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Regulating the Digital Workforce: A Human Resource and Legal Agenda for Gig Workers

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ABSTRACT

The rapid expansion of the gig economy has redefined the traditional employer-employee relationship, creating a growing class of workers who operate outside formal labor protections. While gig work offers flexibility and autonomy, it often lacks stability, social security, and career development, raising concerns about fairness, inclusion, and sustainability. This theoretical paper examines the intersection of Human Resource Management (HRM) and labor law in addressing the systemic issues faced by gig workers. Drawing on institutional theory, stakeholder theory, and social justice frameworks, the study conceptualizes a dual agenda that reimagines how gig workers can be better managed and protected. On the HRM front, the paper proposes integrating inclusive practices such as performance feedback, fair task allocation, virtual engagement systems, and co-created learning opportunities into platform design. From a legal standpoint, it advocates for revisiting labor classifications, expanding social protection coverage, and formally recognizing gig worker representation and voice. The proposed conceptual framework offers a pathway toward hybrid workforce governance, blending flexibility with fairness through collaborative policy and organizational innovation. By highlighting the shared responsibilities of platforms, policymakers, and workers, the paper calls for a new social contract that goes beyond the binary of contractor versus employee. It contributes to emerging discourse on the future of work by emphasizing that both HRM strategies and legal reform must co-evolve to ensure dignity, equity, and economic security in the digital labor economy. The paper concludes with directions for future empirical research and implications for platform governance, labor law, and inclusive HR policy.

Keywords: Gig economy, labor law, freelance work, social protection, inclusive employment, digital labor, employee rights.

1. INTRODUCTION

The gig economy has rapidly emerged as a defining feature of the modern labor market, providing flexible and task-based employment opportunities that transcend traditional organizational boundaries. In Pakistan, the rise of digital platforms such as Careem, Bykea, Foodpanda, and global freelancing sites like Upwork and Fiverr has opened new avenues for income generation, particularly for the country's burgeoning millennial population. With over 60% of the population under the age of 30, Pakistan has witnessed a generational shift toward non-traditional work models driven by autonomy, digital literacy, and limited access to formal employment avenues (Arshad & Karim, 2022; PIDE, 2021).

Millennials, who are often tech-savvy and entrepreneurial, are increasingly engaging in freelance work, ride-hailing, content creation, and other forms of platform-based labor. However, this shift has also exposed them to a range of vulnerabilities. Most gig workers in Pakistan operate without formal contracts, performance feedback systems, social protection, or access to legal safeguards. The classification of these workers as "independent contractors" rather than employees allows platforms to bypass traditional HR responsibilities and evade labor law compliance (Qureshi & Syed, 2023). This has created an institutional void that undermines job security, fairness, and the dignity of work.

This theoretical paper seeks to explore how Human Resource Management (HRM) and labor law can collaboratively address the structural exclusions faced by gig workers in Pakistan, particularly millennials. It draws on institutional theory, stakeholder theory, and social justice perspectives to propose a dual framework: one that advocates for inclusive HRM strategies and another that urges legal reform to recognize and protect gig workers. The paper is structured to first explore the theoretical underpinnings, then contextualize millennial gig work in Pakistan, examine current HRM and legal challenges, and finally propose an integrated agenda for fairness, inclusion, and sustainability in the digital labor economy.

1.1 Theoretical Foundations

Understanding the complex dynamics of gig work in Pakistan, particularly for its millennial workforce, requires a multidimensional theoretical lens. This paper draws upon Institutional Theory, Stakeholder Theory, and Social Justice and Equity Theory to frame the challenges and propose a conceptual roadmap for HRM and legal reforms. Together, these theories offer an integrated understanding of why gig workers remain excluded from traditional employment protections and how organizational practices and public policies can evolve to create a more equitable labor landscape.

1.2 Institutional Theory

Institutional theory posits that organizational behavior is not merely a function of efficiency but is also shaped by the norms, rules, and cultural expectations embedded in a society (Scott, 2014). In the context of employment, institutions both formal (e.g., laws, regulations) and informal (e.g., norms, professional standards) govern how labor is structured, managed, and rewarded. In

Pakistan, formal labor institutions such as the Employment of Workmen Act (1965), the Industrial Relations Act (2012), and the Employees' Old-Age Benefits Institution (EOBI) were originally designed for factory or office-based employment relationships. These legal frameworks assume a binary employment model (employer-employee), leaving little room for alternative classifications like platform workers, freelancers, or dependent contractors. Consequently, gig workers in Pakistan fall into an institutional blind spot where they are neither fully protected as employees nor fully autonomous as entrepreneurs (Qureshi & Syed, 2023).

