



Exploring The Gig Economy

Sarnia Lambton Workforce Development Board
March 2024

Acknowledgements

The views expressed in this publication are the views of the Sarnia Lambton Workforce Development Board and do not necessarily reflect those of the province. The Government of Ontario and its agencies are in no way bound by any recommendations contained in this document.

Mission

SLWDB is a diverse and dedicated organization committed to identifying needs and facilitating solutions to attract, train and retain a viable workforce through community partnerships.

Vision

Growing Sarnia Lambton's workforce for tomorrow's economy. SLWDB leads Sarnia Lambton in its approach to workforce development and labour market planning. The team actively engages organizations and community partners in local labour market projects. SLWDB also conducts consultations with business owners throughout the year in order to identify needs and facilitate solutions to grow the local workforce.

Network

SLWDB is one of 26 local planning board areas that make up Workforce Planning Ontario that are funded to conduct and disseminate local labour market research and engage community stakeholders in a planning process that supports local solutions to local issues.



This Employment Ontario project is funded in part by the Government of Canada and the Government of Ontario.

Table of Contents

- Acknowledgements 2
- Executive Summary 4
- Introduction 5
- Methodology 5
- Gig Work in Sarnia Lambton: Employers' Perspective 6
- Analysis of Gig Worker Survey: Employee Perspective..... 8
 - Demographic Profile 8
 - Work Conditions and Industries 9
 - Work Experience and Current Situation10
 - Factors Influencing Gig Workers' Work Conditions11
 - Community Engagement and Social Awareness.....12
- Recommendations13
- Conclusion14



Executive Summary

In 2023, we conducted a study exploring the gig economy in Sarnia Lambton through a mixed research method utilizing both quantitative and qualitative methods to further explore the motivational factors influencing gig workers and employers in Sarnia Lambton. To better understand their needs and identify the essential supports needed locally, we surveyed 104 gig workers and conducted consultations with 30 local gig employers.

Our findings highlight the importance of flexible job structures, clear communication, varied compensation models, and effective feedback channels for gig workers and businesses. Gig employers experienced challenges such as talent retention, financial constraints, and seasonal turnover, influencing the need for a reliance on gig workers as a recruitment and retention solution.

Efforts to integrate gig workers into the local community face awareness gaps and calls for enhanced support structures. By combining the analysis of survey data with insights from business consultations, our study provides a deeper understanding of gig work in Sarnia Lambton, along with informed recommendations to support both gig workers and employers locally.

Sincerely,

Mikelle Bryson-Campbell
B.A., B.Sc., M.A., PhD.
Executive Director

Sarnia Lambton Workforce Development Board

Introduction

In today's ever-evolving work environment, characterized by rapid changes and technological advancements, the prevalence of gig work, also referred to as freelance, contract, or independent work, has significantly increased. This report delves into the dynamics of gig work in Sarnia Lambton, offering insights into its complexities, challenges, and opportunities. Whether you are a student exploring potential career paths, a business professional navigating the modern labour market, or a business owner experiencing challenges with recruitment and retention, comprehending the gig economy is crucial for understanding the evolving nature of work in Sarnia Lambton.

Gig workers are individuals who engage in short-term and flexible employment arrangements. These workers often include freelancers, consultants, or independent contractors. Unlike traditional employees, gig workers contract with firms or individuals (task requesters) to fulfill specific tasks or work for designated periods, receiving negotiated compensation in return. This definition encompasses independent contractors or freelancers with specialized skills and on-demand workers hired for tasks facilitated through various online platforms (Statistics Canada, 2019).

Gig workers in Canada are likely to be unincorporated self-employed workers, freelancers, day labourers, independent contractors, on-demand, or platform workers. Gig workers are not wage employees, do not have a long-term contract with any employer, do not have a predictable work schedule and do not have predictable earnings within a 12-month period.

Methodology

In 2023, we conducted a detailed survey of 142 respondents, 104 of whom met the criteria of being included as gig workers, as they had either been gig workers in the past or they didn't solely work one full-time or part-time permanent job. Respondents answered a series of 41 questions to explore their demographics, motivations, challenges, and perspectives.

Additionally, we engaged in consultations with 30 local employers who have previously or currently recruited gig workers. Through these interviews, we explored employers' motivational factors influencing their reliance on gig workers, their recruitment practices, and overall perceptions toward the gig economy.

