

The Gig Economy and the Requisite Skills Need for the Insurance Sector



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## EXECUTIVE SUMMARY

The epicentre of change for the future of work lies in the gig economy. The evolution of this online labour market has generated debate about its merits and challenges.

Digitalisation is changing the composition of an organisation's workforce so that robots, automated devices, permanent and contingent workforces form part of their talent paradigm. In 2015, a PwC Report revealed that the skills gap in many parts of the world, including South Africa, is forcing CEO's to trade their traditional hiring practices for new forms of contingent, part-time and temporary work. The situation nowadays has given greater precedence to sourcing skills through creative and unconventional means.

Against this backdrop, this report explores the state of the gig economy in South Africa with a particular view to understanding what insurance work is being undertaken under temporary, flexible contracts. The specific skills that organisations in the sector require from such work and the associated benefits and risks that arise with these new work arrangements were also at the spotlights of this study.

Conducting a desktop review of the current literature resulted in a conceptual framework, which was subsequently used for collecting empirical data for this study. The data collection involved a focus group, qualitative survey and interviews with the representatives from the insurance sector. The consequent qualitative thematic analysis revealed the following main findings:

- 80% of the participants expressed that COVID-19 is one of the most rapid changes that the industry is experiencing currently and that this shaping the demand for gig workers.
- The gig work may indeed become more prevalent as more 4IR technologies (e.g. automation, robotics, artificial intelligence) are implemented due to the intermittent nature through which certain human capabilities will be required.
- The study participants considered that the quicker access to resources, enhanced agility and the reduction of hiring and labour costs are among the advantages of using gig workers.
- Within the insurance value-chain, some of the occupations that could be undertaken by a gig worker are loss adjuster, digital assessor, claims processor, commercial underwriter, call centre agent or financial advisor. These occupations have a direct linkage to the sector's top ten priority occupations.
- The combination of high-end technical skills, soft skills, behavioural skills and entrepreneurship skills were cited amongst participants as essential for gig workers to succeed both within the industry and generally.
- The sentiments raised amongst participants were that the POPIA and other risks associated with the usage of gig workers were the same with all employees. As such, the participants expressed that these factors would not prevent them from using gig workers.

- In terms of the INSETA target groups, skills interventions are required both at the level of the employer and learner. The current possibilities available to both groups in terms of the gig economy are limited.
- As part of the employer response, INSETA should host workshops for the industry to elucidate and evangelise the idea of the gig economy and the potential it can add in terms of building and strengthening new talent models.
- INSETA needs to prepare learners with the skills needed to work in the gig economy. This includes technical skills, soft skills and behavioural skills.
- Looking forward, the imperative must be to consider how to make the gig economy work for millennials who are entering the workforce and also older workers who are at risk of exiting the workforce due to digitalisation.

This study, therefore, places emphasis skills transfer and acquisition through the gig economy rather than outside of it. The knowledge and experience that insurance sector employees possess still hold value and can be utilised via the gig economy in creative ways. A gig platform that can cater for such employees (retired or retrenched) is important outcome that should be considered from this study.

Future studies, therefore, should explore how employers and millennials can collaborate via platforms to optimise human capital for the insurance sector.

## **ACKNOWLEDGMENTS**

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## BACKGROUND TO THE STUDY

*A gig economy is a free market system in which temporary positions are common and organizations hire independent workers for short-term commitments. The term "gig" is a slang word for a job that lasts a specified period of time (Gillis, 2020).*

This report is underpinned by macro-level and micro-level factors which are influencing and shaping the growth of the gig economy both globally and in South Africa. The factors of digitalisation, coupled with the closely related drivers of change, specifically: globalisation, mobility, and data analytics are challenging the way labour and talent are perceived and organised (Liakopoulos et al., 2013:04). Further, the “digitalisation of labour markets” will have some fundamental implications for employment that cannot be ignored (Eichhorst et al., 2018: 298):

- Further inequalities in terms of wage distribution;
- Increased dualization of the labour market via atypical or precarious employment;
- Enhanced use of robotics and machines for labour; and
- Newly emerging forms of work in the platform or gig economy

At the macro-economic level, the gig economy can help reduce unemployment, stimulate demand and raise productivity induced by lowered transaction costs and focus on main or core business (KPMG, 2020: 15). At a micro-economic level, gig workers enable organisations to expand their contingent workforces in a decentralised way (Anani, 2018: 300). However, the gig economy has been interrogated from numerous standpoints, all of which address critical issues concerning this free market labour model.

Many perspectives on the gig economy draw linkages between digitalisation, the labour market and the evolving nature of occupations requiring new digital skills (Eichhorst et al., 2018; Anani, 2018; Bhattacharya, 2018). Other perspectives focus on dynamics between employment relations, legal frameworks, and social protection needed to regulate gig work (see Katiyatiya & Lubisi, 2020).

By the character of the gig economy, workers lack basic income and employment protections. Furthermore, insufficient policy on gig worker regulation, minimum wage, unemployment insurance, disability and illness benefits are some key issues associated with the gig economy. This has prompted academics to advance research on the role of gig work in further entrenching inequality and creating vulnerable employment (Anwar & Graham, 2020; Anwar and Graham, 2020; Shibata, 2019, Roomaney, 2018).

Many academics and industry researchers interrogate the notions of flexibility, autonomy and freedom which are commonly associated with the rise of independent workers in the gig economy. However, it is argued that not all gig workers are well-positioned to fully achieve this idealised view of the gig economy.

Freedom from hierarchical work structures, a better work-life balance and flexible work arrangements seem to be a reality to only a small proportion of individuals in the gig economy. For others, it is a desire and preference that is yet to be realised. The concept of a

boundary-less career (explained later) assumes that freedom, flexibility and autonomy can only be achieved by certain know-how, know-why and know-whom competencies (Kost, 2019).



## UNDERSTANDING THE GIG ECONOMY & UNEMPLOYMENT IN SOUTH AFRICA

Underlying structural factors, including changes in business models (as evidenced in the shift towards an open talent economy), and enabling technologies, as well as high unemployment, are all influencing factors in this transition towards independent work, (Brinkley, 2016: 11).

In today's volatile economy and the ever-changing nature of employment, the reasons for the shift towards gig work are multiple. From the supply-side, the Mckinskey matrix of types of gig workers, (as explained later) best describes the different challenges that may impel individuals to assume the status of gig worker. People from marginalised communities and populations often enter into gig work due to unemployment or lack of other job opportunities. This is true for many developing countries where unemployment is high and people have no income or training opportunities.

Generally, employment has three benefits. It results in the production of goods and services, it provides an income that can be used to meet human needs and it contributes to psychological well-being. In the first quarter of 2020, 16.4 million South Africans were employed. The breakup of the main types of employment indicates that 4.8 million (29.3%) of these were in 'Elementary' occupations or domestic service (South African Market Insights, 2020).

Trading Economics (2020) revealed that the unemployment rate based on those actively looking for work in the first quarter of 2020 was 30.1% (7.1 million persons). When those who want work but have given up looking are included, the expanded unemployment rate was 39.7% (9.4 million persons). The rate is particularly high for young people aged 15-24 years (55.2%) and 25-34 (34.2%); these compare with 18.0% for those aged 35-64 (South African Market Insights, 2020a).

Given the context of unemployment in South Africa, gig work may well be an option for many South Africans. Research has shown that gig work is regarded as an aspirational livelihood for many in the African context. The inability to find waged or salaried work in Africa, coupled with the need for greater independence and flexibility, has motivated many people to undertake livelihoods through mobile micro-work, crowd-work or project-based freelancing (Ngweno & Porteous, 2018: 05).

Figure 1 below, taken from Ngweno and Porteous (2018: 05), indicates that the lack of a wage or salary job represents the main reason youth choose to participate in the gig economy.

*Table 1: Young own-account workers by reason for self-employment and area of residence (source: Ngweno and Porteous, 2018)*

Reasons for Self-employment	Rural	Urban	Male	Female	Total
Could not find a wage or salary job	40.2	34.1	37.9	33.5	35.4
Greater independence	27.3	20.1	24.9	19.1	21.6
Required by the family	7.3	20.3	8.7	24.1	17.6
Higher income level	12.0	14.7	17.6	11.5	14.1
More flexible hours of work	8.6	6.0	5.9	7.0	6.5
Other	4.6	4.4	4.4	4.4	4.4
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

From a sectorial standpoint, the insurance sector in South Africa makes a sizeable contribution to employment. In terms of labour market performance, there was an increase in insurance sector employees of 46 952 between 2010 and 2018. It translates into a 32% increase in employees in the sector.

