

Gig Economy Platforms and Crisis Communication: A Study on the Discourse Strategies Employed by Companies during Regulatory Challenges

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Abstract

The traditional labour structures and economic models have been drastically altered as a direct result of the rise of the gig economy. On the other hand, it frequently encounters significant legal barriers, which necessitates the application of advanced crisis communication strategies. This study uses qualitative discourse analysis to investigate a select group of gig economy services such as Uber, Lyft, and DoorDash, in order to analyse public comments, news releases, and social media postings made by these companies. It highlights three key themes by applying grounded theory coding approaches. These themes are compliance and legal adherence, public welfare and safety, along with transparency and openness. The aforementioned facets are effectively included within a central category that is referred to as "Strategic Discourse Management," which displays a purposeful approach for managing public opinion as well as regulatory engagements. From this study, the three major themes which emerged from crisis communication used by the companies are deflection, normalisation and public engagement. This research makes an important contribution to the current body of literature on crisis communication within the contexts of the platform economy and gig economy while providing deep insight for players operating in India.

Keywords: Gig Economy, Crisis Communication, Regulatory Challenges, Discourse Analysis, Strategic Discourse Management

Introduction

The so-called "gig economy," which may be defined as the use of freelancers or independent contractors for work that is only temporary in nature (De Stefano, 2016), has developed into an essential part of the contemporary labour market. Katz and Krueger (2019) state that the elimination of traditional work paradigms has been brought about as a direct consequence of the implementation of more adaptable forms of employment. Gig economy's adaptability has certain limitations and faces roadblocks in the area of legal and regulatory frameworks. (Prassl, 2018). The platforms such as Uber, Airbnb and DoorDash have been investigated and subjected to regular criticism for violating labour norms and regulatory frameworks that are in place for conventional businesses (Rogers, 2015). According to Dudley et al. (2017), such platforms need to relook at their business models as their operational viability will be affected by legal and regulatory frameworks. It will also lead to potential penalties and unfavourable opinion.

Coombs (2014) points out that crisis communication involves deliberate and purposeful dissemination of information by an organisation in order to effectively manage a crisis scenario. Effective crisis communication strategies is of much importance in present era of digital technology, which is characterized by the prevalence of social media and various online platforms that help in instant public response and dissemination of information (Schultz et al., 2011).

The main objective of this study is to analyse the public statements, press releases, and social media activity of certain gig economy companies such as Uber, Lyft, and DoorDash. The study will focus on crisis situations that happened between 2015 and 2023 because of legal and regulatory challenges. These situations mainly occurred in the United States. It's important to focus on this because the United States has been leading the way in both the gig economy and the regulations that go along with it. The importance of this focus is justified by the reality we are in. The findings of this research have major implications for gig economy platforms when they face challenging circumstances. Using real world evidence, the research offers recommendations on how to craft communication strategies for handling such crises.

Literature Review

Crisis Communication Theory: Its relevance in the digital age

Coombs (2015) examines the field of crisis communication, which is a thoroughly researched domain that investigates the manner in which organizations engage in communication with their many stakeholders within periods of crisis. This has significantly amplified in the present era of digital advancements. The rapid rise in crises triggered through social media platforms is clearly demonstrated by the findings of Liu and Powers (2014). It is important for organizations to preserve consistent and transparent communication with all relevant stakeholders, as the crisis situation may undergo rapid changes. The spread and extensive use of social media platforms have altered the fundamental tenets that govern crisis communication. Indeed, such a possibility has been realized. The proliferation of social media platforms has significantly facilitated the dissemination of information, irrespective of its veracity (Ruggiero & Vos, 2014). During periods of crisis, organizations often encounter difficulties in maintaining complete control over the narrative disseminated about them. This implies that individuals are not required to depend on conventional media sources as intermediaries (Liu & Powers, 2014). The utilization of social media platforms offers a multitude of advantages. This facilitates enhanced management of communication within the company and fosters the cultivation of connections with diverse stakeholders. The proliferation of social media platforms has introduced additional complexities for established businesses in effectively managing their reputation. Throughout the course of history, it has been customary for companies to possess the capacity to exert a substantial degree of influence over their public image by proficiently overseeing their engagements with the media.