Gig Work in Sarnia Lambton: Employers' Perspective

Hiring gig workers has become a crucial recruitment strategy for various organizations in Sarnia Lambton. Companies in Sarnia Lambton are seeking gig workers for various roles, ranging from healthcare, social and community services, professional, scientific, and technical services. The following section includes key themes identified through one-on-one consultations with Sarnia Lambton employers who have previously or currently recruited gig workers.

Increased Talent Diversification: Employers tap into the gig economy to access specialized skills on-demand. This flexibility enables them to expand their service offerings without committing to full-time employment, keeping their operations agile and client/project focused.

Solution for Seasonal Demand: Gig workers are pivotal for industries with seasonal fluctuations, helping to balance the workforce during peak periods while managing off-season lulls. Despite the challenges in retention and an inability to offer competitive wages, employers found that strategic benefits and a supportive work environment aid in maintaining a committed team.

Managing Fluctuations in Demand: The need for gig workers arises from various demands, including medical leave coverage and project-specific needs. Financial limitations often prevent the ability to hire permanent staff, positioning gig workers as a cost-effective solution to meet fluctuations in demand. They provide the flexibility to manage labor needs economically, although this approach involves considerations around loyalty and the need for effective onboarding and integration.

Mitigating Financial Constraints: Organizations encounter challenges in retaining and attracting talent, particularly in industries such as healthcare and social assistance, where they often experience challenges competing with the wages offered by private sector competitors. Employers save on benefits and long-term costs; however, they face trade-offs related to worker loyalty and higher temporary staffing rates.

Career Advancement Opportunities: Gig work is often seen as a stepping stone towards more stable, full-time employment opportunities within an organization, as it is an opportunity for both the gig workers and the employer to consider the eventual transition to permanent roles. Many employers found that gig positions are often used by workers as a launchpad for career advancement or as a bridge to full-time employment. There's an emphasis on the opportunity for professional development within gig roles, with a potential transition to more stable employment or gaining enough experience to start up an independent practice.

Retention Strategies: Companies implement various retention strategies to increase loyalty and foster long-term working relationships with gig workers, such as professional development programs, additional benefits, and fostering a positive work environment by fully integrating them into the team.

Recruitment Strategies: Diverse recruitment strategies are employed to attract and maintain a reliable gig workforce, using tools like software and agencies, however, they primarily rely on strong community ties within local networks. When forming contracts, some were informal agreements while others had a much more formal legal contract and clarity in role expectations.

