Freelancers as Part-time Employees: Dimensions of FVP and FJS in E-Lancing Platforms

Zubair Nawaz¹
Jing Zhang¹
Rafiq Mansoor¹
Saba Hafeez¹
Aboobucker Ilmudeen²

Abstract

The purpose of this study is to explore the dimensions of Freelancer Value Proposition (FVP) and Freelancer Job Stress (FJS). This study provides insights about the factors which create value for freelancers and also sheds light on the factors which cause stress to freelancers while freelancing with the help of an online platform. Semi-structured interviews were conducted for data collection from freelancers. The grounded theory approach was used and data analysis follows the process of open coding, axial coding and themes formulation. Findings indicate that work-life balance value, developmental value, economic value, autonomy value, hedonistic value and social value are dimensions of FVP. Lack of role clarity, payment issues, time management issue, work availability issue, lack of perks and benefits and work rejections are dimensions of FJS. This study is the first effort to find out the dimensions of FVP and FJS, which will help to construct long-term relationship between freelancers and platform.

Keywords

E-lancing, Pakistan, freelancing platform, freelancer job stress, freelancer value proposition

¹ School of Management, Huazhong University of Science and Technology, Wuhan, Hubei, China.
² Department of Management and Information Technology, South Eastern University of Sri Lanka, University Park, Oluvil, Sri Lanka.

Corresponding author:
Zubair Nawaz, School of Management, Huazhong University of Science and Technology, Luoyu Road 1037, Wuhan, Hubei 430074, China.
E-mail: zubair.hust@outlook.com
Introduction

Freelancing industry is developing swiftly and emerging as a new market for service professionals. Freelancing platforms have been successful to fascinate professionals from various service backgrounds, especially young entrepreneurs are eagerly joining freelancing platforms because of the inherent nature of work flexibility, autonomy and financial benefits. In 2014, about 25 per cent of the US workforce was estimated to be an active part of freelancing industry (Pofeldt, 2015), and based on recent growth it is expected that nearly half of the US workforce will turn into “gig workers” (Thomas & Ray, 2019). Freelancers are entrepreneurs who can also be employed by companies to work on specific projects for specific time period. Nature of freelancing can be treated as hybrid form of employee and entrepreneur (Van den Born & Van Witteloostuijn 2013). Many corporate employees also do part-time freelancing in order to gain more financial, social and technical benefits. Freelancing is becoming an attractive industry for young entrepreneurs because of independence, work-life balance and an alternative income source.

On the brighter side of freelancing, many IT technician, designers, academic writers and scientists are joining this industry; and these service providers found it an attractive workplace in order to gain economic, social, technical and emotional benefits. The other side of the picture shows that many service providers are complaining against these e-lancing platforms. They complain that these platforms are getting maximum advantages and service providers are at the losing end (Bae & Koo, 2018; Ganapati & Reddick, 2018). Critics named these freelancing platforms as “digital sweatshops” where you can earn a livelihood for financial survival but cannot spend a luxurious life (Thomas & Ray, 2019). Freelancing platforms have to think about these part-time employees because qualified pool of professionals also generates demand for platform. It is convenient for freelancers to shift from one platform to another because the switching cost is very low (Kuhn, 2016). Platform needs to develop strong and long-term relationship with freelancers and develop strategies for attraction and retention of freelancers in order to stay competitive in freelancing industry.

Apart from tremendous growth in freelancing, this area is still underdeveloped in academic research. Previous studies do not cover this important area of value proposition and job stress from the perspective of freelancers, and this study is an effort to fill this gap. The value proposition is proven to be very useful tool for development of long-term employee relationship, which ultimately leads towards favourable business outcomes (Heger, 2007; Marriott Jr, 2001). Value proposition also provides grounds for strategic employee management and employer branding (Heger, 2007). About 70 per cent of the IT-based companies outsource projects to freelancers, so this study also suggests strategies to outsourcing companies to understand and manage their part-time employees (Süß & Kleiner 2010). Value proposition not only serves the purpose of better relationship with freelancers but can also be the starting point of commencement of freelancer branding (Backhaus & Tikoo, 2004; Pratibha, 2015). This study is a pioneer effort to explore Freelancer Value Proposition (FVP) and Freelancer Job Stress (FJS), by answering two research questions: (a) What are the dimensions of FVP? and (b) What are the dimensions of FJS?
Literature Review

E-lancing in Pakistan

Technology evolution tends to change business activities and customer dynamics. Complex dynamic environment reshapes the consumption pattern of individuals and generates new horizons of business opportunities. In recent years, a new culture developed where people tend to share their belongings to others with the help of web and android-based applications. This culture has been termed as “sharing economy” (Schor & Fitzmaurice, 2014). Sharing economy business model disrupted many well-established industries (i.e., transportation and hospitality industry), and gaining popularity in all the major service industries. Uber, Olx, Airbnb, TaskRabbit, LendingClub, Fiverr and Careem are few exemplary companies which follow sharing economy business model. Sharing economy net worth is expected to be around USD15 billion and expected to grow to USD335 billion by the year 2025 (PwC, 2015).