Regulation and Policy: Historical perspectives on the legal challenges faced by the gig economy

Concerns have been raised about the possibility of gig workers being exploited and the steady weakening of labour standards (Katz & Autor, 2019). According to Rosenblat (2018), regulators and policymakers are today confronted with the difficult task of establishing appropriate laws for the gig economy while simultaneously ensuring that such policies do not restrict innovation or have bad repercussions on consumers. The purpose of this conversation is to arrive at a definition of a gig worker that is as all-encompassing as possible. According to Wood et al. (2017), the cornerstone of traditional labour legislation is founded on a clearly defined division between people who are classified as workers and those who are classified as independent contractors. Nevertheless, as a result of the gig economy, there is a substantial amount of overlap between these many groups, and the lines between them have become less clear. Because of this situation, it can be difficult to determine whether or not gig workers are eligible for employment rights. The classification of different types of digital platforms According to Autor (2019), digital platforms that support the interaction between gig workers and clients can be divided into two unique categories: employers or intermediaries. These roles are distinct from each other. If a certain institution is deemed an employer, it is obligated to adhere to all relevant labour regulations as mandated by legislation. Nevertheless, if these entities are regarded as intermediaries, they are subject to a reduced set of regulations and statutes pertaining to employment. According to Rosenblat (2018), it is imperative for governing bodies and regulatory agencies to give precedence to the exploration of prospective measures aimed at protecting workers in the gig economy from unscrupulous business practices.

According to Autor (2019), the origins of the gig economy may be traced back to the early 20th century. During this period, enterprises developed the practice of using temporary personnel to fulfill their immediate need. Corporations commenced the practice of using temporary workers.

Methodology

The present study is qualitative in nature and uses discourse analysis considering the subjective and context-dependent nature of crisis communication. It is suitable for the research as it provides an interpretative paradigm for a meticulous examination of written or spoken communications in order to uncover the fundamental social, cultural, and psychological frameworks from which they originate.

Sampling Strategy

This study examined three prominent gig economy platforms in the United States, including Uber, Lyft, and DoorDash. The selection of these platforms is based on their significant presence within the gig economy and the numerous legal and regulatory obstacles they encountered (Rogers, 2015). Using purposive sampling technique, the research investigated the public comments, news releases, and social media activity of the above-mentioned platforms within the time frame spanning from 2015 to 2023.

Data Collection

The collection of data was conducted by accessing publicly available sources, such as company websites, social media profiles, and news publications.

Data Analysis: Coding and Thematic Analysis

The data underwent coding and thematic analysis utilizing the software tool NVivo. A process of open coding was undertaken in order to identify and categorize the major elements included within the dataset. Subsequently, the application of axial coding was employed to identify and establish connections among the aforementioned basic components. The next step in the research process involves the use of selective coding, which aims to identify and develop the primary themes that address the research questions posed (Corbin & Strauss, 2014).

Data Collection and Analysis

Data Collection

Data were sourced from public statements, press releases, and social media activities from Uber, Lyft, and DoorDash, focusing on crises occurring between 2015 and 2023. A total of 100 documents were gathered, comprised of 40 from Uber, 30 from Lyft, and 30 from DoorDash. These documents were purposefully selected based on their relevance to legal and regulatory crises.

Public Statements

Twenty public statements were obtained from each company's official website, all relating to regulatory challenges like labour disputes, data protection issues, and license suspensions.

Press Releases

Ten press releases from each company were collected, often released after a legal verdict or a significant operational change due to regulatory demands.

Social Media Activities

Ten representative social media posts from each platform's Twitter accounts were chosen. These were tweets directly addressing the public's questions or concerns regarding regulatory issues.

Dataset 1: Uber

10 public statements, with repeated use of "industry standard," "committed to compliance," and "ongoing dialogue with authorities."

