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When gig workers become essential: Leveraging customer moral self-awareness beyond COVID-19

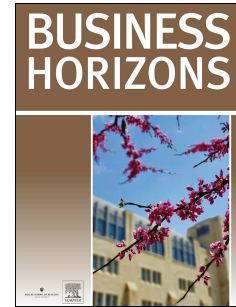
Julian Friedland, David B. Balkin

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**When gig workers become essential:
Leveraging customer moral self-awareness beyond COVID-19**

Julian Friedland*
School of Business
Metropolitan State University of Denver
Campus Box 79
Denver, CO 80204
U.S.A.
friedlan@msudenver.edu

David B. Balkin
Leeds School of Business
University of Colorado at Boulder
Campus Box 419
Boulder, CO 80309
U.S.A.
david.balkin@colorado.edu

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Abstract

The COVID-19 pandemic has intensified the extent to which economies in the developed and developing world rely on gig workers to perform essential tasks such as health care, personal transport, food and package delivery, and ad hoc tasking services. As a result, workers who provide such services are no longer perceived as mere low-skilled laborers, but as essential workers who fulfill a crucial role in society. The newly elevated moral and economic status of these workers increases consumer demand for corporate social responsibility regarding this stakeholder group – specifically for practices that increase worker freedom and rewards. We provide algorithmic tools for online labor platforms to meet this demand, thereby bolstering their social purpose and ethical branding while better protecting themselves from future reputational crises. To do so, we advance a managerial strategy rooted in moral self-awareness theory in order to leverage customers' virtuous self-perception and increase gig-worker freedom.

KEYWORDS: Algorithmic fairness; Ethical branding; Moral self-awareness; Well-being; Workplace justice

1. From instaserfs to essential workers

The extent to which economies in the developed and developing world rely on gig workers has grown exponentially in the space of a few years. Personal transport, food and package delivery, and ad hoc tasking services such as Uber, Lyft, GrubHub, Instacart, and TaskRabbit now play a pivotal role in the gig economy, particularly in the US context – the primary focus of this paper – where 34 percent of workers operate in this sector (Pickard-Whitehead, 2021). In the UK by comparison the gig economy represents about 10 percent of the workforce (Fennell, 2022). The growth of the gig economy has occurred so rapidly that several online labor platforms have emerged to dominate these markets, allowing them to dictate the terms according to which suppliers and buyers of gig labor in the market interact (Grey & Suri, 2019). While this has generally worked to the advantage of consumers, who now have a plethora of options for outsourcing menial tasks at a moment's notice, increased algorithmic control has also tended to produce anxiety and frustration in gig workers (Rahman, 2021) commonly characterized in the media as disempowered "instaserfs" pre-pandemic (Kuhn & Maleki, 2017).

In the wake of COVID-19 however, gig workers are increasingly perceived as essential workers who fulfill a crucial role in society. Indeed, many now sustain vital supply chains to provide food, medicines, clothing, house cleaning, home care, and other critical goods and services to people under emergency or crisis conditions such as the COVID-19 pandemic, power outages, or in the aftermath of extreme weather events (Brammer, Branicki, & Linnenluecke, 2020). They have even at times been touted as heroic, given that they willingly take on greater physical and health risks so that other and more vulnerable members of society may avoid exposure.

The newly elevated moral and economic status of essential gig workers significantly raises consumers' sense of appreciation and obligation toward them, creating increasing demand for social responsibility regarding this stakeholder group. We show how online labor platforms can leverage this demand by activating the moral self-awareness of their customers, (Friedland, 2019) thereby increasing consumer and gig worker satisfaction and expanding or solidifying their market position via strengthened ethical branding (Berthon, Ferguson, Pitt, & Wang, 2021). To do so, we advance a managerial strategy rooted in moral self-awareness theory (Friedland & Cole, 2019) in order to activate consumers' virtuous self-perception.