Sharing economy phenomenon is extremely diverse than traditional business markets. Redistribution of products and services, temporary access and no ownership are few dimensions which differentiate it from traditional business (Hamari, Sjöklint, & Ukkonen, 2016). Social media, virtual communities and other digital networking technology increase the demand of sharing economy. Under the umbrella term of “sharing economy”, there are different terminologies which explain similar concepts in different discipline, that is, gig economy (Green, McCann, Vu, Lopez, & Ouattara, 2018), mesh economy (Turí, Domingo-Ferrer, Sánchez, & Osmani, 2017), demand economy (Roberts & Zietsma, 2018), peer to peer sharing (Golle, Leyton-Brown, Mironov, & Lillibridge, 2001), collaborative economy (Hamari et al., 2016), crowd-based capitalism (Sundararajan, 2016) and e-lancing (Aguinis & Lawal, 2013). E-lancing term is used for the arrangement of freelancers and clients via platforms which provides a marketplace to generate services on demand (Abubakar & Shneikat, 2017; Aguinis & Lawal, 2013).

In terms of sales volume, Pakistan is considered to be the fourth largest e-lancing marketplace in the world after India, Bangladesh and the USA (Ahmed, 2017). In terms of users, Pakistan ranked as the third biggest freelancing country in the world by freelancer.com with 1 million Pakistani users (Haq, Raja, Nosheen, & Sajjad, 2018; Iftikhar, 2017). Upwork also ranks Pakistan among the top five in the world (Haq et al., 2018). Apart from these well-known sites of freelancing, now social media is also proven to be a handy source of freelancing. “Pakistan freelancers” is a Facebook group having 270,000 members where freelancers and customers can deal directly without involvement of the platform itself. Pakistan IT sector contributes USD2.6 billion per year and USD2.1 billion from export of IT-related services and solutions (Shah, 2017). According to Pakistan Telecommunication Authority (PTA), there are more than 47 million broadband internet users in Pakistan. E-lancing platforms are growing rapidly in Pakistan. Upwork, Fiverr, Freelancer, Guru, PeoplePerHour and MyLittleJob are the top freelancing platforms of Pakistan.

There are many factors which encourage freelancing in IT sector of Pakistan. The average labour in Pakistan is the lowest among South Asian countries ($43 per
hour), even lower than India ($46 per hour) but professionals are highly skilled so European countries prefer to outsource their work to Pakistani freelancers (Codementor, 2017). The government encourages freelancing and also provides training and assistance to freelancers. Punjab Information Technology Board (PITB) is an institution which provides free training sessions to encourage freelancing in Pakistan. e-Rozgar, Herself, PlanX and Plan9 are major programmes of PITB. Especially females are taking part in these sessions to earn money at home. The general trend towards outsourcing is also increasing. Entrepreneurs and companies prefer to outsource functions in order to increase efficiency of work. Freelancing platforms provide many job opportunities. In 2017, freelancer.com posted 12 million job projects and upwork.com posted 3 million projects (Ifitkhar, 2017). These job opportunities motivate people of Pakistan to take part in freelancing industry and enjoy financial and non-financial benefits.

**Employee Value Proposition**

Value proposition is considered to be starting point of employee relationship. It helps to attract potential employees, and also helps in retention of current employees. The concept of “value” is used in different contexts and there are several definitions of value in literature. Value is a differential effect of all the benefits with respect to all the sacrifices made to get those benefits. Customer value refers to the benefits which customer gains from the product surpass costs, which incurred to obtain the product (Arthur & Rousseau, 1996). It is a rational analysis of costs and benefits. Similarly, the employee perceived value is an analysis of job benefits and job sacrifices. A set of values that a company offers to current and potential employees is called employee value proposition (EVP; Backhaus & Tikoo, 2004). It can also be defined as “value that your employees gain from working at your organization” (Thomas, 2018).