Comparative growth for all sectors for the same period was 16%. Large insurance companies (+150 employees) comprise 82% of the workforce. Medium insurance companies (+50-149 employees) comprise 8.8% of the workforce. Small insurance companies (1-49 employees) comprise 9.2% of the workforce (INSETA Sector Skills Plan, 2020-2025: 05)

However, the current COVID-19 pandemic is compounding the employment challenge in South Africa. Currently, insurers cannot increase staff due to the country's weak economic performance. Insurers will, therefore, need to retrain and repurpose existing employees, particularly those impacted by technology upgrades to make more productive use of their talent.

The COVID-19 pandemic is, therefore, forcing us to adopt new ways of working. The pandemic has demonstrated that the gig economy could become more widespread. Stephany et al. (2020: 562) note that "online labour markets could be experiencing a boost in demand as more companies move operations online".

In contrast, the gig economy could also experience downscaling as companies seek to reduce external spending as a result of the pandemic. Before the COVID-19 pandemic, the digital gig economy was steadily growing at 17% of the compound annual growth rate (CAGR) to reach around \$296 billion in 2020 and \$455 billion in 2023.

The COVID-19 pandemic and other factors are therefore affecting gig work to varying degrees. Adding to this complexity is the existing skills deficits and skills mismatches in the labour market which is causing companies, including those in the insurance sector, to consider new sources of labour.

Ultimately, the impetus for considering alternative work arrangements in the form of the gig economy is foregrounded in this study through a sectorial lens. As sectors are forced to consider other means of sourcing labour, they will increasingly turn to gig workers. Similarly,

as people seek more flexible arrangements and earn an income through gig work, they contribute to the supply-side of the gig economy.

It is within this context that the study emphasizes a better understanding of which roles and functions of the insurance sector are currently using gig workers or would consider the usage of gig workers. This study serves to highlight the various skills requirements that insurance companies expect gig workers to have. As such, the skills implications of gig work are also highlighted in this study.

The next section of this report reviews key concepts in the gig economy model. The research design for this study is then discussed. Chapter 1 provides an overview of gig work globally and looks at the pre-existing and arising conditions that lay the foundations for the expansion of gig work within South Africa.

Chapter 2 of the report outlines the conceptual and theoretical framework for understanding new organisational models and flexible careers. Chapter 3 provides an overview of the insurance sector and how companies are utilising forms of atypical work. It closely examines the professional domain of the insurance sector and the adoption of gig work within this industry.

Chapter 4 discusses the implications of the findings for skills planning. Finally, Chapter 5 makes recommendations on how to re-imagine the work-skills ecosystem in the context of gig work.

## KEY CONCEPTS

### DEFINING THE GIG ECONOMY

There exist numerous ways of defining the gig economy and gig work.

The term 'gig' was first coined in the 1950s to describe a job held temporarily as opposed to a 'real job'. However, the way the term was applied in the 1950s as compared to the 21st century is vastly different. Parigi et al (2016: 39) notes that the jobs of today are structurally uncommitted and that companies such as TaskRabbit are creating gigs by default.

The Fairwork Project (2017: 03) defines the gig economy as a "labour market comprised of freelance and short term jobs, or 'gigs' in which organisations contract with independent workers on a non-permanent basis, rather than traditionally recruiting full-time employees". This definition omits the digital aspect of the work that is being exchanged in return for pay and the algorithmic processes as well as free-market concepts which often distinguishes the gig economy from a conventional labour market.

The gig economy and the sharing economy are often conflated and interchangeably used concepts. Both are prime examples of an Internet economy in action; however, each involves several different traits and permutations. The most fundamental difference is that the gig economy involves work through online platforms but the sharing economy includes market and non-market activities and the trading of goods and services. Both categories do not include a formal employment relationship, (Brinkley, 2016: 06). This study focuses on the gig economy as a unit of analysis and not the sharing economy.

### GIG WORK

For this study, we adopt a widely accepted definition that describes gig work as independent work that involves a high degree of autonomy and is remunerated on a per task or assignment basis. This work is of a short-term duration, usually less than 12 months.

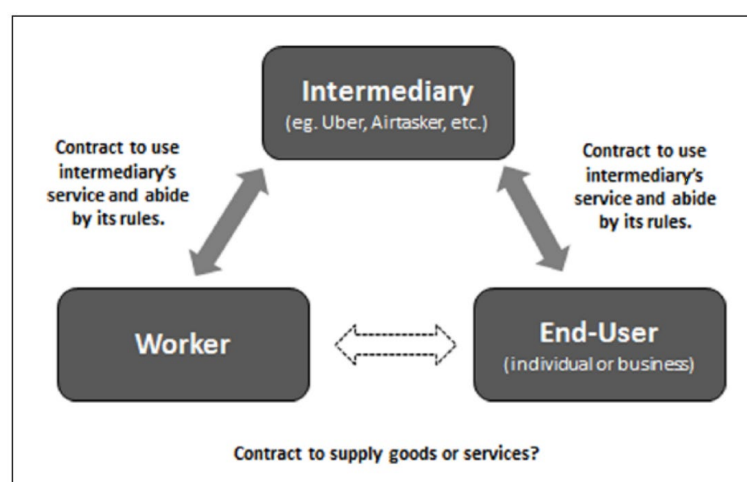


Figure 1: The triangular relationships of the gig economy (source: Stewart & Stanford, 2017)

Significantly, the presence of a third-party intermediary, typically a digital online labour platform in this work arrangement, has become prevalent. Gig work, therefore, is sometimes

mediated through a digital platform that matches supply with demand. (Mckinsey, 2016: 08). As such, gig work is usually understood to be a triangular relationship as shown in Figure 1, borrowed from Stewart & Stanford (2017: 423) exemplifies this relationship.

### THE GIG WORKER

The gig worker is often described as a freelancer or independent worker who performs tasks for different clients based on their expertise, profession or vocation. Gig workers face irregular work schedules which fluctuate according to demand, as such their work is often termed 'on-demand work, (Stewart and Stanford, 2017: 421).

Recently, the dominance of media interest in platforms such as Uber has attracted interest in low-skilled gig-work such as driver and delivery services. Despite this, the Uber-model represents only a small fraction of gig workers in just one sector: transportation services (Stewart & Stanford, 2017: 423).

Other freelancers and independent workers offer services for a variety of work in other sectors. Often, this work is supplied in the areas of support services as transcribing or translation but in other instances, highly specialised services such as data analytics are being offered through the digital labour market.

Figure 2 from the Online Labour Index categorises gig work into 6 categories and this demonstrates the heterogeneity of on-demand work.

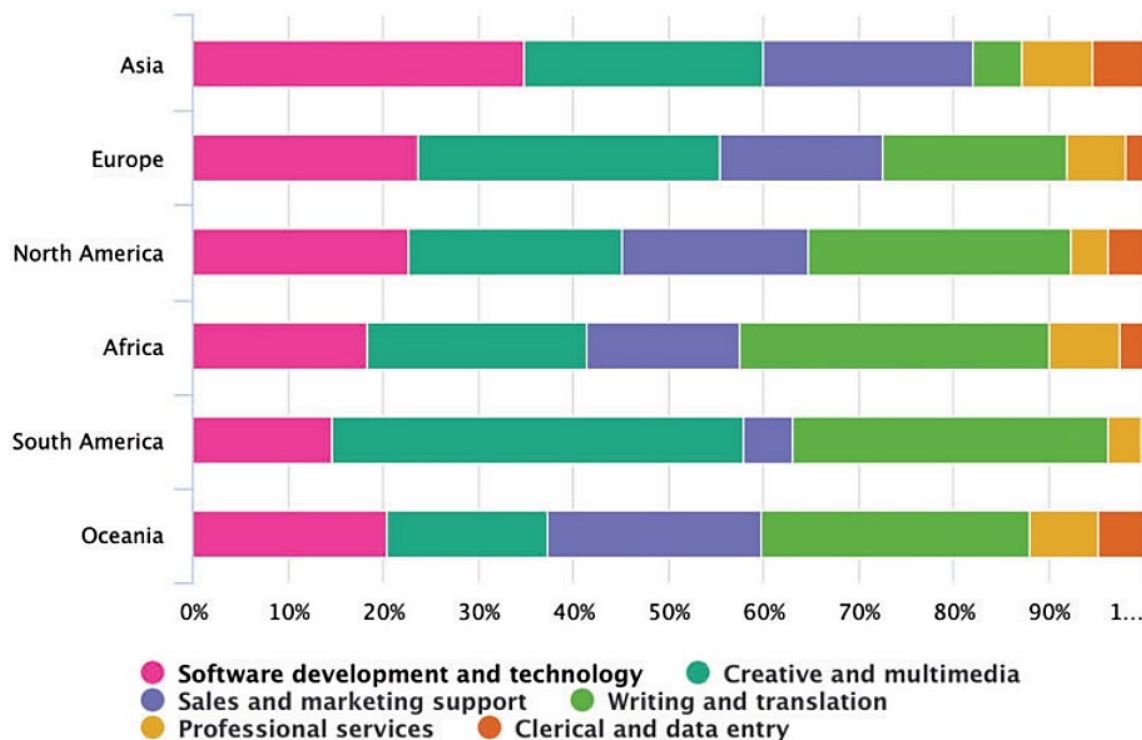


Figure 2: Types of gig worker distribution across world regions

According to Poon (2019), the term "independent contractors", in its legal sense, describes a contract-for-service work arrangement between contractors and the clients which do not