In the post-pandemic workplace, a majority of employees who worked remotely from home during the pandemic have a preference to continue doing so on a hybrid work schedule – balancing in-person and remote work on a weekly basis – when restrictions are relaxed and employees return to the office. A recent survey of U.S. workers found that 42 percent of employees indicated that they would quit if long-term remote options were not provided (Prudential, 2021). If this occurs, a significant number of these workers may take up gig-work upon departing, which is likely to increase pressure on the government for enacting legislation and creating regulations to improve the pay, benefits and job security of gig workers. Such trends are being reinforced by a new federal regulatory philosophy, which aims to provide gig workers with new entitlements by classifying them as employees so they can enjoy the advantages provided to workers who have employee status in the workplace. As such, U.S. Labor Secretary Marty Walsh indicated in a speech that he believes some gig workers should be classified as employees so they are eligible for benefits and protection from labor laws that include the right to have union representation (Brown, 2021).

Still, most gig workers enjoy the flexibility and freedom that their positions afford them. This tension makes it difficult for any regulatory approach to find a comfortable middle ground between job security and worker freedom. On the one hand, it runs the risk of proving overly burdensome to business and restrictive of employee freedom, and on the other hand of not doing enough to protect those workers who have come to rely on the gig economy as their main source of income. We therefore support regulatory approaches that effectively protect workers while preserving their ability to retain independent contractor status (see section 6). Our complimentary innovative approach allows gig work platforms to take the lead by engaging consumers' moral reflection to help decide how to improve the economic well-being of their workers, instead of relying solely on the government to legislate the solution subject to the law of unintended consequences (Thacker & Artlett, 2012). We offer a path toward increasing gig worker well-being and customer satisfaction via aptly-designed mobile applications that leverage the motivational power of moral self-reflection, which is rooted in our innate desire to maintain a positive moral self-image (Friedland, 2019). We provide algorithmic tools by which customers are empowered to acknowledge and take ownership of their shared responsibility toward the gig workers they depend upon. The proposed policies will span the full range of the four stages of moral self-awareness (MSA) and will increase in intensity as customers demonstrate behaviors consistent with readiness for attainment of higher stages of awareness culminating in broader concern for the common good.

2. The reputational vulnerability of dominant gig-work platforms

Gig-work platforms are particularly vulnerable to consumer backlash, given that their workers are increasingly perceived as an essential part of the local sharing economy. This local sharing aspect gives the business model a communitarian identity in which social responsibility via consumer engagement becomes an essential component of business activity (Nadeem, Juntunen, Hajli, & Tajvidi, 2021). As a result, consumer backlash can be all the more severe when the social compact is seen as flouted via irresponsibility toward workers, the environment, or society. Embedding MSA framing as we suggest across increasingly dominant gig-work platforms can help strengthen ethical branding, thereby helping guard against the severity of future reputational crises.

Gig-work platforms such as Mechanical Turk (owned by Amazon) that are susceptible to customer scrutiny are rapidly approaching monopsonistic dominance in different consumer markets (Gray & Suri, 2019). At the same time, innovative competing platforms often subsist. This makes the dominant ones particularly vulnerable to reputational losses when scandals occur, as morally outraged customers may react with app-deletion campaigns on social media that may cost the target company to lose valuable market share. For example, an app-deletion campaign happened to Uber in 2017 resulting in Uber's loss of US market share to its competitor Lyft, whose share jumped to 33 percent in a single year, up from only 10 percent two years prior (Leskin, 2019). This debacle occurred because conscientious customers had already started migrating to Lyft and were looking for a reason to delete the Uber app after years of perceived social irresponsibility. This created a tinderbox of consumer ire that exploded with the delete Uber campaign when a negative reputational tipping point finally occurred (Isaac, 2017). As a result, Lyft's US market share has nearly tripled – currently holding at 29 percent – in large part because of the platform's greater perceived social responsibility. The company screens its drivers more carefully with two initial background checks for all drivers compared to a single check for

Uber (Davis, James, & Perez, 2021). Lyft has always run an additional yearly check, whereas Uber initially only did so every two years, later increasing to yearly in 2017 after its reputational crisis (O'Brien, 2018). Lyft is also generally perceived to be more generous as it pays drivers more per ride (Meiggs, 2021) and pioneered in-app driver tipping, a policy later adopted by Uber as well after the deletion campaign.