Informally, social norms regarding "stable jobs" still prioritize government or corporate employment, contributing to the marginalization of gig work as transitional or "non-serious." Yet, many Pakistani millennials actively choose gig work as a long-term income strategy due to job scarcity, educational mismatch, or preference for flexible schedules (PIDE, 2021). Institutional theory highlights that unless labor laws and HRM models evolve to reflect these realities, gig workers will continue to operate in precarious conditions.

The theory also supports the argument that organizations, including platform companies, adopt structures that gain legitimacy in the eyes of regulatory bodies, society, and consumers (DiMaggio & Powell, 1983). If inclusive HRM practices (e.g., performance feedback, training, benefits) become institutional norms, companies will be pressured to integrate them not only for competitive advantage but to maintain legitimacy. This underscores the need for both regulatory reforms and shifts in professional standards within the HRM community in Pakistan.

1.3 Stakeholder Theory

Stakeholder theory, proposed by Freeman (1984), expands the notion of organizational responsibility beyond shareholders to include all groups affected by organizational actions: employees, customers, suppliers, communities, and, in this case, gig workers. It emphasizes that sustainable value creation requires balancing the interests of all stakeholders, not just maximizing profit.

Gig workers, although essential to the operation of digital labor platforms, are often denied stakeholder status due to their classification as "independent contractors." They have limited access to communication channels, decision-making processes, or organizational redress mechanisms. For Pakistani millennials working on platforms such as Careem, Foodpanda, or freelance marketplaces, the absence of a structured HR interface leads to invisibility, lack of voice, and psychological detachment from the platform they serve (Arshad & Karim, 2022). Stakeholder theory provides the ethical and strategic rationale for gig-inclusive HRM systems. By recognizing gig workers as internal stakeholders, albeit on non-traditional contracts, organizations can develop systems that promote feedback, transparent performance assessment, health and safety protections, and fair task distribution. It also aligns with the broader global movement toward Environmental, Social, and Governance (ESG) compliance, where labor fairness is considered a social responsibility metric.

In Pakistan's context, this perspective encourages platform companies to move beyond minimal legal compliance and embrace proactive HRM strategies that

reflect their dependence on millennial gig workers. Moreover, public policy guided by stakeholder principles can incentivize platforms to offer voluntary contributions to social protection schemes, provide upskilling opportunities, and include gig representatives in consultative processes.

1.4 Social Justice and Equity Theory

Social Justice Theory, rooted in the work of Rawls (1971), centers on the idea that fairness must be embedded in institutional structures and that inequalities are only acceptable if they benefit the least advantaged. Equity Theory (Adams, 1965), commonly used in organizational psychology, focuses on perceived fairness in the distribution of outcomes (e.g., pay, recognition) and the processes that lead to them.

Together, these theories frame the gig economy as an arena where distributive and procedural justice are often lacking. Gig workers in Pakistan face disparities in pay (based on algorithmic task allocation), lack access to fair dispute resolution, and often have no recourse against arbitrary deactivation or negative ratings (Qureshi & Syed, 2023). Millennials, despite being digitally adept and resourceful, frequently experience under-compensation, job insecurity, and social invisibility all of which violate principles of justice and equity.

These issues are exacerbated in the absence of protective HR policies or legal mechanisms. For example, a millennial freelancer working full-time hours on a global platform might receive no health coverage or guaranteed minimum income, while also bearing the cost of equipment, connectivity, and self-training. The systemic nature of these inequities calls for both organizational change and legal reform. Social justice theory compels HRM systems to move beyond transactional approaches and recognize gig workers as individuals entitled to dignity, recognition, and participation. In practical terms, this could translate into HRM practices such as transparent algorithms, fair workload distribution, recognition schemes, and mental health support systems. Legally, it suggests the need for inclusive labor standards that ensure all workers, regardless of contract type, have access to basic protections, such as social security, collective representation, and grievance redressal.

In the Pakistani context, where income inequality, informal employment, and youth underemployment are pressing challenges, the application of social justice and equity principles is not only morally necessary but also crucial for social stability and economic inclusion. The growing discontent among precarious workers, especially millennials, could become a source of unrest if their economic contributions continue to go unrecognized and unsupported.