encompass an employer-employee relationship. Freelancers often refer to people who work for individuals rather than companies and pursue multiple projects at the same time. This study adopts the definitions of a gig worker and independent worker to describe a particular segment of skilled professionals undertaking gig work.

These 6 categories of gig work to foreground the ‘white-collar gig worker’ who fits the profile of an experienced freelancer or contractor with a high level of competence and domain knowledge. Furthermore, an important distinction amongst gig workers is the factors which motivate them to pursue a career as an independent worker.

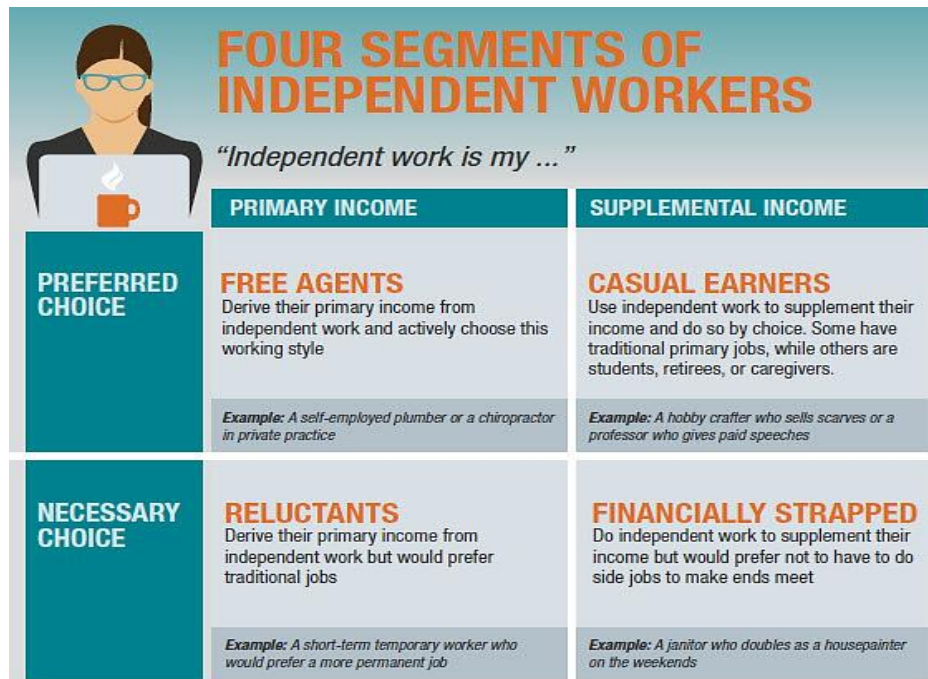


Figure 3: Four segments of independent workers (source: McKinsey, 2016)

Mckinskey (2016: 08) aptly captures this by segmenting gig workers according to “preferred choice” and “necessary choice”. This matrix, shown in Figure 3, serves as an important contribution to the understanding of the different types of gig workers that may exist in a particular market, vocation or profession and different contexts. In geographies and industries where unemployment is high for example, one may find a large number of reluctant gig workers who are seeking more permanent employment but remain gig workers due to a lack of other employment opportunities.

#### THE END-USER

The end-user is typically an individual or business seeking to expand usage of contingent workforces by hiring independent workers, contractors and freelancers to complete a particular task or project. Of interest is that although the early adopters of online freelancing platforms were mostly start-ups and small and medium-sized enterprises, large enterprises have started experimenting with platform adoption as part of their sourcing strategy (Corporaal & Lehdonvirta, 2017: 03). The same source points out at some of the main motivations and benefits associated with the usage of gig worker are related to cost, speed, flexibility, organisation, expertise and quality.

## THE DIGITAL LABOUR PLATFORM (INTERMEDIARY)

The digital labour platform matches supply with demand in terms of work. Also, besides matching, the platforms handle contracting, time tracking, monitoring, billing, and dispute resolution, allowing the entire relationship to be carried out remotely (Stephany et al., 2020: 564). These platforms cater to a variety of on-demand work arrangements. Two main categories of platforms are prominent in the online labour market (Corporaal and Lehdonvirta, 2017:05):

The first is **crowdsourcing platforms** which typically involves a crowd of people completing a task for a single client. Usually, in this arrangement, the task is regarded as open and unrestricted. Payment is also distributed amongst the group on a piecemeal basis.

The second type of platform is an **outsourcing platform** and the sub-categories of these platforms are **microwork platforms** and **online outsourcing platforms**. The distinctions drawn between these two platforms are critical to understanding some of the foundational aspects that different platforms have built their business on. Depending on whether platforms are either microwork or online outsourcing, it will also attract various calibres of gig workers.

*Table 2: Differences between Microwork and Online Outsourcing platforms (source: Corporaal & Lehdonvirta, 2017)*

<b>Dimensions</b>	<b>Microwork</b>	<b>Online Freelancing</b>
<b>Size</b>	Projects and tasks are broken down into smaller microtasks	Tends to involve larger projects and tasks
<b>Complexity</b>	Low task complexity	High task complexity
<b>Duration</b>	Task/project completion takes minutes or seconds	Task/project completion takes hours, days, or months
<b>Entry Barriers</b>	Low—a few specialized skills or expertise required	High—specialized skills and expertise are required
<b>Coordination</b>	Automated (algorithmic) management by platform	Manual (human) coordination by client
<b>Compensation</b>	Workers paid on a piece-rate basis	Workers paid on an hourly or milestone basis
<b>Examples</b>	Amazon Mechanical Turk, CloudFactory, Crowdfunder	Freelancer, Upwork, PeoplePerHour

## RESEARCH DESIGN AND METHODOLOGY

The purpose of this research study was to explore the gig economy and the requisite skills needs of the insurance sector using the qualitative research methodology. To achieve that purpose, the following questions were asked:

1. What is the state of the gig economy globally and in South Africa?
2. How do gig economy workers source work?
3. What kinds of work in the insurance sector can be performed by gig economy workers?
4. What skills do gig economy workers require in general?
5. What skills would gig economy workers need to support question 3?

The research design that enabled answering the research questions and reach the conclusion is given in a self-descriptive Figure 6.