Unlike regular professionals, gig workers are far more subject to compromising working conditions, leaving the platforms they work for with greater exposure to associated reputational crises. Consequently, such firms may stand to gain reputational advantage from leveraging consumer MSA via some of the digital engagement tools we describe below.

3. Workplace justice implications

3.1. Gig worker vulnerability

Gig workers are classified as independent contractors, i.e. freelancers. As such, they are not considered regular employees, a classification that confers a host of legal rights and entitlements. Regular employees in the US have the legal right to receive the federal minimum wage of \$7.25 per hour, overtime pay which is 1.5 times the base wage rate for each hour that is in excess of 40 hours per week, and employer-provided benefits coverage. These benefits include unemployment insurance, workers compensation, and social security that are legally required for all employees. In addition, employees are likely to receive discretionary benefits provided in the benefits package such as health insurance, paid sick leave, vacation days, and retirement benefits. (Watson, Kistler, Graham, & Sinclair, 2021). Gig workers in the U.S. however, are not entitled to any such benefits because of their legal status as independent contractors (Flinchbaugh et al., 2021). While independent contractors are free to schedule their own work hours, and enjoy greater flexibility by being self-employed without having to report to a supervisor or conform to company work rules or methods, they bear substantial economic disadvantages, particularly when performing low-skill work, which pertains to the majority of gig workers. As independent contractors, gig workers in the US are likely to lack bargaining power to negotiate favorable economic terms vis á vis the company and are likely to end up with pay, benefits and working conditions well below that received by employees with standard work arrangements doing similar work (Spreitzer, Cameron, & Garrett, 2017).

Paradoxically, the enactment of a new labor law that would reclassify the status of essential gig workers as employees so they would be eligible for economic entitlements, as suggested by Labor Secretary Walsh, might not be viewed as beneficial by the majority of US gig workers since they would stand to lose much of the independence and flexibility of being independent contractors that attracted them to gig work from the start. As independent contractors, gig workers have abundant freedom to work flexible hours at their preferred location, and to take breaks from work or have time off that suits their personal lifestyle. (Watson et al., 2021). An international McKinsey study found that roughly 30 percent of gig workers preferred their freelance status as primary income while another 30-40 percent preferred the work as casual supplementary income (2016). As a result, we believe that many U.S. gig workers are likely to oppose a law that changes their employment status at the cost of their independence. For example, a recent survey of California gig workers indicated that a majority of respondents approved of a recent proposition that passed in a state election that clarified the definition of gig

workers as independent contractors (Straight, 2021). The approach we advance does not risk relinquishing these advantages by becoming employees under managerial control. Instead, it focuses on raising the awareness of gig-work customers together with executives that manage online labor platforms and boards of directors that represent stakeholders' interests, to have a greater appreciation for the valuable services that gig workers provide to society. We expect that when consumers, executives and boards have better awareness and appreciation of gig workers' contributions, improvements in their economic security will follow.

The pandemic during 2020-2022 shined a spotlight on the essential services provided by gig workers who were previously taken for granted by consumers. As a token of society's gratitude for the contributions of essential workers, about one third of US states have used COVID-19 relief aid to provide monetary bonuses to essential workers who remained at the workplace to perform their critical work. Gig workers were included in the bonus program. For example, Pennsylvania used \$50 million in federal aid to provide a temporary \$3 hourly wage increase to workers earning less than \$20 per hour. The bonus money was allocated to essential workers in fields such as health care, food products, cleaning services and private security (Lieb, 2021). Our aim is to leverage this rising social awareness to advocate the need for online labor platform leaders and social influencers to market new application tools that motivate customers to repay essential gig workers with their generosity and kindness.

Gig workers who provide rides as Uber drivers to clinics or emergency rooms for healthcare needs or make food deliveries for Amazon Prime or Instacart for individuals under quarantine from a positive COVID-19 test are vulnerable in a number of different ways. On days when few people are requesting rides or food deliveries, Uber and Instacart drivers suffer a loss of income since they still have to cover the recurring cost of maintaining their vehicle and insurance coverage (Ravenelle, 2020). When business picks up, drivers who receive requests to provide rides or to deliver groceries in unsafe circumstances or unfamiliar neighborhoods may need to make quick decisions on whether to accept the risk to provide the service or turn it down. As freelance contractors, they are unlikely to be covered by workers' compensation if an accident occurs and therefore will probably lose income while recovering from an injury or exposure to COVID-19 in the line of work.