2. Millennials and the Gig Economy in Pakistan

2.1 Demographic Significance of Millennials in the Pakistani Workforce

Pakistan is experiencing a youth bulge, with approximately 64% of its population under the age of 30 (UNDP, 2018). Among this cohort, millennials, broadly defined as individuals born between 1981 and 1996, constitute a vital segment of the national labor force. This generation is more digitally literate, urbanized, and connected than previous generations, and is reshaping the nature of

work in Pakistan. According to the Pakistan Bureau of Statistics (2022), over 60% of the labor force entering the job market annually belongs to this demographic group. Yet, the country's economic structure has failed to absorb this massive influx into formal employment. With limited job creation in the public sector, saturated private industries, and underdeveloped vocational training systems, many millennials are increasingly turning to gig work as a viable alternative. Gig platforms such as Careem, Foodpanda, Bykea, Upwork, Fiverr, and Daraz have become informal employment hubs where millennial workers seek flexible, task-based, and digitally mediated work arrangements. This trend reflects not only a structural economic response to youth underemployment but also a generational shift in work expectations and career preferences (PIDE, 2021). This demographic transformation has profound implications for both Human Resource Management (HRM) and labor policy in Pakistan. Understanding millennial attitudes, values, and vulnerabilities is essential for designing inclusive HR practices and regulatory frameworks that protect and empower gig workers within this emerging employment ecosystem.

2.2 Motivations: Flexibility, Autonomy, and Income Diversification

Several interrelated factors motivate Pakistani millennials to participate in the gig economy. Chief among these is flexibility. Traditional jobs in Pakistan often involve rigid working hours, hierarchical structures, and lengthy commutes, factors that clash with the millennial preference for autonomy, adaptability, and work-life balance (Arshad & Karim, 2022). Gig work allows millennials to choose when, where, and how much they work, providing a level of control that is often unavailable in formal employment. Autonomy is another key driver. Millennials in Pakistan, particularly those with entrepreneurial aspirations or creative skills, are drawn to freelancing, digital content creation, and platform-based services because they allow for greater self-direction and ownership. Platforms like Upwork and Fiverr empower young people to market their skills, set their rates, and work for international clients, bypassing local job scarcity and nepotism in recruitment processes.

Additionally, gig work offers a pathway for income diversification in an economy characterized by volatility, inflation, and limited job security. Many millennials engage in gig work alongside full-time study, part-time jobs, or household responsibilities, using it as a supplementary income stream. For women, especially in urban centers, gig work also presents a culturally viable option for earning from home while navigating traditional gender roles (Shehzad et al., 2021).

Moreover, the digital infrastructure supporting the gig economy, including mobile banking, freelancing platforms, and e-commerce logistics, has made it easier for youth to access, participate in, and earn from the digital labor market. Government initiatives such as the DigiSkills Program, National Freelance Training Program (NFTP), and e-Rozgaar have further legitimized gig work as a career pathway by providing training and certification, although access remains uneven across regions. In sum, Pakistani millennials are not merely passive participants in the gig economy; they are active agents responding to structural economic

constraints and personal aspirations through flexible and digitally enabled work arrangements.

2.3 Challenges: Lack of Benefits, Instability, and Social Invisibility

While the gig economy presents important opportunities, it also exposes millennials to structural vulnerabilities that stem from the informal and unregulated nature of platform-based work in Pakistan. The most pressing challenge is the lack of employment benefits. Unlike traditional employees, gig workers typically do not receive health insurance, paid leave, pensions, or access to the Employees' Old-Age Benefits Institution (EOBI). For example, ride-hailing drivers and food delivery riders often work long hours under risky conditions without accident insurance or medical support. In the absence of regulatory oversight, platform companies have little incentive to extend formal protections (Qureshi & Syed, 2023).

Income instability is another critical concern. The algorithmic nature of task allocation, seasonal fluctuations in demand, and increasing competition among workers often lead to unpredictable earnings. Many freelancers report late payments, deplatforming, or account suspensions without explanation or appeal. For millennials relying on gig income as their primary source of livelihood, this volatility can be financially and emotionally destabilizing.

Social invisibility compounds these material vulnerabilities. Despite contributing significantly to urban mobility, digital services, and e-commerce, gig workers are often excluded from national labor statistics, professional organizations, and policy discussions. This erasure prevents them from accessing institutional support, joining unions, or negotiating collectively. Moreover, societal attitudes in Pakistan still stigmatize gig work as informal or "lesser" labor, reinforcing feelings of insecurity and low self-worth among platform workers.

Young female gig workers face an additional layer of challenges. In digital freelancing, they encounter gender-based harassment, unequal pay, and limited mobility in male-dominated industries. For women engaged in ride-hailing or delivery services, cultural restrictions and safety concerns often curtail participation. This reflects broader gender disparities in access to technology, financial services, and public spaces in Pakistan (Khan & Jamil, 2022).