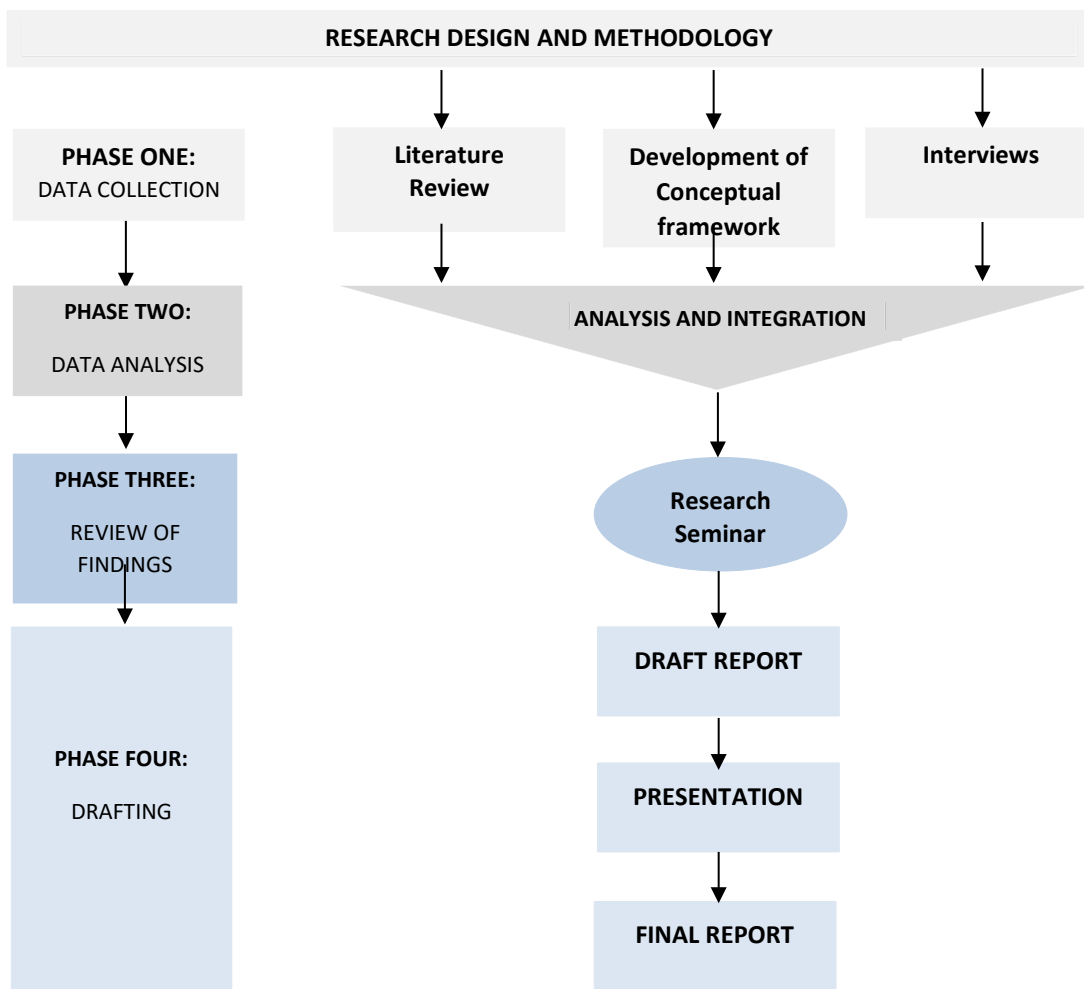


Figure 4: Research design and methodology (source: Authors)



## RESEARCH PARADIGM

This study deployed an exploratory research paradigm which was used to determine:

1. Changing industry conditions and drivers of change shaping the demand for gig workers.
2. Areas of insurance work where gig workers form a part of skill-supply.
3. Necessary skills and competencies that the insurance sector seeks/ expects of a gig worker.
4. Associated risks and barriers to usage of gig workers.

## PRIMARY DATA COLLECTION

Desktop research was undertaken to develop a comprehensive literature review of gig work both globally and in South Africa. Sources that informed the literature review were:

- Academic Journals;
- Book Chapters;
- Reports from Research Institutes and consultancies;
- Online articles and interviews.

Key search words used in the desktop analysis:

- Gig Workers in South Africa;
- Gig economy and skills;
- Digitalisation and gig work;
- Sustainability of gig work;
- Online labour platforms.

## SECONDARY DATA COLLECTION

Secondary data collection methods were used to obtain data on the insurance sector in South Africa and gig work. Initial data collection included a think tank discussion, which was hosted by the DUT. The purpose of this session was to:

- To determine the ontology of the problem;
- To orientate the study;
- To start initial data collection.

A total of 20 participants from INSETA, insurance companies and research partners attended the discussion.

A qualitative survey as a systematic method for gathering information from the selected sample (Jansen, 2010) was subsequently issued to the sector. There was a low response rate as only 4 responses were received.

The semi-structured interviews were then scheduled to obtain more responses (Jamshed, 2014). A total of 8 interviews were conducted. These interviews were designed to obtain

sufficient information and encourage discussion. Hence, the following interview questions were devised and used as a guide for the interviews:

1. What activities in insurance companies are undergoing rapid change, and how can this shape the demand for gig workers (for example, the area of cyber-insurance is a growing market need, and possibly, insurers will need people with knowledge in cybercrime for underwriting etc.)
2. What are the advantages and disadvantages of procuring the services of gig workers in insurance companies?
3. What functional areas of work would gig work be most suitable for in the insurance value chain?
4. List insurance occupations are highly suitable for gig work, i.e. can be performed by gig workers, freelancers, consultants, contingent workers, etc.?
5. What are the knowledge, skills and attributes needed to become a productive gig worker in the insurance sector?
6. What soft skills would an insurer expect from a gig worker, e.g. communication, social, interpersonal skills?
7. What technical skills would an insurer expect from a gig worker, e.g. big data analytical skills, project management skills, digital literacy skills?
8. What are some risks (confidentiality, IP, POPIA) that insurers would face if they hire gig workers? How should they mitigate these risks?
9. What should INSETA do to prepare employers for the gig economy?

The interviews included the following respondents and covered the following insurance sector and insurance professional bodies (Table 3).

10. Table 3: Interviewee's details

<b>Name</b>	<b>Insurance Company/ Insurance Professional Body</b>
Zolani Lugawe	SA Taxi Protect
Susan Walls	South African Insurance Association
Anne-Marie D'Alton	Batseta
Phil Britz	Tau 9 Retirement Resolution
Mauritz van der Heever	Wealth Associates
Lelane Bezuidenhout	FPI
Nici Macdonald	FPI

### **DATA ANALYSIS**

Interviews were transcribed and coded using NVIVO Pro (Version 11) software. The findings were analysed through the conceptual frameworks shaping supply and demand in the gig economy and the inductive logic was used to adduce and analyse themes (Sauce& Matzel, 2017).

### **VALIDITY OF THE FINDINGS**

The empirical findings were supported by the literature as robust and ethical methods were used in collecting and analysing data. This report can also be used to fill gaps in the literature in respect to the sectorial approach the study undertook.

### **LIMITATIONS OF THE STUDY**

This study's data collection was limited due to purposive sampling methods. Due to the relative newness of gig economy practices in the industry, this study cannot be generalised to the entire sector. Hence, there is a need for further research on the topic.

## CHAPTER 1: STATE OF THE GIG ECONOMY - GLOBALLY & IN SOUTH AFRICA

### A GENERAL PICTURE

A pre-pandemic OECD report (2018) put the global proportion of gig workers to be between 0.3 in developing countries, 0.5 per cent elsewhere with the higher rate reaching up to 1.5 to 3 per cent of the working-age population in some countries (Schwellnus et al., 2019). Here are some other relevant figures:

- According to KPMG, the digital gig economy contribution to the global economy was estimated at around USD204 billion in 2018.
- The gig economy is estimated to add 2.0% to the global economy by 2025, (Mckinskey, 2015).
- Further, according to a Deloitte (2020) study, “the number of self-employed workers in the United States is projected to hit 42 million in a year.
- In Britain, the gig economy has more than doubled from 2016 to 2019 to encompass more than 4.7 million workers” (Guardian, 2020).
- Besides, the gig economy provides work for 30 million people in the global south and about 1.1 million in the UK (The Fairwork Project, 2017: 09).
- In the US, 8% of the population had worked in the gig economy in 2016 - a figure that doubles for those age 18 to 29 (The Fairwork Project, 2017: 09).

Since the areas, industries and types of gig workers facilitating the growth of digital online labour are diverse, for this study, we have chosen to focus on the trends for independent workers, specifically ‘white-collar gig workers’.

With specific reference to freelancers and independent workers, a UK study found that freelancing (in the top three occupational categories: managers, professionals, and associate professionals and technical jobs) represented 5.4% of the workforce in 2015 (Brinkely, 2016: 02). It has been argued that labour market statistics cannot alone present a full picture of the gig economy. Platform indicators and income provide other evidence to ascertain the extent to which the gig economy is unfolding in certain industries and across geographies. In the US, the number of users on online freelancing platforms is reflected in the below table (Mckinskey, 2015 in Brinkley, 2016: 15).