Nursing homes now also rely on gig workers to fill in on short notice for regular staff recovering from illnesses brought on by the virus or quarantined to avoid infecting other caregivers and residents. Caregivers performing as gig workers are likely to have less than adequate health insurance or paid sick leave and must make do with low wages (Eaton, 2020) while heroically providing care and support to elderly residents who are fighting for their lives. This disturbing situation cries out for a remedy to restore moral and economic justice to workers who are risking their lives to help others in urgent need (Bapuji, Patel, Ertug, & Allen, 2020). The moral and economic injustice of essential gig workers can best be described in distributive and procedural terms.

3.2. Distributive justice

A perception of the gig workplace through the lens of distributive justice (Colquitt et al., 2001; Cropanzano, Bowen, & Gilliland, 2007) reveals the moral underpinnings of contexts in which essential gig workers expect to receive a fair distribution of economic rewards in proportion to the considerable value that their work represents to the customer. According to distributive

justice theory, the rule of equity (e.g., an expectation of a fair distribution of rewards) should be used by organizations as a basis to allocate economic outcomes that reflect the value of an individual's contribution to the party that receives the benefits from the gig labor (Greenberg, 1990). The distributive justice framework reasons that when gig workers perform essential tasks, particularly during public crises or when performing critical services to individuals in need – such as delivering medication or prepared meals to parents juggling work and educating children at home – the economic reward for the gig labor should reflect the perceived value of the service that is provided to the requesting party based on the equity rule (Rupp et al., 2017). For example, gig-work labor platforms should explicitly guarantee that 100 percent of tips will go to the workers, which is sometimes not the case. Further options harnessing the motivational power of moral self-awareness are discussed in the following section.

When customers provide inequitable tips to gig workers who deliver food or medications, the workers experience underpayment compared to their counterparts who receive better tips from socially responsible customers (Cropanzano, Byrne, Bobocel, & Rupp, 2001). When inequitable tips are perceived to be unfair, this can lead to righteous indignation (Fiesler et al., 2019; Barling, Dupré, & Kelloway, 2009). Consequently, gig workers experiencing inequity due to underpayment may enact counterproductive work behaviors such as speaking to customers in an uncivil manner, providing incomplete food orders purposely to customers, or posting negative and insulting reviews on social media with the intent to harm the online platform's reputation (Adams, 1965; Greenberg, 1990). However, platforms that inform customers in advance with clear guidelines for the provision of equitable tips can minimize harm to both customers and the platform triggered by inequitable tips (Aguinis, Villamor, & Ramani, 2021).

3.3. Procedural justice

The construct of procedural justice focuses on the need for fair processes that result in decision outcomes that affect gig workers, including work assignments, rewards, and performance ratings (Colquitt, et al., 2001). Procedural justice is promoted when the platform or the party that contracts for gig labor provides procedures for gig workers to have input into the decision making-process or have voice over outcomes when they appear to be unfair. A fair process is one that is free of bias, consistent in the way it treats gig workers, based on accurate information, and provides a procedure to correct decisions that are in error (Cropanzano et al., 2007; Leventhal, 1980). When gig workers experience higher levels of procedural justice by being included in the decision-making process and having voice over the outcomes, their freedom is enhanced and so no longer feel as if trapped in an invisible algorithmic cage, which is all too commonly the case as revealed in a recent comprehensive study (Rahman 2021). The study found that such frustrations stem largely from opaque worker evaluation systems. We therefore suggest how these may be improved below via greater transparency and algorithmic fairness.