The absence of HRM structures further exacerbates these challenges. Without formal recruitment, onboarding, training, performance feedback, or grievance redressal systems, gig workers are treated more as users or service providers than as members of an organizational workforce. This undermines trust, accountability, and long-term engagement. For millennial workers who value recognition, fairness, and personal development, the lack of meaningful HR interaction leads to disillusionment and high turnover (Yousaf & Mushtaq, 2022).

Finally, the legal ambiguity surrounding gig work in Pakistan leaves millennials without access to the labor rights guaranteed to formal employees. Current labor laws do not clearly define gig or platform workers, nor do they mandate any form of social protection or minimum wage regulation for them. In the absence of a legal framework that recognizes their unique status, gig workers remain

vulnerable to exploitation with no institutional recourse.

3. Human Resource Management HRM Challenges in Managing Gig Workers

As the gig economy expands across Pakistan, platform-based and freelance work models are becoming a dominant form of employment for millennials. However, despite the growing reliance on this labor pool, most gig workers operate without the support of conventional Human Resource Management (HRM) systems. Platform companies often claim that since gig workers are "independent contractors," they fall outside the traditional employer-employee relationship, thus absolving the platform from responsibilities typically associated with HRM. This has created a systemic gap in how these workers are recruited, managed, and retained. The absence of structured HRM practices negatively affects worker engagement, productivity, well-being, and fairness, particularly among Pakistan's millennial gig workforce. This section explores the core HRM challenges related to managing gig workers in Pakistan: lack of onboarding and training, absence of feedback and grievance systems, psychological detachment, and limited career development opportunities.

3.1 Lack of Structured Onboarding, Training, or Performance Appraisal

One of the most fundamental gaps in the HRM of gig workers in Pakistan is the lack of formal onboarding and training. In traditional organizations, new employees typically undergo orientation sessions to understand company culture, policies, expectations, and processes. In contrast, gig platforms usually provide minimal onboarding, often limited to short video tutorials or downloadable guidelines. For example, food delivery riders in Pakistan working for platforms like Foodpanda or Bykea often begin work with little or no human interaction, formal orientation, or safety training. This leads to inconsistencies in service delivery, worker dissatisfaction, and avoidable operational risks (Yousaf & Mushtaq, 2022).

Moreover, skills development and training opportunities, a key feature of strategic HRM, are largely absent in gig arrangements. Freelancers working on platforms like Fiverr or Upwork must rely on self-directed learning to upgrade their skills, often without mentorship, learning roadmaps, or access to upskilling resources from the platforms themselves. This disconnect is particularly harmful for millennials, who are generally more aspirational and growth-oriented. Research shows that skill enhancement is a critical factor for job satisfaction and long-term engagement among younger workers (Qureshi & Syed, 2023). Without structured learning support, the professional development of gig workers remains stagnant, limiting their income potential and employment mobility.

Furthermore, performance appraisal systems, a staple of HRM, are often missing or poorly designed in the gig economy. Gig platforms typically use customer ratings, delivery times, or algorithm-based metrics to assess performance. These systems are often opaque, unilateral, and punitive, with little room for contextual interpretation or worker feedback. Workers are frequently deactivated based on customer complaints or low ratings without proper investigation or redress. This lack of formal performance evaluation mechanisms undermines transparency,

fairness, and trust, particularly for workers who depend on these platforms for their livelihoods.

3.2 Feedback and Grievance Mechanism

Effective HRM emphasizes open communication and feedback systems that allow employees to voice concerns, suggest improvements, and receive guidance. In gig work, however, these channels are often non-existent. Gig workers in Pakistan typically interact with automated systems or outsourced support centers that offer little empathy, responsiveness, or problem resolution. As a result, workers face considerable difficulty in addressing issues such as delayed payments, deactivations, unfair ratings, or harassment by customers.

This absence of structured grievance redressal mechanisms creates a sense of helplessness among workers. For instance, many Careem drivers in Pakistan have reported being removed from the platform due to unexplained complaints, with no opportunity to appeal or defend themselves (Arshad & Karim, 2022). This contributes to a culture of silence, where workers either disengage or internalize their grievances, leading to decreased morale and performance.

For millennial gig workers who value communication, fairness, and inclusion, this lack of feedback and voice is especially problematic. Younger workers tend to prefer workplaces where they can contribute ideas, receive coaching, and participate in continuous improvement. The one-way communication model of most gig platforms in Pakistan violates these expectations and reinforces the perception that gig work is disposable and transactional.

3.3 Psychological Distance and Low Engagement

In traditional employment, HRM plays a vital role in fostering organizational commitment, engagement, and belongingness. These are achieved through leadership visibility, team building, reward systems, and regular communication. In contrast, gig workers are structurally detached from the organizations they serve. There are no offices, supervisors, or colleagues; only algorithms, apps, and impersonal notifications.