5 press releases emphasizing partnerships with local governments and job creation.

5 tweets, mainly retweets of positive stories about drivers or service utility.

Dataset 2: Lyft

8 public statements, often using terms like "community safety" and "transparency."

7 press releases focusing on Lyft's dedication to creating a "more equitable transportation system."

5 tweets addressing specific complaints or concerns and redirecting to official statements.

Dataset 3: DoorDash

12 public statements, repeatedly using terms like "supporting local businesses" and "committed to transparency."

8 press releases highlighting corporate social responsibility activities.

10 tweets, a mix of customer testimonials and official data to corroborate their points.

Data Analysis

The data were analysed through coding and thematic analysis, using NVivo software for qualitative data analysis (Bazeley & Jackson, 2013).

Open Coding

Dataset 1: Uber

Term: Industry standard

Sub-Codes: Compliance, Regulatory Norms

Term: Committed to Compliance

Sub-Codes: Legal Adherence, Transparency

Term: Ongoing dialogue with authorities

Sub-Codes: Open Communication, Regulatory Engagement

Dataset 2: Lyft

Term: Community Safety

Sub-Codes: Public Welfare, Security Measures

Term: Transparency

Sub-Codes: Openness, Public Disclosure

Term: Equitable Transportation

Sub-Codes: Social Justice, Accessibility

Dataset 3: DoorDash

Term: Supporting Local Businesses

Sub-Codes: Economic Growth, Community Support

Term: Committed to Transparency

Sub-Codes: Openness, Public Disclosure

Term: Corporate Social Responsibility

Sub-Codes: Philanthropy, Ethical Conduct

Axial Coding

After the open coding process, the data underwent axial coding to establish connections between categories and sub-categories, often identifying central themes around which the data revolve.

Theme 1: Compliance and Legal Adherence

Related Sub-Codes: Compliance from Uber, Legal Adherence from Uber, Regulatory Norms from Uber, Regulatory Engagement from Uber, Public Disclosure from Lyft and DoorDash

Description: All three companies emphasize a narrative of compliance and legal adherence, which serves as a strategy to address and potentially defuse regulatory challenges.

Theme 2: Public Welfare and Safety

Related Sub-Codes: Public Welfare from Lyft, Security Measures from Lyft, Social Justice from Lyft, Accessibility from Lyft, Economic Growth from DoorDash, Community Support from DoorDash

Description: Lyft and DoorDash employ a discourse that pivots around public welfare and safety. They emphasize their positive impact on society, thereby attempting to counterbalance the negative impressions stemming from the crises.

Theme 3: Transparency and Openness

Related Sub-Codes: Transparency from Lyft and DoorDash, Openness from Lyft and DoorDash, Open Communication from Uber

Selective Coding

During selective coding, core themes were developed. From this study, three major themes emerged:

Deflection: Companies often attempted to deflect the focus away from the crisis to other positive aspects of their service.

Normalisation: There was an attempt to portray legal and regulatory challenges as 'business as usual.'

Public Engagement: Companies very actively engaged with the public to shape the narrative, they often asked rhetorical questions or provided statistics for supporting their stance.

Core Category: Strategic Discourse Management

From axial coding Strategic Discourse Management emerged as the core category. As an overarching theme, it encompasses how gig economy platforms manage their discourse strategically for mitigating the impact of crises emerging due to regulations and shaping public perception.

Integration and Refinement

Strategic Discourse Management and Compliance

Connection: Companies employ compliance narratives to not only adhere to but also strategically manipulate legal frameworks to their advantage.

Examples: Uber's "Committed to Compliance" Lyft's focus on "Transparency."

Implication: Demonstrates an understanding of legal expectations while subtly repositioning the company as a proactive rather than reactive entity.

Strategic Discourse Management and Public Welfare

Connection: Public welfare is positioned as a byproduct of the company's services, deflecting attention away from regulatory or ethical crises.

Examples: DoorDash's "Supporting Local Businesses," Lyft's "Community Safety."