It is right and proper for gig workers to enjoy a reasonable amount of freedom since they are classified under the law to be independent contractors and accordingly are expected to have control over how the work is performed for the party that uses the contracted labor. As such, gig workers benefit from myriad freedoms that would not be available to regular employees, including discretion to take spontaneous breaks for, say, a doctor's appointment or a child's athletic event; they can work at different locations that suit their needs on a specific day; and they have decision control over how the work gets done without being subjected to oversight by a supervisor which can even include making arrangements with a friend to do part of the work in

order to meet an impending project deadline. Freelancers can also compete directly with the platforms themselves by making future arrangements with their customers directly. Conversely, when gig workers have little control over how their work is performed, authorities are likely to perceive them as regular employees rather than contractors and thus entitled to all the legal rights and privileges pertaining to that classification under the U.S. labor law. We argue that it will be more beneficial to both the gig labor platform and the requesting parties who demand and utilize gig labor, if procedural justice over decision-making and work outcomes for the suppliers of gig labor is given a priority, so that gig workers experience a greater sense of control. A benefit for labor platforms is that such workers are likely to be retained longer, reducing uncertainty over the quality of workers. In addition, requesters of gig workers enjoying a greater sense of control are likely to attain increased consistency of work outcomes with a lower frequency of do overs from a more experienced gig labor supply.

Moral self-awareness theory offers a dynamic way forward for gig-work labor platforms to demonstrate their commitment to these evolving distributive and procedural justice norms by activating the moral engagement of their customers (Friedland, 2019).

4. Leveraging customer moral self-awareness via gig-work platforms

Moral Self-Awareness (MSA) is a 4-stage framework of evolving mindset informed by reflection on moral identity, namely what one's actions say about oneself given (a) the negative impact on others or society that one's action may effect, and (b) what one contributes to others and/or society by taking a given action (Friedland & Cole, 2019). As such, it is a powerful motivator of prosocial behavior that can be leveraged by designers and institutional clients of gig-work labor platforms to help mobilize customers to increase social responsibility and induce change against distributive and procedural injustices facing workers. Gig-work labor platforms providing essential services during and beyond pandemics can design their interfaces to include showing notices that act as cognitive speed bumps engaging consumer self-reflection (Ryan & Calo, 2013) which functions as part of 'system two', namely, the 'thinking slow' part of cognitive dual process theory (Kahneman, 2011). Doing so reinforces users' moral engagement while leading them up the chain of increasing MSA (Friedland, 2019). Below, we provide algorithmic tools whereby gig workers can benefit from increasing workplace justice while improving customer satisfaction and financial performance.

4.1. Social reflection

At the first level of awareness, *social reflection*, actors rely chiefly upon negative feedback from observers to guilt or shame them into improving their behavior. Think of imperatives like "Don't litter!" or "Don't honk!" Gig-work labor platforms can activate this mindset by highlighting specific ways of behaving responsibly for the safety and best interests of all parties. One way to do this would be via early tip-level commitments for food deliveries with the option of lowering payment upon delivery – in case the driver abuses the promise – known as tip-baiting, which the Instacart grocery delivery platform currently allows. The imperative from the online labor platform for providing negative feedback would be: "Honor your tip-level commitments!" Customers could be nudged to do so by a warning that their rates of follow through would be made public for future drivers to see. They could also be shown how much of their tip – ideally 100 percent – will go to the worker. Additionally, if customers choose not to honor a tip commitment, they could be asked to explain why and notified that this information will be

provided to the worker. Such showing notices function as cognitive speed bumps engaging customer self-reflection to ultimately preserve algorithmic fairness. Once customers have exhibited consistent responsible behavior, such notices could be relaxed.

4.2. Self-reflection

Repeated exposure to first-level feedback gradually leads to the second level of awareness, *self-reflection*, where actors become more reflective of the implications of their behavior. Rather than relying solely on outside observers to bring negative impacts on others to their attention, actors themselves start to take on the role as their own source of feedback – often following another person’s positive example to avoid a negative social impact. Think of observing someone taking the time to use the correct bins for recycling and compost – instead of carelessly tossing all their waste into the ones marked "landfill" – and thinking “Perhaps I should do that too.” Ride hailing platforms for example could engage this level of awareness by highlighting their policy that any rating below 5 stars will reflect negatively on the driver, as is currently the case at Uber and Lyft, which may be perceived as a procedural injustice inflicted on drivers (Kuhn & Maleki, 2017). Such a showing notice invites customers to reflect more carefully on the potential harm that a careless choice might cause. Additionally, the algorithm could allow drivers to weigh in on rides that occur under extenuating circumstances such as rude or hostile riders or unexpected traffic jams that delay arrival time. Such app tools would maintain procedural justice by increasing gig workers' sense of control while lowering their anxiety levels from the possibility of losing status over extenuating circumstances from no fault of their own. Ultimately, we recommend that evaluation criteria be transparent to both customers and workers. While it is understandable that platforms be tempted to resist entirely revealing their evaluation criteria in order to avoid workers potentially gaming the system, such criteria directly impact worker earnings by dictating their access to preferred trips and customers (Rahman, 2021). Workers and their customers have a right to know how performance is evaluated, especially given that opaque algorithms have been shown to potentially reflect structural or inherent racial, gender, or age biases (Dougherty, Wilson & Chowdhury, 2019).

