourcing via the gig model can increase. Enterprises and providers that employ gig workers may also have to bear increased liabilities. Bringing gig workers under the employee category will enable them to be eligible for minimum wages, paid sick leave, paid holidays, and severance packages, which could make the gig model unattractive

- **Wellness policies** – Currently, only a few providers rely on gig workers to moderate content due to the adverse impact on well-being and the lack of proven technologies to aid their health. With gig workers being eligible for the same benefits as permanent employees, robust wellness policies in line with well-being initiatives undertaken for full-time employees will enable better retention rates for gig workers and reduce supply-forecast variations. This can, in turn, help drive the adoption of gig workers in content moderation

- **Location strategies** – Gig laws are local to the country of operation, and the model itself requires different delivery strategies in different locations. Enterprises and providers will have to monitor global legislation before using gig workers

Cross-border standardized models and arrangements may have noticeably different implications, depending on the applicable jurisdiction. For example, Europe and the UK's proposed legislation will bring hired contractors (and not self-employed freelancers) under the ambit of employees, granting them benefits similar to permanent employees, while Australia continues to abstain from doing so, offering cost advantages in hiring gig workers. Hence, in the short term at least, it might be beneficial to use more self-employed freelancers in Europe.

We believe that while legislation will provide clarity on the status of gig workers and ensure benefits entitled to them, legislators should ensure that the laws do not make the model itself unattractive for enterprises and providers.

Tools and technologies to manage the gig workforce

Technology is the most important enabler in increasing the efficiency of gig workers. Organizations use a combination of workforce management and data analytics tools, which can be built in-house or sourced or licensed from third-party vendors, when working with gig workers.

Workforce management tools
Workforce management tools help teams manage dynamic capacities with enhanced speed and efficiency. These tools can have automated or manual workflow management and resource alignment for efficient monitoring and tracking of work assignments. These tools are also used for knowledge management, workforce training on client and market needs, KPI tracking, and analysis of performance gaps.

Examples: client-specific resource management tools, third-party gig engagement tools, automated HRMS tools to manage gig employee life cycle, auto-schedulers, AI-based tools to match skillsets to demand, and training tools.

Data analytics tools
Data analytics tools are used for demand-supply estimation and to track the headcount and alignment of skills relevant to the project. These tools forecast future needs based on historical trends so as to manage daily, weekly, quarterly, or seasonal demand.

Examples: capacity planning tools for developing staffing plans for the short, mid and long terms, third-party gig engagement tools, forecasting tools, proprietary tools for workforce supply estimation, and partner platform tools that track backlogs and the rate of completion.

We believe that while legislation will provide clarity on the status of gig workers and ensure benefits entitled to them, legislators should ensure that the laws do not make the model itself unattractive for enterprises and providers.

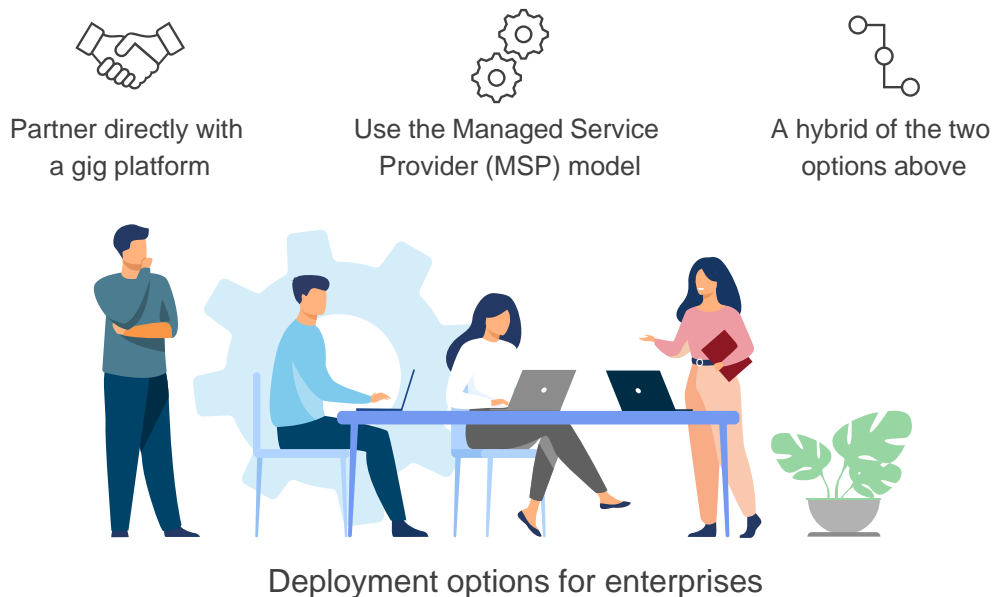# Engagement models to harness the gig workforce's potential

Gig engagement models for enterprises

Enterprises can choose from among the following options to leverage the gig workforce.