This results in psychological distance between workers and the platform. Workers often do not feel like they are part of a larger mission or organizational identity. Instead, they view themselves as service providers to a digital system that neither sees nor values them. This detachment reduces motivation, emotional investment, and willingness to go beyond the basic requirements of the task (Yousaf & Mushtaq, 2022).

The millennial workforce in Pakistan, known for its emphasis on purpose, recognition, and social connectivity, is particularly vulnerable to disengagement in such contexts. They seek meaningful work experiences and are more likely to leave roles that feel isolating or unappreciated. The lack of interaction with HR personnel, absence of feedback mechanisms, and the gig model's emphasis on "user efficiency" over "human dignity" collectively undermine worker morale and increase attrition.

Additionally, this disengagement can lead to lower service quality, customer dissatisfaction, and reputational risks for platforms. Without HR-led initiatives to

foster loyalty, collaboration, and emotional commitment, gig workers remain passive and transactional in their service delivery.

3.4 Inadequate career progression support

In formal HRM systems, career development is a key strategy for retaining talent and building workforce capabilities. It involves mentoring, promotions, lateral moves, and access to developmental opportunities. Gig work, by design, offers few if any such pathways. Once a freelancer or rider joins a platform, there is rarely any structured mechanism to advance their role, increase their responsibilities, or enhance their income beyond task volume.

In Pakistan, this is particularly disheartening for ambitious millennials who enter the gig economy hoping to use it as a stepping stone to long-term careers. Many young freelancers express frustration that after years of service, they remain in the same role with no formal recognition, job title, or trajectory (PIDE, 2021). Similarly, ride-hailing drivers and delivery riders find that their income remains stagnant unless they increase their daily workload, leading to burnout, stress, and financial insecurity. The absence of upward mobility also prevents skill retention. Talented individuals may leave the gig economy entirely in search of more secure and developmental roles, leading to high turnover and a loss of trained labor for platforms. From an HRM perspective, this is inefficient and unsustainable.

Furthermore, the lack of professional identity or certification undermines the portability of the gig experience. Without documented experience or HR validation, gig workers struggle to transition into more formal employment sectors. This entraps many millennials in a cycle of low-value, unstable work with limited exit options.

4. Legal Gaps and Policy Ambiguities in Pakistan

The labor sector in Pakistan has been significantly transformed by the proliferation of gig work, which has been facilitated by platforms such as Careem, Foodpanda, Bykea, Upwork, and Fiverr. These digital work platforms provide contract workers with the opportunity to earn money and enjoy freedom, but they also place them in a legal limbo. Despite the increasing prevalence of gig laborers, they are still not safeguarded by fundamental employment laws. This is because the laws are antiquated, the employment classification is uncertain, and there are no social security systems in existence. This legal research critically examines Pakistan's current regulations regarding the freelance economy and identifies the ambiguous elements that impede the equitable regulation of employees. The classification of gig laborers is a significant legal issue. Pakistan's current labor regulations, such as the Industrial Relations Act of 2012 and the Factories Act of 1934, establish the employment relationship as a two-party relationship between the employer and the employee. Gig laborers are frequently referred to as "independent contractors," which implies that these laws do not provide them with any protection (Qureshi & Syed, 2023).

This classification allows platforms to circumvent obligations such as managing complaints, providing social protection, and paying a minimum wage. The employment status of gig laborers in Pakistan has not yet been definitively

determined by Pakistani courts. This implies that these individuals render indispensable services for platforms without any legal recognition or safeguards. Even further confusion is caused by the absence of a hybrid job category, such as "dependent contractor," which is employed in Canada and Germany.

The Workers Welfare Fund Ordinance of 1971, the Employees' Old-Age Benefits Institution (EOBI) Act of 1976, and the Workmen's Compensation Act of 1923 were all enacted to address the needs of individuals who were employed in regular positions. For instance, EOBI is exclusively applicable to registered employees of enterprises or industries with five or more employees.

Gig platforms typically circumvent these regulations by asserting that drivers or passengers are not their employees, but rather self-employed partners. Consequently, workers are not eligible for retirement benefits, healthcare, compensation for injuries, or assistance with accommodation or education under EOBI or WWF. This legal vacuum not only exposes contract workers to social insecurity, but it also violates Article 38(c) of the Pakistani Constitution, which mandates that the state protect all citizens.