4.3. Anticipatory self-reflection

Avoiding the negative impacts of one’s behavior gradually becomes habituated, leading to the third level of awareness, *anticipatory self-reflection*, where actors start to become forward looking, considering negative future impacts on others or oneself before acting. This forward-looking behavior often comes after self-reflection on prior behavior has led to an internal sense of guilt or shame. Think of acknowledging and correcting unhealthy habits in one’s children or acting to lower one’s carbon footprint, or gardening with fewer potentially toxic chemicals. Gig-work labor platforms can foster this level of awareness by offering tools for institutional clients and customers to lower their carbon footprints by highlighting green in-app options such as a hybrid or electric vehicle in an on-demand ride service. Ride hailing services already do this, while charging a higher fare for greener vehicles. Unfortunately, the extra income does not go to the driver, thereby offering no direct incentive to purchase such a vehicle. This may be perceived as a distributive and procedural inequity. Online labor platforms can rectify this by highlighting that the rate increase is shared with the driver to ultimately increase gig workers' sense of control while preserving both distributive and procedural justice. Customers who have consistently exhibited heightened MSA via previous conscientious in-app choices could be provided such options. Being reminded of one's past green purchasing behavior has been shown to increase future green purchasing decisions by leveraging pride and guilt-avoidance (Roe et al., 2019).

4.4. Proactive self-reflection

Increasing recognition of the future collective impacts of one's actions, ultimately leads to the fourth and highest level of awareness, *proactive self-reflection*, where actors become increasingly forward looking, considering not just their potential negative impacts, but their potential positive impacts and purposely engage in appropriate actions in order to realize those positive outcomes. At this highest level, individuals internalize the ideal of the self as potential hero rather than potential villain. Think of picking up someone else's litter or choosing to patronize local businesses or crowdfunded enterprises. Gig-work labor platforms could help activate this level of awareness by offering novel ways for customers to thank workers who go over and beyond expectations. User-preferred gig workers could be rewarded this way with the option to link a personal crowdfunding site for a college fund or other fundraising targets, thereby increasing their personal freedom via enhanced career options. Customers who have consistently exhibited heightened MSA via previous conscientious in-app choices could be offered an in-app tool to add such a gift to a particularly helpful or innovative gig worker. In a highly-publicized recent example, an Uber rider paid off his driver's unpaid college fees so that she could return to college and graduate (Kindelan, 2020; Elassar, 2021). At the same time, retail employees now garnering essential worker status post-pandemic have started to benefit from full college tuition reimbursement schemes at some of the nation's largest employers including Walmart, Target, and Starbucks, and Uber now offers full tuition at Arizona State University for all drivers who perform 3,000 trips (Reader, 2018). Allowing online platform customers to chip in to the college funds of individual gig workers as a reward for particularly good service, may be an apt way for dominant labor platforms to follow suit, thereby preserving distributive justice regarding their best workers.

The shortage of nurses during the pandemic illustrates that healthcare is an increasingly relevant business sector given that it now often relies on gig-work via apps like Medely to fill essential nursing positions during labor shortages in public health crises such as pandemics and natural disasters (Eaton, 2020). Platforms facilitating such employment contracts could encourage their clientele to use in-app tools to provide recruiting and performance bonuses to essential gig workers in order to help compensate them for working in stressful and risk-prone environments. Families of patients could also be offered ways to reward healthcare workers providing excellent care to their loved ones via a hospital visitor app. Such tools would in turn improve organizational performance as well as buttress ethical branding via increased distributive justice. The underlying characteristics of the four levels of moral self-awareness and examples of digital notifications sent to customers are provided in Figure 1.