EXHIBIT 8

Ways in which enterprises can deploy a gig workforce

Source: Everest Group (2022)

| Partner directly with a gig platform | Use the Managed Service Provider (MSP) model | A hybrid of the two options above |

Deployment options for enterprises

As the exhibit above shows, enterprises can either partner directly with gig outsourcing platforms such as Upwork and Taskmo, among others, or partner with providers that use gig workers, or use a mix of both the models. The choice of partnership will depend on factors such as the costs involved, task complexity, and supervision responsibility.

Enterprises may choose to source directly from gig platforms for tasks that are critical or complex, require greater control over workers, and might be more cost effective if done via this model. However, they may outsource services to vendors that use the gig model to save on the administrative hassle of onboarding and managing gig workers.
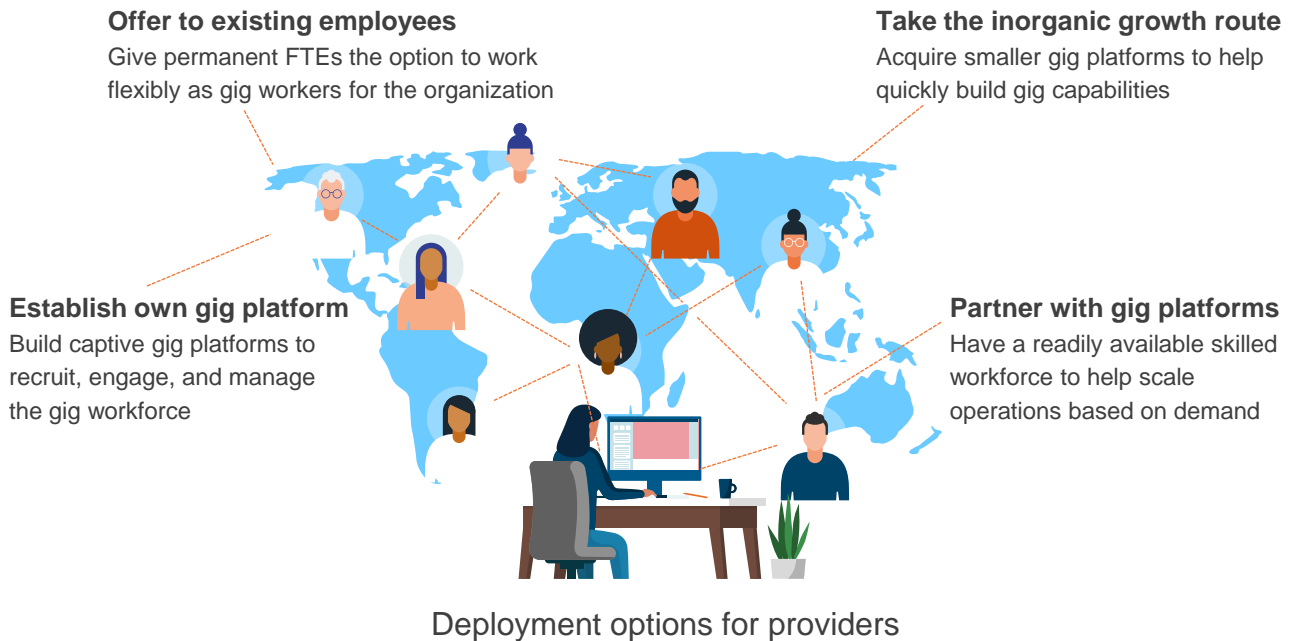
Gig engagement models for providers

With the increasing prevalence of gig workers in non-core T&S areas, it is vital for providers to have a gig model in place. Platforms will also have to invest in data security measures for gig workers.

Providers can develop their gig workforce capabilities in many ways, as highlighted in the exhibit below.

EXHIBIT 9

Ways in which providers can build a gig workforce

Source: Everest Group (2022)

Offer to existing employees
Give permanent FTEs the option to work flexibly as gig workers for the organization

Take the inorganic growth route
Acquire smaller gig platforms to help quickly build gig capabilities

Establish own gig platform
Build captive gig platforms to recruit, engage, and manage the gig workforce

Partner with gig platforms
Have a readily available skilled workforce to help scale operations based on demand

Deployment options for providers

The future of the gig model in T&S

The use of gig workers in non-core T&S areas, such as content services, data labeling and data annotation, and content relevance, has been substantial and is expected to increase further spurred by the emergence of use cases such as autogenerated content, advanced search engines, and the need for health worker networks. The expansion of the metaverse will create demand for increased moderation, and, hence, organizations are expected to deploy more gig workers in the future.

In content moderation, the gig model's adoption will hinge on the establishment of robust well-being policies such as those for full-time employees and the mitigation of remote work-related data security risks through technology advances. The use of gig workers in the domain may increase in locations that offer domain expertise and superior understanding of cultural nuance and regional context (especially niche languages), but, at a broader level, the growth of gig in core content moderation is not expected to be very high.

Overall, growth in the gig model's adoption in T&S will depend on how legislations define the gig worker globally and its subsequent impact on the remote workforce model's viability. If adoption costs increase, firms may not want to adopt gig workers anymore. Adoption trends could also vary by location, with certain locations emerging as more attractive than others due to gig-friendly regulations and access to local talent with deep domain expertise and rich understanding of cultural nuance.

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