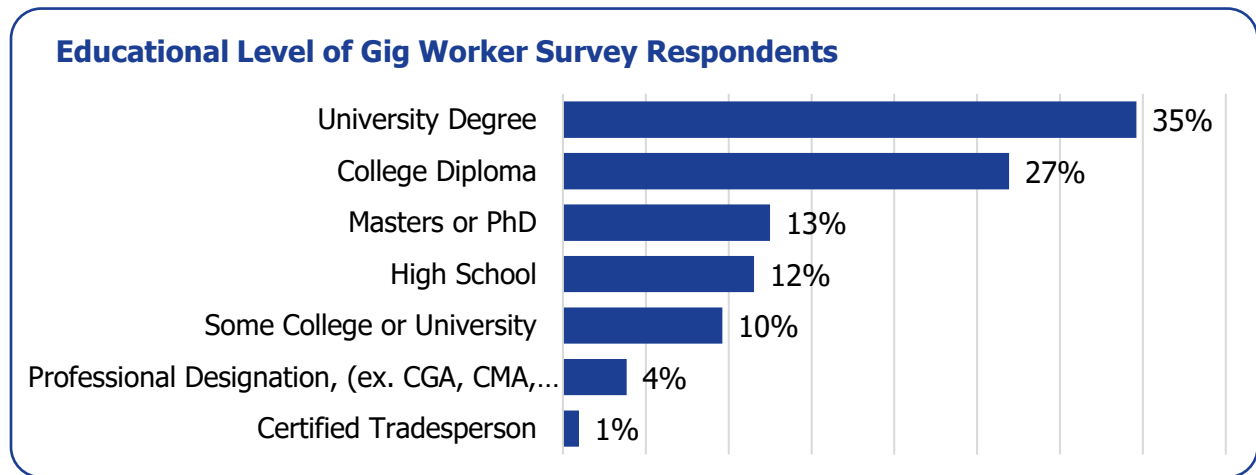
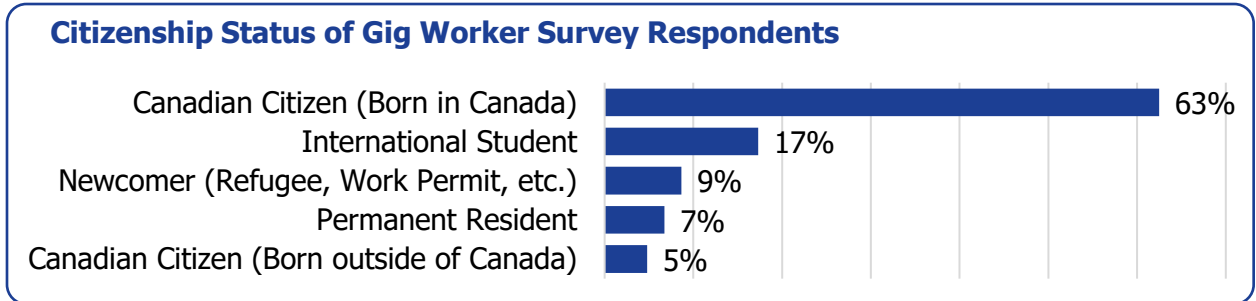
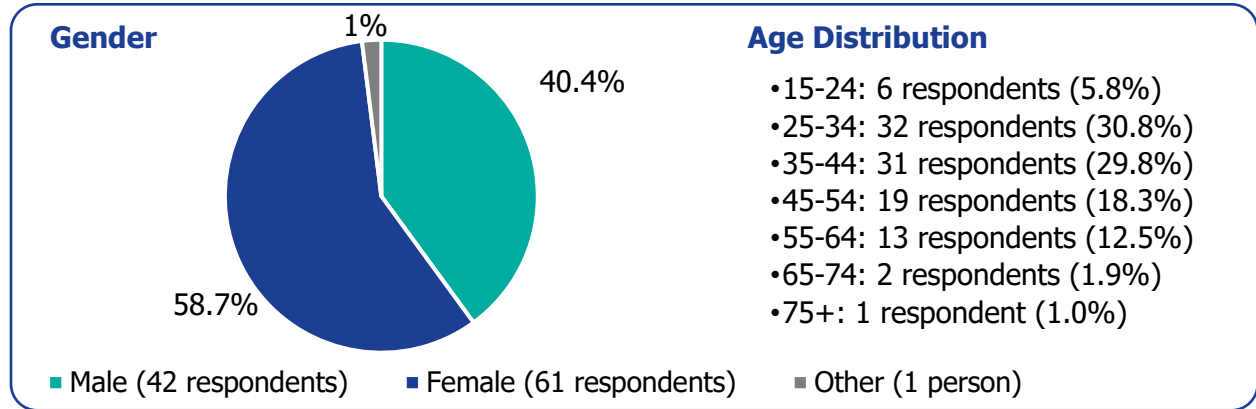
Impact on Organizational and Cultural Dynamics: The introduction of gig workers can reshape the dynamics and culture of the organization. Managing a team that includes gig workers calls for strategic schedule coordination and clear communication protocols, especially during peak business periods to avoid disrupting existing team dynamics.