[Insert Figure 1 About Here]

5. Synergistic benefits

Empowering customers to act socially-responsibly through their economic choices via convenient in-app tools will in turn influence workers to act in complimentary directions, thereby driving both social responsibility and financial performance while building the ethical branding capital needed to weather future reputational storms. For example, if customers are encouraged to promote fuel efficiency by choosing hybrid and electric vehicles – knowing that a portion of the higher fare will go to the drivers themselves – this will in turn encourage gig workers to

purchase such vehicles, thereby dramatically lowering carbon footprint while increasing drivers' return on investment. Similarly, introducing worker-freedom enhancement tools across the platform as described in Figure 1 above will improve morale via increased workplace justice and thereby help the labor platform to maintain or augment its market share through strengthened ethical branding (i.e., enhancing a company's reputation to the customer as a socially responsible organization).

A socially responsible approach also worked for Amazon.com when it developed a series of packing strategies aimed at reducing its carbon footprint. What followed was a reduction in the size, number, and packaging of its shipments that in turn, led to the improvement of shipping algorithms, optimization of the transportation network, and efficiency in storage and distribution. Ultimately, this saved the company millions of dollars (Green, 2017). Such an approach when buttressed by increasing MSA has also been shown to be effective in forging a broader organizational culture of social purpose (Friedland & Jain, 2020; Rauch & Ansari, 2021). Given the community-centered nature of the gig economy context, we believe these hold an even greater synergistic capacity for increased performance in gig-work labor platforms.

6. Innovation vs. regulation

We consider it important to avoid placing inefficient regulatory burdens on organizations by imposing 'one size fits all' laws that attempt to address labor shortages in a generic way. It may often be more efficient and more politically expedient to give organizations the flexibility to develop their own incentives to deal with labor supply shortages based on the unique economic conditions that each institution faces. In support of our position we point to a recent misguided attempt in California to enact a bill in 2021 to award \$7 billion of bonus pay to healthcare workers throughout the state who were deemed to be heroes in the law and deserving of higher pay during the pandemic. A bonus of \$10,000 in 2022 would have been distributed to each full-time healthcare worker in the state, with lesser amounts given to part-time workers in hospitals, clinics, and nursing homes. However, the proposed bill was defeated in the California state assembly (Gutierrez, 2021) due to a massive lobbying effort by hospitals that feared losing control of their labor costs. Similarly, a new California law passed in 2020 to ensure that gig workers should be considered independent contractors was later ruled unconstitutional the following year by court order and is currently under appeal (Conger, 2021).

Fortunately, effective regulations which improve working conditions while avoiding reclassifying gig workers as regular employees have avoided backlash. In the wake of Hurricane Ida in 2021, gig workers in New York City were lauded for continuing to deliver essential goods to needy residents. As a result, the city passed a package of new laws granting app-based couriers a number of basic working standards which they had collectively sought (Allegrì, 2021) including the following key improvements:

- Drivers can set a maximum distance per trip they travel and choose to not accept trips over bridges or in tunnels.
- Food delivery apps can't solicit a tip unless they disclose how much is paid to the delivery worker and whether or not it's available immediately or paid in cash.

- Apps have to credit gratuities to workers and notify how much was added and if a customer removed the tip and why.
- Food delivery services need to add a provision in contracts with restaurants that let couriers use bathrooms when the courier is picking up a delivery.

We support such regulatory labor protections in the U.S., which acknowledge the essential role gig workers increasingly provide to their communities while striking a balance between labor rights and freelance flexibility. Such rules clearly underscore the importance of transparency and worker freedom leveraged by our innovation-based approach. Other countries in which workers tend to enjoy more labor protections such as those in the EU and UK are moving forward to provide similar protections with additional core benefits enjoyed by regular employees such as the right to paid leave or improved access to protection against work accidents, unemployment and sickness benefits, as well as contributory old-age pensions (European Union, 2021; Butler, 2021). Furthermore, some gig-work platforms operating in those localities have even started to hire workers under standard contracts (McCulloch, 2021). Hence, it may well be possible in certain cases to improve business performance by switching to standard contracts while avoiding regulatory mandates (Berg & Johnston, 2019).