*Table 4: Number of users on online freelancing platforms in the US*

<b>Platform provider</b>	<b>Type of service</b>	<b>Registered (inc inactive)</b>
Upwork	Professional Freelance	2,500,000
Freelance Physician	Freelance doctors	10,000
HourlyNerd	MBA consultants	5,400

These figures come with a set of challenges, for example, people may be registered across numerous platforms. Nevertheless, growth in gig platforms and the income derived from these platforms do provide some insight into gig work from a platform perspective. In Japan, the volume of wages paid by temp agencies in the crowdsource sector reached roughly

around 125 billion yen (827.4 million GBP) in 2015...with an expectation that it will grow to 350 billion yen (2.36 billion GBP) by 2019 (Yano Research Institute 2016 in Shibata, 2020: 542).

Questions, whether freelancers or crowd-workers depend on gig work as a main or secondary source of income, is also critical to informing our understanding of how gig work contributes or may contribute to livelihoods across the world. For example, in the European region, gig work is primarily taken up as a 'pass-time' or to "help fill gaps or fluctuations in income", (Nica, 2018: 103).

Crowd work is also a growing segment of the gig economy. Studies, undertaken in Germany and the US, find that around one-quarter of all crowd-workers rely to a substantial extent on crowd-working as a source of income (Eichhorst et al, 2017: 307). Therefore, the empirical inquiry into geospatial trends of gig work highlights several nuances and trajectories within this free-market labour model.

The above figures show that the gig economy has become an attractive solution for both employees and workers alike, offering both flexibility and lower commitment than traditional work models. However, since the dawn of COVID-19, it is seen a new resurgence in popularity, as employers and employees are grappling with an uncertain economy. A recent report shows that, when it comes to jobs, a whopping 92% think that now is the time to look for gig work (Monster, 2021).

#### **GIG WORK ON THE AFRICAN CONTINENT: KEY TRENDS**

Digital work in Africa is demonstrated by notable growth in platform activity in recent years:

- McKinsey estimates that 63 million people in Africa are involved in some type of self-employment (BizCommunity, 2020).
- In South Africa, 3.9 million people are already engaged in temporary work instead of a traditional "career", according to Stats SA (BizCommunity, 2020).
- According to the World Economic Forum, "there are already about 300 active digital platforms in Africa, employing close to five million workers," (Porteous, 2019).
- 91 freelance platforms are operating in the region in 2019. Of significance is that a number of digital platforms (82%) are 'home-grown' platforms (Insight2Impact, 2020: 02).

Admittedly, whilst some platforms have been unable to scale their businesses, a few notable platforms stemming from the African continent are recognized as success stories within the platform economy. One such platform is Kuhustle, a Kenyan-based freelance platform, which has extended into other African markets including Ghana, Nigeria, Rwanda, South Africa, Tanzania and Uganda (Insight2Impact, 2020: 07).

Other factors propelling the gig economy forward can be attributed to the thriving Internet economy in Africa. The growth in digital start-ups and venture capitalists has sparked investor interest and this has consequently, pushed the demand to attract global expertise including the use of gig workers, contractors and e-Labour (Google and IFC, 2020: 80).

According to Anwar & Graham (2020: 96) “rising labour costs in traditional outsourcing destinations like India and the Philippines combined with the increased connectivity in many parts of Africa now mean that African workers are becoming competitive in the global market for digital work”.

South Africans are navigating towards gig platforms as well, either as platform owners or platforms users. Across the African continent, the fastest growth in platforms is recorded by South Africa with a total of 142 platforms, (Insight2Impact, 2020: 08). Although African home-grown platforms are substantial, the usage of transnational platforms is three times higher than on home-grown platforms, (Insight2Impact, 2020: 05).

Other forms of gig work through mobile micro-work and crowd-work are found to be prominent in the African context. This is because microwork provides a means of earning an income and opportunities to source work across a global market (Roomaney, 2018: 02).

As evidenced from the above, there is a distinctive digital online labour market unfolding parallel to traditional employment across the globe. It is unclear, however the extent to which these figures represent freelance and professional services and what portion is represented by semi-skilled work. This study, therefore, explores a sectorial response to gig work through the insurance sector. The next chapter lays the theoretical foundations for this purpose.

## CHAPTER 2: THEORETICAL FRAMEWORK - SUPPLY AND DEMAND OF LABOUR IN THE GIG ECONOMY

### CONCEPTUALISING THE DEMAND-SIDE OF THE GIG ECONOMY IN THE INSURANCE SECTOR

*“Across all organizations, industries, and geographies, a new work and social contract is emerging”, (Deloitte, 2016: 106).*

Organisations are now confronting the transition towards an “open talent economy” which accommodates non-traditional ways of sourcing labour including crowd-sourcing and online platform sourcing (Deloitte, 2013: 04). This study borrows from the concept of an open talent economy to frame the analysis on gig work in the insurance sector.

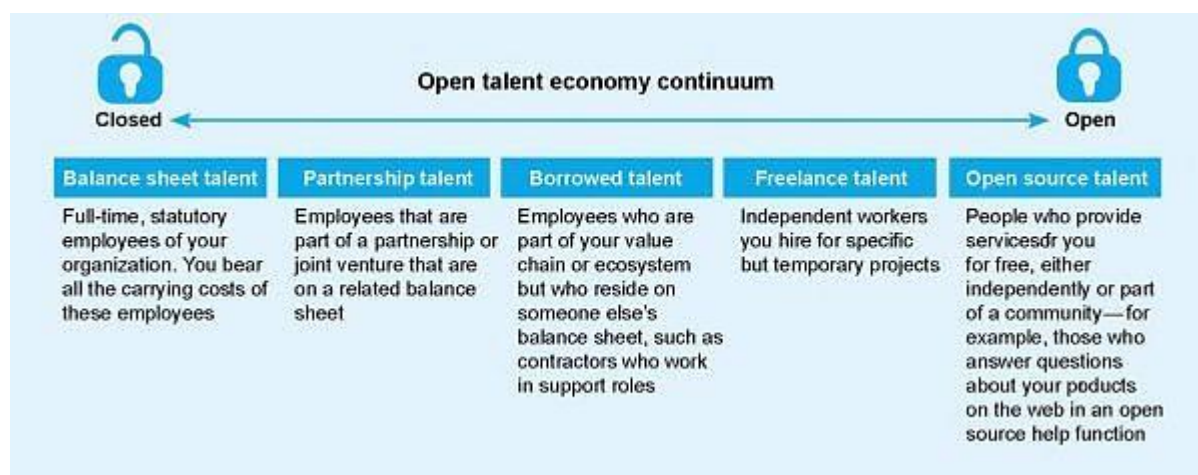


Figure 5: Open Talent Economy Continuum (source: Deloitte, 2013)

The concept of an *open talent economy* was developed in 2013 by Deloitte to explain how organisations recruit and manage talent in an evolving workplace. Although the concept has roots in the HR and Talent management literature, its relevance and centrality to understanding the organisation’s role in the gig economy are fundamental.

This concept is informed by megatrends (globalisation, mobility, social business and analytics) which shows that organisations need to adopt new ways of leveraging talent from external sources and be able to manage this talent in a way that integrates seamlessly with their current workforce. More importantly, the open talent economy serves as a framework to guide organisations that are grappling with questions around how to outsource work or even whether they should take on a gig worker.

Our new digital ecosystem has created a need for new forms of labour that is realised through the gig economy. The broader strategic objectives of companies most notably, the downsizing of workforces and the subsequent replacement of this labour with automated processes have long been a central objective of organisations as they seek to optimise production and efficiency, (Bhattacharya and Raghuvanshi, 2018: 355).

However, some authors believe that “organisations are interested to keep key players and efficient workforce on payroll and outsource their peripheral work to a third party who can provide services to save time and costs effectively”, Bhattacharya and Raghuvanshi (2018:

355). Consequently, companies will more often “organize categories of temporary project work in temporarily active networks and concentrate their core workforce into the desired minimum- at least in segments where there is no shortage of skilled workers”, (Eichhorst, 2017: 300).

As easy as this diversity of workers seems, the open talent continuum can provide a helpful way to guide, organise and manage such a network of talent. Besides, this framework can help organisations differentiate between different types of contingent workers and even help managers decide which type of talent to source to realise different goals.

The change from traditional hiring practices to more open and innovative ways of sourcing talent must be guided and managed to acquire the right skill set as well. “An on-demand workforce allows a business to tap the right skills and resources at the right moment, without the larger investments of time and cost associated with recruiting, training, and managing resources internally”. A study on the white-collar gig economy revealed that “79% of business leaders state that leveraging contractors is a competitive advantage, and as a result, plan to increase their use of contractors in next 12 months”, (Mavelink, 2017: 08- 09).

