



Should You Offer Bonuses To Your Gig Workers? That Is The Question.

Insights

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Prior to the explosion of the gig economy, many workers sought fulltime, traditional employment options. Many of these individuals wanted a salary, benefits, and overall employment stability. Nowadays, however, many workers are reconsidering the traditional employment model. They enjoy the flexibility of the gig economy, which allows them to become entrepreneurs or to simply earn supplemental income. The gig economy has not only influenced workers, but businesses as well – and not just start-ups. Organizations have learned that using gig workers for specialized tasks can be a cost-effective solution. Sometimes gig workers are retained for simple projects, where simply completing the task is all that is necessary. However, for more complex jobs, the quality of the work completed is critical. This begs the question: how are businesses deciding who will handle these complex tasks, and how can you ensure quality work is being performed?

According to a recent study by JP Morgan Chase & Co., many gig workers leave the gig economy in less than one year. This can lead to inconsistent work product, particularly for complex tasks. There are two groups of gig workers who are more likely to leave the gig economy within one year. The first group consists of individuals who are high wage-earners. These individuals typically have full-time jobs, and are only using the gig economy to supplement their income. The second group is comprised of individuals who are 34 years of age or younger.

In an effort to achieve more consistent work product, some companies are now offering performance bonuses to gig workers. This concept is not uncommon in a traditional employment context, but it is a novel concept for the gig economy. According to a recent article from TLNT, some of the following ideas might help employers achieve more consistency and better quality.

- **Early Delivery Bonus**—Where timing is of the essence, it may be prudent to offer a small bonus for gig workers who deliver quality work in a timely manner.
- **Cost Control Commission**—When a gig worker helps you generate cost savings, you might consider offering the worker a small percentage of the savings.
- **Rubric-Based Quality Bonus**—You may also provide a rubric to gig workers, so the workers will understand how their performance will be measured.
- **Retention/Repeat Worker Bonus**—If there is a gig worker who provides particularly good work for you, incentivizing them for repeat work might lead to continued high-quality work.

These ideas to incentivize workers may not be feasible for every gig. However, for those projects that are particularly time sensitive, or complex, providing incentives may be helpful in achieving consistent work product that is commonplace in traditional employment models.