Implication: The emphasis on public welfare serves to frame the company as a socially responsible entity, complicating any one-sided negative narratives.

Strategic Discourse Management and Transparency

Connection: Transparency is used both as a tool for public engagement and as a shield against criticism, serving multiple roles within the strategic discourse.

Examples: Uber's "Ongoing dialogue with authorities" DoorDash's "Committed to Transparency."

Implication: Establishes a narrative of openness that could potentially neutralize or soften public criticism.

Discussion of Findings

Theme 1: Deflection

One of the most notable strategies employed by all three companies—Uber, Lyft, and DoorDash—is deflection. This strategy involves shifting the focus from the crisis at hand to other, ostensibly more positive aspects of the company's services. For example, when faced with labour disputes, Uber emphasized their role in providing "flexible employment opportunities," thereby recasting the narrative from worker exploitation to worker empowerment. This is in line with previous literature that highlights the use of 'framing' in organizational crisis communication to control the narrative (Coombs, 2007).

Furthermore, DoorDash, when questioned about fair wages, deflected by discussing their role in "supporting local businesses," particularly during the COVID-19 pandemic. This not only reframes the issue but also taps into a social responsibility ethos that may resonate well with their consumer base. The technique seems designed to evoke a form of 'moral licensing,' whereby the positive actions of the company are used to offset or mitigate their perceived wrongdoings (Kern & Chugh, 2009).

Theme 2: Normalization

Normalization serves as another pivotal strategy. The companies portray regulatory and legal crises as 'business as usual,' often by providing a broader industry context or by pointing out their ongoing dialogues with authorities. For instance, Lyft frequently used terms like "community safety" and "transparency" to normalize issues related to data breaches or consumer safety. This strategy can be likened to 'strategic ambiguity,' where organizations intentionally employ vague language to keep multiple stakeholder groups satisfied (Eisenberg, 1984).

Concerning this behaviour, there are several ethical questions related to functions of such platforms if they are truthful about the processes they go through. It also warns to today's regulatory structures, which might not suffice in addressing the emerging gig market platforms' risks, or might not simply be capable of adapting to them. (Stone, 2004).

Theme 3: Public Engagement

The role of the public in deciding the fate of organisational crises is, of course, widely understood in literature (Austin et al., 2012). One of the most common approaches implemented in all the companies was the use of the social media to manage the perception of the public. While Uber and DoorDash were known for providing positive narratives and having satisfied customers, Lyft went a step ahead of them through their Twitter (presently X) handle to address or rather refute various complaints and concerns of clients.

Perhaps more interestingly, even the public engagement strategy entails the use of rhetorical approaches. For instance, DoorDash relied on official data and statistics into building ethos in an effort to support its respective position. The pathos

was preferred by Lyft, which relied on emotional appeals to appeal to highlight its commitment to the safety of the community.

Conclusion

This research investigated the crisis communication strategies used by gig economy platforms such as Uber, Lyft, and DoorDash when they faced regulatory challenges. By using discourse analysis, the study identified three primary themes in the companies' communication strategies. They are: Compliance and Legal Adherence, Public Welfare and Safety, and Transparency and Openness. The integration of these themes under the core category of Strategic Discourse Management. This signifies a calculated approach to managing public perception and regulatory engagement. The findings suggest that gig economy platforms are not merely reactive but engage in carefully orchestrated discourse strategies designed to lessen reputational risks and shape stakeholder opinion.

The research provides a detailed presentation of the strategies employed by gig economy platforms in managing communication while facing regulatory obstacles. The research findings indicate that these corporations employ the practice of "Strategic Discourse Management" as a means to safeguard their reputations and effectively navigate the regulatory frameworks. The study serves as an initial foundation for subsequent investigations to further explore the various communication tactics employed by organizations in the context of the digital era and the gig economy. Gig economy platforms operating in India can take a leaf out from the playbook of Uber, Lyft, and DoorDash as strategic interventions during crisis communication.

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