Whilst 4IR, automation and robots seem to imply the mass displacement of the human workforce, research is showing that 20% of organisations expect that automation will increase hiring levels. Increasingly, industries are seeking “talent with the ability to use key technologies as well as to drive business growth...” (Deloitte, 2016: 106).

Other empirical evidence substantiates this notion. For example, a survey amongst executives in the US found that when hiring contractors (Mavelink, 2017: 12):

- 47% of companies seek upper management skills;
- 42% look for middle management skills;
- 35% of companies want contractors with specialised degrees; and
- 29% of companies aim for contractors with 10+ years of experience.

As such, organisational demand for these readily available sources of skilled talent is driving and, to a certain extent, shaping the gig economy. More companies and industries are deriving value from digital labour platforms because it allows for the same kind of agility that organisations are seeking from their workforces.

According to Corpooral and Lehdonvirta (2017:01), three key factors motivate organisations to source via platform-sourcing:

- It provides easy access to a scalable source of labour, skills and expertise;
- It reduces start-up and transaction costs; and
- It eliminates conventional hiring barriers.

Thus, the platform economy has created a convenient means for firms to source talent in a digitalised world. Leading companies including Fortune 500 companies such as Samsung are experimenting and adopting online freelancing platforms to source talent. “Between 2016 and 2017, there has been a 26% increase in the number of projects sourced via these



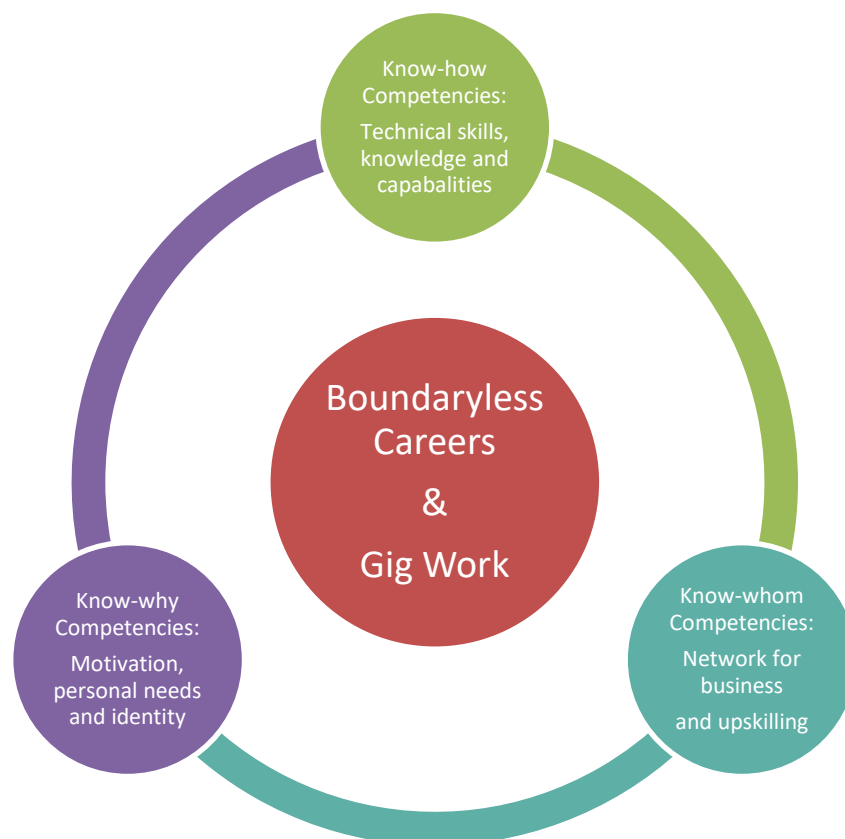
platforms, with the popular categories of work being software development, design and creative writing,” (Corpooral and Lehdonvirta, 2017: 02).

In this kind of environment, the open talent economy can provide a useful starting point for managing an increasingly diverse workforce. This chapter now takes a closer conceptual look at the supply-side of the gig economy.

### CONCEPTUALISING THE SUPPLY-SIDE OF THE GIG ECONOMY IN THE INSURANCE SECTOR

This study induces that the supply-side of gig work in the insurance sector can be conceptually described through the theory of a ‘boundaryless’ career. The concept of a boundaryless career refers to “career paths that may involve sequences of job opportunities that go beyond the boundaries of single employment setting” (Defillipi, 1994: 307).

According to Kost et al (2019: 101), the ‘boundaryless’ career is characterised by a high level of intra-organisational and inter-organisational mobility. Further, mobility can be applied both in terms of physical and psychological mobility. For an individual to pursue a boundaryless career, three competencies are identified as vital: know-how, know-why and know-whom (Defillipi, 1994; Kost et al, 2019).



*Figure 6: Three competencies required to achieve a boundaryless career*

The concept of a boundaryless career underlines the centrality of skills and upskilling to achieve flexibility, autonomy and adequate job quality in the gig economy. Arguably, some people possess technical capabilities but lack other capabilities in the area of soft skills and behavioural skills. In this regard, the concept of a boundaryless career can only be fully

achieved through constant upskilling and life-long learning. The onus rests upon gig workers to constantly ensure their skills sets are current to able to compete effectively in the gig economy.

Research conducted by the Institute for Employment studies led by Andrea Broughton (2018) revealed the types of skills required to undertake work in the gig economy into three broad categories:

- Specific professional and vocational skills, varying according to the nature of respondents' gig occupation, needed to complete particular tasks attributed to their role.
- ICT literacy to access work through online platforms (for all respondents) and more finely developed ICT skills for certain gig occupations.
- Well-developed employability skills. English and financial literacy, self-motivation, organisational and interpersonal skills were particularly emphasised.

The research further indicated that “access to training was a rare occurrence for those working in the gig economy. The training was consistently sourced and paid for by workers themselves and carried out during what would have otherwise been paid work time. In general, those who were able to self-fund training worked in professional, creative and higher-skilled occupations, attracted better pay and therefore greater disposable income, allowing them to turn down paid work”.

Broughton (2018) further stated that “Formal training was, in almost every case, sought out and paid for by workers themselves, who felt that it could keep them up to speed with developments in their sector, giving them a competitive advantage and making them more attractive to potential clients”.

This indicates that gig work is a highly competitive career path and gig workers seeking upskilling receive little external support. Besides, the emphasis is placed on the distinctive and unique characteristics necessary for gig worker to thrive in an environment of intermittent work. Ashford et al (2018: 29) highlight the following competencies for gig workers to thrive in the gig economy:

- *Resilience*: adapting effectively to disturbances
- *Persistence*: Continuously pursue job opportunities and self-development.
- *Bricolage*: the ability to undertake and complete a task with a combination of available resources.
- *Proactivity*: Acting in advance to create desirable outcomes, this includes the development of portable human capital and image management.

These skills demonstrate that gig worker requires a high level of independent thinking, creativity, innovation and maturity to advance their careers in the gig economy.

## CHAPTER 3: INSURANCE WORK & THE GIG ECONOMY - FINDINGS

The insurance sector trends in terms of gig work reveal the need to manage seasonal work or special projects that can be fulfilled by the usage of temporary or freelance workers. “Sudden influxes of work, systems transformations, catastrophes, retirements and unexpected turnover often leave insurers shorthanded. Embracing gig workers at all levels enterprise-wide is a cost-effective and proven solution to mitigating workload fluctuations and completing special projects” (Tony, 2019). Such work can include the writing of policies, leading re-underwriting projects and creating new underwriting manuals.

As the industry evolves, new opportunities and the development of new insurance products may further create opportunities for specialist expertise that can be mediated through gig work. The growing market for cyber insurance for instance will create demand for specialist knowledge in the areas of cybercrime and specific needs of companies seeking to insure their company information against cyber-attacks.

Accordingly, some insurers are also buying into the gig economy and the use of temporary employees, especially since millennials are more open to short-term contacts (PwC Report, 2019). Many insurance companies are embracing the gig economy according to their needs ranging from mega-insurers to SMME’s.

Based on the reviewed literature sources, the initial findings stemming from our Think Tank discussion with the sector were:

- Better conceptualisation is needed on understanding the ‘gig worker’;
- There is a need to distinguish between different types of gig workers (skilled and unskilled);
- There is a need to better understand why people undertake gig work, i.e. for a sole source of income, to supplement income or to assist in career progression (as may be in the case for millennials and unemployed youth);
- Some SMME’s make use of gig workers in the ambit of skills development and training in the form of facilitators and assessors as the need arises

Following qualitative interviews with insurance companies, consultants and professional bodies, the finding reveals that gig work is regarded as advantageous to the sector. Various insurers have already begun experimenting with gig work about three or four years ago and for these entities, there is inherent value in accessing human capital through the gig economy.