Analysis of Gig Worker Survey: Employee Perspective

Demographic Profile

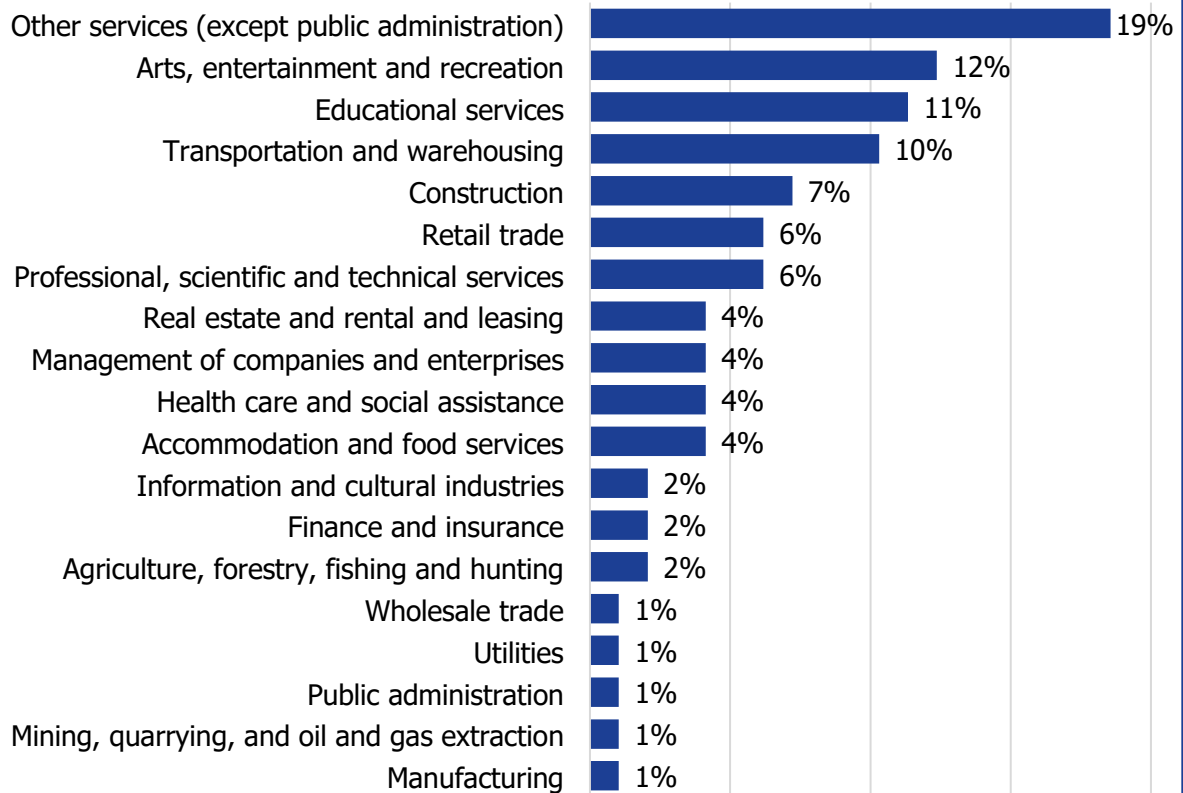
Based on the survey findings, the majority of gig workers identified as women, held Canadian citizenship and had attained either a college diploma or a university degree. In terms of primary language, English was the predominant choice among participants (71.2%). Spanish emerged as the next most common language (14.4%), followed by bilingual individuals (10.6%). Other languages were reported by smaller percentages, with French being spoken by 1.0% of participants and other languages by 2.9%.



Work Conditions and Industries

The gig workers surveyed predominantly engage in service-oriented sectors (19%), receive compensation based on task completion (40%), incur an entry cost of \$250 CAD or less into the gig economy in 50% of cases, and operate under verbal agreements or no contracts in 61% of instances. The following table outlines the percentage distribution of gig workers across various industries based on their responses to the NAICS codes in Canada.