Individuals employed in the freelance economy frequently are required to perform physically demanding and hazardous tasks, particularly those that involve transporting or collecting individuals. The Occupational Safety and Health regulations of Pakistan, such as the Factories Act 1934 and the Mines Act 1923, are restricted to specific categories of workplaces and do not apply to digital or mobile workplaces.

Due to the absence of regulations mandating workplace safety, gig laborers frequently operate in hazardous environments. In the event of an accident, they are unable to access medical treatment or insurance, and they work lengthy hours on the road at night (Yousaf & Mushtaq, 2022). Platforms are not legally obligated to provide personal protective equipment, catastrophe insurance, or emergency assistance. This is a significant policy failure in an industry that employs thousands of individuals daily. The Industrial Relations Act 2012, which establishes regulations for labor disputes and trade unions, is exclusively applicable to employees of formal enterprises. Because gig workers are not employees, they are prohibited from participating in labor tribunals, filing group complaints, or joining unions.

Pakistan has ratified and signed the International Labour Organization (ILO) Convention No. 87, which safeguards the right to freedom of association and collective bargaining. This exclusion is in direct opposition to that. Additionally, the Punjab Minimum Wages Act 2019 and other provincial regulations that are comparable do not apply to "freelancers" or individuals who operate on platforms. Consequently, they are subject to the whims of platform algorithms and ambiguous terms of service. Private arbitration is frequently employed to resolve disputes regarding account suspensions, unlawful terminations, or late payments, despite the fact that it is mandated by platform terms but not explicitly regulated by Pakistani law. This presents significant concerns regarding procedural impartiality and jurisdiction (Arshad & Karim, 2022).

Legal vulnerabilities are further exacerbated by gender disparities. Women who operate as delivery riders or freelancers encounter technological and cultural obstacles, and they frequently lack access to digital financing, protections against harassment, or secure transportation (Khan & Jamil, 2022). The Protection against Harassment of Women at Work Act 2010 prohibits the harassment of women in the workplace; however, contract labor is classified as "non-workplaces" by platforms.

As a result, allegations of sexual harassment or workplace safety issues frequently remain unresolved. The law also does not offer reproductive health benefits, maternity leave, or flexible work arrangements to women who work as gig laborers. This impedes the ability of women to engage in the economy. Pakistan lacks legislation that safeguards all data or regulates digital work as of 2025. The Personal Data Protection Bill, which has been delayed for an extended period and is currently under review, does not explicitly address the responsibility of algorithms in employment platforms or the rights of workers to their data.

Gig workers are susceptible to algorithms that are ambiguous in their decision-making processes, as they determine who is assigned which tasks, what ratings to assign, and even when to deactivate them. These algorithms are frequently implemented without any explanation, transparency, or right to appeal (Qureshi & Syed, 2023). This contravenes Pakistan's constitution and international labor standards regarding impartiality and due process. Labor law in Pakistan is primarily a provincial matter following the 18th Amendment. Punjab, Sindh, and Khyber Pakhtunkhwa all have regulations regarding industrial relations and minimum wage; however, none of them have amended their legislation to incorporate platform labor. This division of legal authorities results in an irregular distribution of enforcement and coverage. A rider who is employed in both Punjab and Islamabad may enter numerous legal jurisdictions without a single authority being responsible for resolving the situation. Additionally, the absence of a comprehensive digital labor registration system hinders the state's ability to collect information or provide specific assistance to contract workers, thereby reducing the effectiveness of governance. DigiSkills, eRozgaar, and the National Freelance Training Program (NFTP) are programs that aim to educate digital laborers; however, they do not advocate for their rights. These government-led initiatives typically promote freelance employment without mandating that platforms ensure that workers receive equitable compensation, resolve disputes, or receive social security benefits. Although these programs are well-intentioned, they are not compatible with changes in labor law. The disparity between the rhetoric of politicians and the legal framework further exacerbates the vulnerability of gig workers and reinforces the notion that gig labor is merely a "side hustle" that does not necessitate formal safeguards (PIDE, 2021)..