However, regularizing gig workers into standard contracts may prove more feasible within political economies that rely more on full-time contracts with stronger labor protections – such as the EU and UK – than in those where freelancers are more common and where employment-at-will is the default rule allowing either party to end the employment relationship at any time and for any reason. In contrast, jurisdictions adopting for-cause employment rules legally mandate justification and/or prior notice before either party terminates the relationship. Bhargava and Young (2021) argue that justifiability for such differences in public norms depends upon existing complementarities among the institutions that constitute the jurisdiction's political economy. Specifically, they maintain that liberal market economies depend more on disruptive innovation, which requires greater labor flexibility, as opposed to coordinated market economies that depend more on incremental innovation, requiring greater investment in developing firm-specific skills.

7. Conclusion

As legendary investor Warren Buffett once put it, “it takes twenty years to build a reputation and five minutes to ruin it. If you think about that, you’ll do things differently” (Cox, 2016). Buffett’s observation could not be more accurate when applied to essential services increasingly provided by dominant online labor platforms in the gig economy. Reputational damage there can result in mass app-deletion campaigns leading to cascading revenue losses with long-term if not permanent market-share reductions. Resilient ethical branding is essential to weathering reputational storms in this sector, given its local sharing identity which engenders communitarian norms. This aspect makes gig-work labor platforms well-disposed for leveraging the moral self-awareness of their customers who tend to perceive themselves as embedded within the same community as the workers they depend on. This bond becomes most evident during public health crises or extreme weather events when gig workers, who normally regard themselves as independent and thus less bound by traditional vocational commitments, are newly called upon to perform increasingly indispensable tasks. Gig-work labor platforms that activate the moral self-awareness of their customers will tap into an invaluable resource for strengthening their

brands by demonstrating their commitment to a shared social purpose that goes beyond mere financial interest.

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Figure 1. Raising customer moral self-awareness in four levels

	Social Impact Focus	Feedback Focus	Motivators	Digital Showing Notices/Tools Leading to	Worker Autonomy-Enhancement
Level 1 Social reflection	<ul style="list-style-type: none"> Negative, via others 	<ul style="list-style-type: none"> Negative Social 	<ul style="list-style-type: none"> Guilt Shame 	<ul style="list-style-type: none"> Customer tipping averages made available to gig workers prior to accepting task. Tip-adjustment explanations required and forwarded to workers. 	<ul style="list-style-type: none"> Workers given finer-grained choices to accept. Tip-baiting discouraged and workers given useful feedback to improve performance.
Level 2 Self-reflection	<ul style="list-style-type: none"> Negative, via reflection on outcomes achieved by others 	<ul style="list-style-type: none"> Negative Social Self 	<ul style="list-style-type: none"> Guilt Shame Pride 	<ul style="list-style-type: none"> Notice that any below-5 rating will reflect negatively on worker and may be contestable. Evaluation criteria made transparent to workers and customers. 	<ul style="list-style-type: none"> Lowered anxiety levels over losing status due to extenuating circumstances. Preserving algorithmic fairness including avoiding racial, gender, age bias.
Level 3 Anticipatory Self-reflection	<ul style="list-style-type: none"> Negative, via forward-looking consideration 	<ul style="list-style-type: none"> Negative Self 	<ul style="list-style-type: none"> Guilt Shame Pride 	<ul style="list-style-type: none"> Green options given with notice that percent increase goes to driver. 	<ul style="list-style-type: none"> Workers incentivized to purchase greener vehicles by sharing the green-fare percent increase.
Level 4 Proactive Self-reflection	<ul style="list-style-type: none"> Positive, via self-actualization of internalized values 	<ul style="list-style-type: none"> Positive Self 	<ul style="list-style-type: none"> Pride 	<ul style="list-style-type: none"> Special gifting options for workers exceeding expectations. 	<ul style="list-style-type: none"> Workers given more options for career development via educational funds.

Source: Adapted from Friedland (2019), Friedland and Cole (2019)