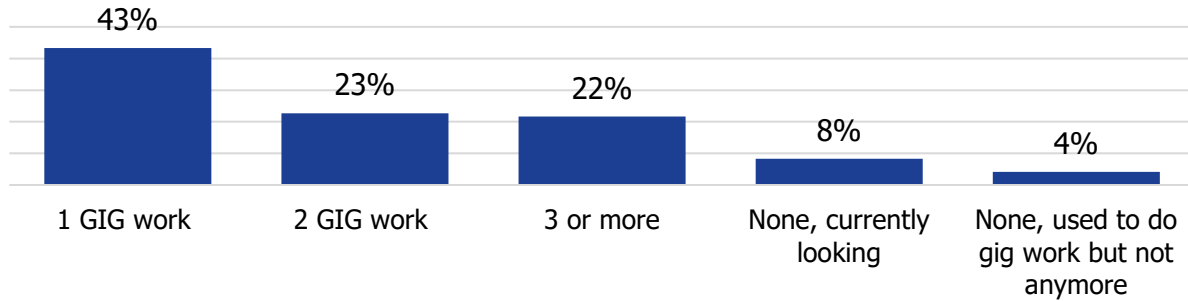
Industries Among Gig Workers



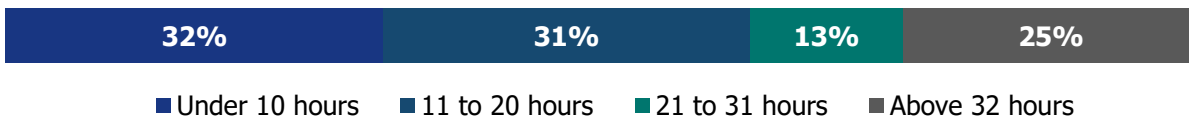
Work Experience and Current Situation

The survey found that 45.4% of respondents rely on Gig Jobs as their primary source of income, while 54.6% do not.

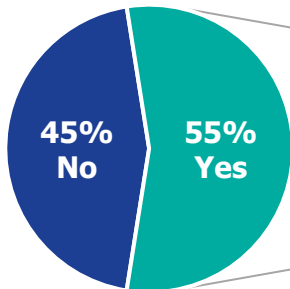
Number of Gig Jobs Held by Survey Respondents



Time Spent on Gig Work per Week by Survey Respondents



Participants Who Intended to Engage in Gig Work Temporarily Only



55% intended to engage in gig work only temporarily:

- 20% have been involved for 1-2 years
- 24% have been involved for 3-5 years
- 24% have less than a year of experience
- 30% have been engaged for more than 5 years

Reasons for continuing gig work:

- Inability to find full-time work (18.3%).
- Rise in the cost of living (18.3%).
- Enjoyment in this type of work (11.7%).
- Changes in personal circumstances (15.0%).
- Development of skills and opportunities (8.3%).

Main Reasons for Engaging in Gig Work among Survey Respondents

- Flexibility in work hours: 33.7%
- Marketable skills in demand: 26.9%
- Seeking purpose: 25.0%
- Increased income for basic needs: 24.5%
- Lack of full-time job opportunities: 21.2%
- Develop skills for advancement 19.2%
- Autonomy, no reporting to superiors: 19.2%
- Networking for career progression: 14.4%
- More money for extras (wants): 13.5%
- Tax write-offs: 7.7%

Factors Influencing Gig Workers' Work Conditions

Upon analyzing the work conditions of gig workers, we could observe certain factors that influence their experiences and decisions:

A large majority of respondents (67%) stated that payment frequency did not influence their choice of independent work.

The majority of respondents also noted that word of mouth was how gig work was found (34%), there were zero costs to entering gig work (30%), and most have a written contract (35%).

Frequency of Payment



Method of Finding Gig Work



Costs to Enter the Gig Economy



Type Contract/Agreement with Payer

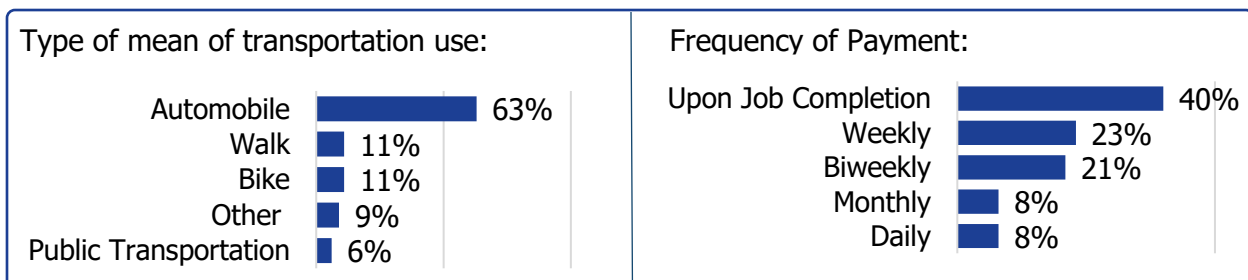


Transportation



Many respondents, accounting for 60%, indicated that transportation conditions did not influence their choice of current gig work, compared to 40% who stated that it did. Additionally, 23% mentioned rejecting a job on occasion due to transportation issues.

Below, the following charts provide a detailed overview of transportation preferences and payment frequencies from survey respondents.