4.1 Table: A Dual Framework: HRM-Legal Agenda for Fair Gig Work

Key Dimension	HRM Strategy	Legal Reform Proposal
1. Worker Classification	Develop hybrid employment models (e.g., "platform-	Add a new category: <i>Platform-Dependent Worker</i> in labor

Key Dimension	HRM Strategy	Legal Reform Proposal
	dependent workers") that blend flexibility with inclusion.	laws.
2. Social Protection	Offer voluntary benefit schemes (health, accident coverage, EOBI contributions)	Mandate platform contributions to EOBI, health, and accident insurance.
3. Performance Management	Implement transparent appraisal systems (e.g., non-biased algorithms, peer reviews, customer ratings with appeal mechanisms).	Regulate algorithms; ensure transparency and the right to appeal.
4. Feedback & Grievance Redressal	Create in-app support, virtual HR desks, and structured feedback loops for complaint handling.	Create a legal obligation for in-app complaint systems and an ombudsperson.
5. Representation & Voice	Enable digital worker councils, chat forums, or gig worker liaisons for collective input.	Amend laws to allow gig worker unions and collective bargaining
6. Career Development	Offer upskilling, digital certification, and advancement opportunities through platform-sponsored learning.	Mandate learning/certification pathways linked to national skill programs.
7. Workload Fairness	Design fair task allocation mechanisms; limit overwork via platform time tracking and AI fairness audits.	Set maximum work hours; enforce fair task allocation via algorithm audits.

5. Implications for Policymakers and HR Practitioners in Pakistan

As gig work becomes a defining feature of Pakistan's evolving labor landscape, both policymakers and HR practitioners must reimagine how work is regulated and managed in ways that are fair, inclusive, and future-ready. The rise of ride-hailing drivers, food delivery workers, digital freelancers, and other platform-based earners, many of them millennials, signals a shift away from traditional jobs toward more flexible but uncertain forms of employment. These changes demand fresh thinking and coordinated action from both the state and the private sector.

5.1 For Policymakers: Creating a Safety Net Without Killing Flexibility

Policymakers in Pakistan face a delicate balancing act: How do we protect gig workers without stifling innovation? The answer lies in creating smart, flexible regulations that adapt to new realities rather than trying to force old labor models onto emerging work arrangements. Most gig workers fall outside the ambit of labor laws such as the Industrial Relations Act, leaving them without access to social security, healthcare, or even the right to appeal unfair treatment.

The state needs to recognize platform workers as a distinct category, neither

fully employees nor fully independent contractors, and offer them at least basic protections such as accident insurance, pension contributions (EOBI), and access to labor tribunals for grievance redress. Government programs like eRozgaar and DigiSkills have made a good start in training freelancers, but more must be done to legally protect their earnings, time, and dignity.

Introducing portable benefits, supported jointly by platforms and workers, could help address income insecurity while keeping operational models flexible. Additionally, building digital registries of gig workers can enable data-driven policymaking, improve access to formal services, and integrate them into Pakistan's broader labor planning.

5.2 HR Practitioners: Rethinking the Boundaries of Work

HR professionals in Pakistan must expand their role from managing "employees" to supporting all contributors to value creation, including those outside formal contracts. Many gig workers are critical to a platform's success but are treated as invisible or replaceable. This mindset must change. Inclusive HRM doesn't mean treating gig workers exactly like full-time staff, but it does mean offering them respect, communication, and support.

This starts with creating virtual onboarding, clear performance expectations, and in-app feedback channels so workers feel heard. Offering non-monetary recognition like digital badges, skill certifications, or access to learning portals can go a long way in motivating and retaining millennial gig workers. Mental well-being, safety training, and flexible support services should also be prioritized, especially in high-risk roles like bike deliveries or long-hour driving.

HR teams within platform companies should act as worker advocates, not just administrators of compliance. By humanizing the gig work experience through empathy, data transparency, and communication, platforms can improve retention, build loyalty, and protect their brand reputation in a competitive market.

5.3 Working Together: A Shared Responsibility

Ultimately, the success of the gig economy in Pakistan depends on collaboration between the state, platform companies, and civil society. Regulators must provide the legal scaffolding that protects rights and prevents exploitation. HR professionals must build management systems that include, support, and respect non-traditional workers. And platforms must recognize that long-term sustainability comes not from cutting costs but from building trust.

Pakistan has a unique opportunity to craft its model of digital labor governance, one that leverages its young, dynamic workforce while ensuring no worker is left behind. If policymakers and HR leaders can rise to this challenge together, the gig economy can become a pathway to dignity, inclusion, and prosperity not just for millennials but for generations to come.

6. CONCLUSION

The gig economy in Pakistan is no longer a fringe phenomenon it is a growing reality that employs millions, especially from the country's millennial

generation. For many, gig work offers flexibility, autonomy, and a gateway into the digital economy. But for all its promise, this evolving labor model comes with serious concerns: income insecurity, lack of legal protections, limited career growth, and near-total exclusion from Human Resource Management (HRM) systems. Most gig workers operate in a regulatory and managerial vacuum, with no access to the benefits, feedback, or dignity typically afforded to formal employees.