### FINDING 1: COVID-19 AND GIG WORK

Like every industry, the insurance sector has felt the impact of COVID-19 in various ways. For example, 80% of the participants expressed that COVID-19 is one of the most rapid changes that the industry is experiencing currently and that this shaping the demand for gig workers.

Two participants alluded to the drastic change in working styles from office-based to a home-based office with communication becoming completely virtual. Also in this type of environment, work has become “outputs-based” rather than the traditional 9-5. The

respondents note that this has underlined the need for a high level of flexibility and adaptability amongst employees.

Some insurers were well-positioned to make the transition that COVID-19 necessitated, but others were not. One participant noted that COVID-19 has “*necessitated or accelerated*” the company’s reliance on different types of gig workers, indicating that:

*“As an example, in previous years, in 2018-2019, beginning 2020, prior to this, from a gig working perspective, the only gig workers that we would actually engage with, would be the ones that would have access to our buildings...what we have found now with the requirement or the ability to be able to work from anywhere, we have access to a much wider market in terms of skills, whether it is administrative skills, IT skills, specialist skills from an AI and machine learning point of view, whether the individuals are based overseas...it does provide more flexibility and ease of access as opposed to sort of a closed sort of environment”*,

These responses reflect the shifting dynamics within the sector to more open talent models which accommodate for the usage of different types of workers.

Another moot point raised by one participant was that COVID-19 highlighted the imperative for information that clients required almost instantaneously within the industry especially in the retirement sector. As such, people wanted to know immediately what their savings were for example.

This highlighted those individual clients needed to be able to access their information virtually. This may shape the demand for gig workers to communicate this information or develop systems so that clients could access the information themselves.

## **FINDING 2: ARTIFICIAL INTELLIGENCE (AI), ROBOTICS AND GIG WORKERS**

Another key driver of change within insurance is the digitalisation imperative which is altering fundamental business principles and practices. In that regard, the participants mentioned the implementation of automated processes and robots in areas that previously required high-levels of client interaction from employees.

One participant mentioned the usage of automated processes in wealth management and advising, stating:

*“Well we’ve seen a lot of change on the AI side, that’s sending automating advice in our group where we’re extremely independent and relationship driven when it comes to what we do and the services we offer”*.

As a result of such processes, some practices or firms are resisting the implementation of new technologies in the fear that they will replace their jobs.

Evident from these trends is that gig work may indeed become more prevalent as more 4IR technologies are implemented due to the intermittent nature through which certain human capabilities will be required. Human capabilities will be needed most for functions and tasks that cannot easily be replaced by technology.

The jobs of the future will most likely be in service industries (Bhattacharya, 2018: 356). Significantly, concerning the insurance sector, another participant stated that currently the only distinguishing factor an employee may have is their level of customer service.

### **FINDING 3: AGILITY, ACCESS & ACUMEN**

The study participants considered the following to be advantages of using gig workers:

- Quicker access to resources in a shorter time;
- Enhanced agility;
- Reduction in terms of hiring and labour costs;
- Reduction in time associated with hiring via traditional methods as opposed to sourcing talent via the 'atypical' or gig workforce.

One participant that was representative of a small-to-medium enterprise (SME), indicated that usage of gig workers has allowed them to cut down on all overhead costs and allowed them to build a "network" of people that they go to fulfil a particular task.

The elements of commitment and quality of work were underlined by two participants, as an advantage. Specifically, it was noted that:

*"We have a thing in the industry that we call the consequence of failure. This means by bringing in a person like that in the company, the advantage for us is they know that need to make things work due to them wanting to stick around and work, so that consequence of failure is therefore makes their worker more likely to be successful,"*

Adding to this sentiment, it was raised by another participant that:

*"...from a track record point of view also, we make use of a scoring system, so as part of the gig working component, should you be a gig worker now and the piece of work you have delivered is sub-standard, you won't necessarily be asked back...but the higher quality output you produce, there be more opportunities for you to be asked back for something else."*

This is an interesting observation as gig workers would need to ensure that they do provide quality work, deliver timeously, and are committed to the project because if they don't follow through with these commitments, they will not be awarded further projects.

No disadvantages were expressed by participants about the usage of gig workers.

### **FINDING 4: AREAS OF INSURANCE WORK AND GIG WORKERS**

Within the insurance value-chain, some of the occupations that could be undertaken by a gig worker were listed by individual participants were as follows:

- Loss Adjuster;
- Digital Assessor;
- Claims Processor;
- Commercial Underwriter;
- Call Centre Agent;

- Financial Advisor.

The broader, functional areas were where participants indicated that gig workers would be most needed and easily undertake these roles for a temporary time:

- Marketing: Social Media, Lead Generation, Advertising, Design, UX Design;
- Finance;
- Internal Compliance;
- Administrative Support;
- IT Services;
- Analytics.

In areas such as compliance and administrative support, it was noted by some participants that their companies especially made usage of gig workers in these areas due times of the year when extra-support was needed - for example, regarding audits and administrative backlogs.

Social media and marketing functions also represented a key area that participants felt would be suitable for the role of a gig worker. One of the participants was already using a gig worker for the function:

*"...so we have brought gig workers to come and help us set up an online mostly linked in sales and kind of advertising campaign building..."*

Another participant mentioned that:

*"I want to add to that, even something like social media especially in the smaller companies where they don't have enough budget for someone to drives that",*

Besides, emerging 4IR roles such as a Machine Learning specialist, cybersecurity specialists and behavioural economics experts were mentioned by two companies as functions that they were already using gig workers for. In this regard, highly specialised and in-demand occupations were being accessed by the industry through gig workers. Regarding using specialists in the space of emerging technologies and areas such as behavioural economics, one participant added that:

*"because the skills in those [digital] areas are in high demand, a lot of them don't necessarily sit in South Africa, the ones that do sit in South Africa are either on a permanent basis or they do not want to be locked down by any particular company, and by giving them the freedom to contribute to that specific piece of work, you have access to that knowledge and by ensuring that they work with the right people within your business, there's an element of skills transfer..."*

This finding is underpinned by the literature review findings and underscores the notion that with the implementation of these new technologies, certain highly specialised roles such as data scientists will be needed to augment technological processes. Many businesses will only

retain these skills through gig workers and leverage such workers to add value to their organisations.

#### **FINDING 5: KNOWLEDGE, SKILLS, ATTRIBUTES OF GIG WORKERS**

The combination of high-end technical skills, soft skills, behavioural skills and entrepreneurship skills were cited amongst participants as essential for gig workers to succeed both within the industry and generally.

Soft Skills and Behavioural Skills mentioned were:

- Listening;
- Mitigating;
- Adaptability;
- Multi-tasking;
- Commitment;
- Attention-to-detail;
- Deadline Driven/ Output Driven;
- Self-motivation;
- Communication;
- Good Value System;
- Agility.

Entrepreneurship skills were also alluded to, specifically in terms of innovation and business acumen. One participant highlighted that:

*“You will need to be able to multitask and have commitment because in the end you’re working for yourself so there will have to be some kind of sole business running mind-set as well as self-motivation in order to get things done”,*

Another participant raised a moot point concerning gig workers ensuring that work was completed timeously because their payment is output based:

*“There’s something else regarding attention to detail as well and being innovative as well, I’d also say being deadline driven also counts because time is money. No one wants to pay the gig double the hours because they were not focusing on the project”,*

Further, communication and interpersonal skills were highlighted as essential to the core business of the insurance sector, especially in the areas of financial advising and wealth management.

*“Some of the biggest challenges we’ve had is on the soft skills department whether it’s a gig or contract worker, I say that because we found that when you get people who are extremely*

*well qualified they tend to lack soft skills. This tends to be an issue because we've identified that one of the key elements to keep us successful is relationship building".*

All skills mentioned earlier have relevance towards the better conceptualisation of a professional gig worker and the types of attributes that they would need to possess to be successful with the industry.

#### **FINDING 6: POPIA, AND OTHER RISKS**

Risks associated with the usage of gig workers were:

- Blackmail;
- Hostage of information;
- Leakage of personal information;
- Equipment and devices that could carry viruses;
- Leakage to company information to competitors.