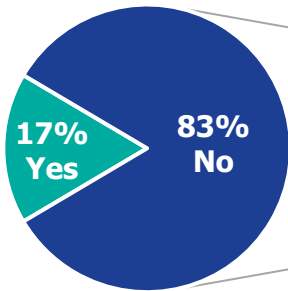
Community Engagement and Social Awareness

During the study, perceptions of gig workers in the Sarnia Lambton community regarding available support and formalization of their business activities were explored.

Business Formalization

Regarding the formalization of their business activities, 52.8% of respondents indicated being registered as a business with the CRA and having an HST number.

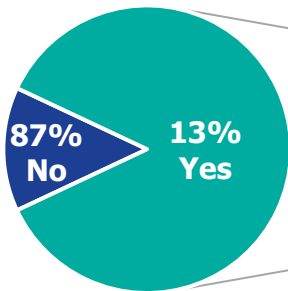
Awareness of Community Support



83% of respondents were not aware of available support in the community for gig workers.:

- Additional comments revealed potential sources of support, such as business development, employment, and service providers like CFIB and SLWDB.
- Some admitted to not fully utilizing community resources.
- Others emphasized the importance of programs like those offered by SLBDC to start or sustain their businesses.
- There were mentions of lack of eligibility or the absence of resources directly related to independent work.

Opinions on Local Support for Independent Workers



87% of respondents supported the idea of more local support for independent workers. Suggestions include:

- Access to affordable health benefits.
- Accounting and administrative assistance.
- Business development and contract negotiation skills.
- Coworking spaces and digital resources.
- Tax assistance and financial management.
- Professional training and transition to permanent work.
- Financial incentives and access to educational platforms.
- Grants and scholarship programs.

Recommendations

As we review the findings of our study on gig workers in Sarnia Lambton, the following recommendations can address the challenges and capitalize on the opportunities identified:

1. **Support for Gig Workers:**

- Create local support networks and online platforms for workers to share information and collaborate.
- Encourage entrepreneurship and ensure budding entrepreneurs have the necessary resources to succeed (knowledge, resources, and support).

2. **Talent Retention and Hiring:**

- Encourage businesses to provide professional development programs and additional benefits to retain gig workers.
- Promote flexible hiring practices and talent management strategies to integrate gig workers effectively.
- Explore new recruitment methods like referrals and professional networks to find gig workers.

3. **Overcoming Transportation Barriers:**

- Improve public transportation options and accessibility for gig workers through collaboration with local transportation authorities.
- Encourage the use of alternative transportation methods like biking or walking to reduce dependence on cars.

4. **Increasing Awareness and Access to Resources:**

- Raise awareness about available support services through informational campaigns.
- Organize workshops and online resources on taxes, business creation, entrepreneurship supports, grants, and digital marketing for gig workers.

5. **Strengthening Community Engagement:**

- Facilitate dialogue between independent workers, businesses, and government agencies to address concerns and promote collaboration.
- Organize networking events and mentorship programs to encourage community engagement and knowledge sharing.



Conclusion

Our study on gig workers in Sarnia Lambton has provided valuable insights into the dynamics, challenges, and opportunities of independent work in the region. The findings underscore the importance of creating supportive environments and implementing targeted interventions to enhance the well-being and success of gig workers.

Despite the benefits of gig work, such as flexibility and autonomy, gig workers in Sarnia Lambton face various challenges, including financial constraints, talent retention, and transportation barriers. Addressing these challenges will require a collaborative effort from government agencies, businesses, community organizations, and gig workers themselves.

By implementing the recommendations outlined in this report, stakeholders can work together to build a more inclusive, resilient, and supportive ecosystem for gig workers in Sarnia Lambton. Through collective action and ongoing dialogue, we can create opportunities for gig workers to thrive and contribute to the economic and social vitality of our community.

We express our gratitude to all participants, stakeholders, and partners who contributed to this study and remain committed to supporting the needs and aspirations of gig workers in Sarnia Lambton.



SARNIA LAMBTON WORKFORCE DEVELOPMENT BOARD

265 Front Street North, Suite 504

Sarnia, Ontario | N7T 7X1

Telephone: (519)-332-0000

Email: info@slwdb.org