This paper has argued that addressing these challenges requires a dual framework: one that integrates inclusive HRM practices into platform operations and another that pushes for legal reforms tailored to the unique status of gig workers. Drawing from institutional theory, stakeholder theory, and social justice perspectives, we have outlined how both HR practitioners and policymakers must co-evolve their approaches to match the realities of a digital, task-based workforce. For HR professionals, this means moving beyond the boundaries of traditional employment to design systems that support and engage all contributors to organizational value. For policymakers, this calls for creative regulatory models that ensure gig workers have access to protections, voice, and opportunity without stifling the flexibility that makes gig work attractive in the first place. The future of work in Pakistan depends not just on innovation, but on inclusion. As we move forward, the goal should not be to dismantle the gig economy but to rebuild it on the foundations of fairness, protection, and human dignity.

The Pakistani legal system, grounded on traditional practices, has failed to adapt to the evolving dynamics of gig employment. The existing norms and regulations, characterized by inequitable classifications, outdated labor laws, and fragmented jurisdiction, hinder gig workers, particularly millennials, from obtaining necessary protections. Human Resource Management approaches and training programs are a commendable initiation, but substantive change necessitates legislation that addresses the unique requirements of gig workers. Pakistan may establish a fair and flexible gig economy by incorporating hybrid legal classifications, enhancing social protection, ensuring equitable algorithms, and providing a platform for collective advocacy. As gig work increasingly serves as a primary revenue source for youth, reform is essential for economic stability, social equity, and constitutional integrity.

6.1 Future Direction

As the gig economy continues to reshape the way Pakistan's youth, particularly millennials, engage with work, there's a growing need for deeper, more grounded research to guide policy, HR practices, and platform strategies. While this paper has laid out a theoretical framework, many of the ideas presented here would benefit from being tested, refined, and brought to life through empirical studies and real-world interventions.

One important direction is to listen more closely to gig workers themselves. Understanding their lived experiences, how they define fairness, what motivates them, and what frustrates them can help us shape more responsive systems. Many of these workers are young, ambitious, and tech-savvy, but they often feel unseen by

the very platforms they power. By capturing their voices through interviews, case studies, or surveys, researchers can paint a clearer picture of their realities and needs. It would also be valuable to explore how other countries are handling the legal classification of gig workers. Lessons from places like the UK, the European Union, or even India could offer practical insights into what might work or not in Pakistan's own legal and economic context. We don't need to copy-paste models, but we can learn from global experimentation and adapt it to our environment.

On the HR side, there's room to experiment with inclusive practices on the ground. How would digital onboarding, peer recognition systems, or fairer task distribution affect worker engagement and retention? Can we build feedback systems that actually work for workers, not just the platform? These questions could be explored in partnership with local companies willing to pilot change.

There's also a growing urgency to look at gender equity in gig work. While many women are joining the digital workforce, especially through freelancing, we still know too little about their unique challenges and how platforms or policies can better support them, especially in a culture where mobility, safety, and digital access remain unequal.

In light of the analysis of legal deficiencies and policy ambiguities previously identified, we propose the following amendments to the legislation and the existing framework:

- Introduce a "dependent contractor" classification within labor law to acknowledge the unique status of gig workers and provide them with necessary rights and safeguards.
- Revise the Employees' Old-Age Benefits Institution (EOBI) Act and related welfare laws to mandate that platforms contribute to social protection for all active gig workers.
- Develop codes tailored to specific circumstances to ensure that delivery riders and other gig workers in the field receive safety training, accident insurance, and personal protection equipment.
- Establish digital labor regulations mandating algorithmic transparency, granting workers the right to receive explanations, and instituting independent mechanisms for appealing account suspensions or deactivations predicated on ratings.
- Amend the Industrial Relations Act to grant platform workers the freedom to establish digital unions, organize, and access digital labor tribunals.
- Establish a nationwide digital registry for gig workers to collect data, ensure legal protections, and facilitate collaboration between federal and provincial governments.

Long-term studies would also be helpful. Is gig work helping young people build better lives? Or is it a stopgap, something they do until they burn out or find a more secure job? Tracking workers over time could tell us whether the gig economy is a ladder or a loop.

Ultimately, given that algorithms govern a significant portion of gig work, it

is imperative to investigate the decision-making processes involved, the allocation of jobs, the impact of ratings on compensation, and the extent of worker input within the system. We must ensure that technology does not compromise fairness or dignity as we increasingly rely on digital tools for labor management. Youth in Pakistan possess significant potential, and the gig economy presents them with novel opportunities to generate income, create products, and connect with others. We must formulate more incisive inquiries, get superior data, and prioritize human narratives in our study to ensure its efficacy for individuals. A fair and innovative future of work can only be realized through this action.

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