All participants interviewed were taking precautions and some even already had systems and measures in place to mitigate the event of gig workers harming company reputation and information.

Overall, however, the sentiments raised amongst participants were that the POPIA and other risks associated with the usage of gig workers were the same with all employees as well. As such, the participants expressed that these factors would not prevent them from using gig workers. Also, those who had already used gig workforces for projects did not have any experiences in terms of cybersecurity breaches or related risks.

#### **FINDING 7: SKILLS INTERVENTIONS AND GIG WORKERS**

In terms of the INSETA target groups, skills interventions are required both at the level of the employer and learner. The possibilities available to both groups in terms of the gig economy are limited.

Three important recommendations, however, were mentioned by participants:

#### **HOSTING WORKSHOPS ON THE GIG ECONOMY**

As part of the employer response, INSETA should host workshops for the industry to elucidate and evangelise the idea of the gig economy and the potential it can add in terms of building and strengthening new talent models. One participant pointed out that:

*"What you did last year in terms of the questionnaire and your engagements it really made me think about the gig economy and therefore I have consulted four consultants since then and ehh it really has made a big difference into my business and I have told colleagues in the industry to do the same",*

This demonstrates the benefit that workshops of this nature can have. Many insurance companies are considering and already using gig workers however, many others are not open to such a method of sourcing work. As such, these workshops could assist in highlighting important aspects of the gig economy to the industry.



### **DEVELOP A CENTRAL RESOURCE FOR THE INSURANCE INDUSTRY**

Increasingly, “companies need to assess how to compete with firms that use talent platforms as their primary means of organizing their workforce”, (Deloitte, 2016: 108). Combined with this challenge, is the fact the new and emerging skilled professionals are in high-demand and not all companies know where this skilled talent is located (Anani, 2018). As such, the insurance sector may benefit from the usage of an existing online labour platform or develop its platform to source gig workers specifically for industry needs.

This may also serve to benefit different age groups and skill levels as it may afford retirees and retrenched people the opportunity to list their services according to their convenience. It may also provide graduates and millennials to improve their professional portfolios by listing themselves on such a platform.

### **INSETA NEEDS TO PREPARE LEARNERS FOR A NEW WORKFORCE THAT IS EMERGING**

This entails preparing learners with the skills needed to work in the gig economy. This includes technical skills, soft skills and behavioural skills. This can address a critical area in upskilling learners and empowering them with adaptability and resilience so that they can consider opportunities in the gig economy in the absence of full-time work opportunities.

## CHAPTER 4: DISCUSSION ON THE FINDINGS AND IMPLICATIONS FOR SKILLS PLANNING

This study represents a sectorial response to understanding how gig work is being adopted in the insurance sector and the experiences of companies in using gig workers. Most ostensibly, the findings reveal that some insurance sector bodies and companies are already leveraging gig talent to their benefit. Linking this to the open talent model proposed earlier demonstrates the usefulness of such concepts for optimally integrating open talent with the permanent workforce.

From the supply-side, gig work within the insurance sector is best conceptualised through the lens of boundaryless careers. Emanating from the interviews, there is evidence that the usage of gig workers in the sector is centred on semi-skilled to highly-skilled occupations and functions. Occupations are in high demand such as data scientists are also supplied via gig workers. Insurance firms have found an inherent benefit in securing open talent with high-end skills to maintain their competitive edge in a volatile and ever-changing market.

The INSETA Sector Skills Plan (2020-2025) recognizes 10 priority occupations for the industry. Of these occupations, it is noteworthy that 7 occupations or related functions were mentioned by participants in this study, as that which could be performed by a gig worker.

An insurance loss adjuster was mentioned as an occupation that could be undertaken by a gig worker. Besides, claims processor was mentioned which relates to the claims administrator occupation.

Furthermore, an internal compliance officer was also highlighted. Certain marketing functions such as social media and lead generation related to the occupation of Sales and marketing manager.

Finally, the IT and occupations of Software Developer and Developer programmer were mentioned under IT functions by participants. This elevates the relevance of the gig economy for the sector.

*Table 5: Top sector priority occupation in InSETA sectoral plan*

TOP 10 SECTOR PRIORITY OCCUPATIONS IN INSETA SECTOR SKILLS PLAN				
Insurance Agent	Actuary	Software Developer	Insurance Broker	Developer Programmer
Insurance Loss Adjuster	Claims Administrator	Financial Investment Advisor	Compliance Officer	Sales and Marketing Manager

It is important to recognize that gig work in South Africa is located at the intersections of technology, unemployment and vulnerable communities. It is within this context that the skills and policy responses to gig work must be better defined. Currently, highly skilled professionals can reap the freedom, flexibility and network benefits of the gig economy. The framework of boundaryless careers exemplifies this.

The current situation reveals that to be successful in the gig economy, know-how, know-why and know-whom competencies are vital. Without these competencies, gig workers risk being in precarious, and vulnerable work conditions. Kost et al (2019: 102) notes that “gig workers who have specialised skill sets and those who work for high-end platforms are better equipped than other workers to move in and out of the gig economy, as their skills and competencies are often transferrable—an attribute that contributes to employability”.

### **LOOKING FORWARD**

Looking forward, the imperative must be to consider how to make the gig economy work for millennials who are entering the workforce and older workers who are at risk of exiting the workforce due to digitalisation. As more millennials start joining the workforce, their work values treasuring flexibility, work-life balance, and their appreciation of personal needs over and above commitment to formal work will certainly fuel the speed and the volume of growth of independent workers (Poon, 2019: 06). However, the question has to be asked as to whether the Post School Education and Training sector can adequately prepare millennials for the gig economy.

Similarly, many employees are at risk of being replaced by automated systems in various industries. The knowledge and experience that these employees possess still hold value and can be utilised via the gig economy in creative ways. The skills implications of this must be to consider how can employers better prepare employees so that they can consider work in the gig economy beyond employment? Upskilling, re-skilling and de-skilling must all form part of the skills ecosystem within the insurance sector to ensure adaptability of such workers to future work conditions.

### **GETTING MORE EMPLOYERS TO EMBRACE THE GIG ECONOMY**

The gig economy has gained traction in many settings and sectors, however in many other areas, there is resistance to such change. As such, INSETA must firstly prioritise creative ways of getting more stakeholders: employers and qualifications authorities’ to generate a culture and mindset shift which is just as important as equipping people with the right skills.

“The gig mindset brings to people a sense of freedom, openness, engagement and accountability. People will look for more freedom to self-manage and self-direct work”. In the gig economy, people “will have the tendency to move fluidly from project to project, become more networked, and take better care of their reputation and personal branding”. (KPMG, 2020: 17)

This mind-set and culture shift will go a long way in laying the groundwork for skills-specific interventions. The reality is that whilst some insurance firms have become comfortable with the idea of decentralising their workforces, others are still fixated on owning talent. This signals that many insurance firms have not yet embraced the gig economy.

This may be due to a lack of knowledge or unwillingness to consider gig workers as an option. Another important factor in the lack of adoption may be due to uncertainty around regulations, and associated risks as well as the profile of workers and the quality of work they will provide. Hence a mindset and culture shift is a necessary first step in this regard.

## **DEVELOPING SKILLS THAT ARE CONDUCIVE TO THE GIG ECONOMY**

It is arguably more difficult to develop soft skills and behavioural skills than it is to transfer technical skills. The skills listed by Ashford et al (2018:29) can be better developed through experiential learning:

- *Resilience*: adapting effectively to disturbances.
- *Persistence*: Continuously pursue job opportunities and self-development.
- *Bricolage*: the ability to undertake and complete the task with a combination of available resources.
- *Proactivity*: Acting in advance to create desirable outcomes, this includes the development of portable human capital and image management.

Anani (2018:S174) notes that the gig economy “necessitates a more flexible and on-demand education model” that can produce people that can adapt to newly emerging forms of work.

Some gig platforms have employed skills tests and training specifically for workers in the gig economy. Perhaps the development of similar training intervention through micro-lessons and mentor-mentee programmes would address the identity-building and learning agility skills that gig workers require.

## **DEVELOPING A PLATFORM FOR THE SECTOR TO FACILITATE AND DRIVE THE GIG ECONOMY**

A digital platform similar to that of Upwork, which caters for freelancers, consultants and independent contractors, should be developed specifically for the insurance sector. This would enable people to have a central database of skilled professionals that the sector can use as required. Further ratings and scoring mechanism would ensure best practice and governance of gig workers.

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