Concept of EVP is derived from concept of customer value proposition (CVP) which is popular in the discipline of marketing management. CVP is the promise which a company makes to the customer during sales of products and services in terms of value exchange. Similarly EVP is the promise made by employer during a job in terms of values in exchange of employee services (Lusch, Vargo, & O’Brien, 2007; Sengupta, Bamel, & Singh, 2015). There will be effective long-term relationship between customer and organization if values proposed by the company are aligned with customer needs. Similarly, if an employer offers the values which employee is seeking from a job, then their relationship will be exceptionally strong, long term and beneficial (Marriott Jr, 2001).

There are two approaches to the development of EVP. First is to determine a set of values which is desirable to potential employees and then strategize to achieve those values (Rynes & Barber, 1990). The second approach says that it is not necessary to develop a new set of values, and existing values should be consistent with what the organization wishes to communicate externally (Ambler & Barrow, 1996).

EVP is an effective tool for strategic employee management, which leads towards critical business outcomes (Heger, 2007). It is also considered to be the
starting point for employee branding which not only contributes to the overall branding but also helps in targeting the potential employees (Backhaus & Tikoo, 2004). EVP is not a simple listing of attributes; it is a developmental process which starts from identifying value attributes by listening and observing employees of that specific industry and then develops the value delivery system. The value proposition is different for every industry and cannot be generalized to all industries (Pratibha, 2015). Strategic EVP is a difficult process but if successfully developed, it turns out to be a strategic tool to attract employees. Employee retention and turnover are the biggest concern for human resources management. Employability of right person in the right position, at the right time is challenging for human resources managers. In the recent years, focus on employer branding has increased to make a good image in the mind of employees. It is now an established fact that compensation is not the only factor for employee satisfaction. Instead, job attractiveness is measured by several monetary and non-monetary factors such as work-life balance, work environment, work autonomy, transparency in the policies and work culture. Internal brand management practices suggest that employer branding and organizational image are important for employee engagement and also help to attract potential employees (Reis & Braga, 2016).

Researchers propose varies values set for employee’s value proposition (EVP). Berthon (2005) proposes five sets of values which include social value, economic value, departmental value, application value and interest value which are highly valuable for employee retention perspective. Jiang and Iles (2011) have identified value propositions as important dimensions of employee-based brand equity which includes economic value, social value, development value, interest value and brand trust. Ambler and Barrow (1996) propose that functional values, economic values and psychological values should be considered while making value proposition. In China, social values and esteem values are most important for retention of current employees (Bjorkman & Lu, 1999).

Due to rapid emergence of freelancing, competition between e-lancing platforms is getting severe. E-lancing platforms are now trying to provide best services and benefits to the customers as well as freelancers in order to be competitive in the industry.

No efforts have been made to identify attributes which are valuable for freelancers. EVP is a multidimensional construct which comprises of economic value, social value, emotional value and technical value. Freelancer’s job nature is different from corporate employees and dimensions can also differ from EVP. For instance, peer group and colleagues do not exist, so social value is present as reputation rather than employee peer group relationship.

**Supporting Theories for Employee Value Proposition**

The self-determination theory (SDT) deals with a wide spectrum of intrinsic and extrinsic motivational factors to achieve higher career objectives (Deci & Ryan, 1996). Extrinsic motivational factors are related to environmental, technological, political and factors which are beyond control of individuals such as industrial growth, unemployment, technological change and economic growth (Dysvik & Kuvaas, 2013). Intrinsic factors are related to individual characteristics such as passion, enjoyment, self-reward, autonomy, competence and erg to achieve
something (Abubakar & Shneikat, 2017; Ebert, 2010). Value proposition includes both intrinsic motivational factors (e.g., autonomy value, hedonic value) as well as extrinsic factors (e.g., economic value and social value).

Human capital theory refers to aggregate of knowledge, skills, competencies, social networking and personal attributes of human beings which motivate them to perform tasks and generate measurable economic benefits (Tan, 2014). Openness, career insights and pro-activeness are three motivators of personnel capital which are required for achievement and risk-taking propensity for freelancers (Van den Born & Van Witteloostuijn, 2013). Openness normally related to the autonomy of decisions and expressions of thoughts. Career insights motivate freelancers to accept those projects which can help them in building strong profile and have potential for future opportunities (Abubakar & Shneikat, 2017). Formal education, specialized skills and learning experience help to build a pro-active attitude to adopt freelancing (Shevchuk, Strebkov, & Davis, 2015).

**Employee Job Stress**

The term “stress” was originally referred to syndrome of being sick in response to chemical, biological or physical stimuli (Selye, 1936). Later on, Selye (1976) used this term as “physical and psychological responses to adverse conditions or influences”. This term gained popularity in behavioural sciences and used as the natural reaction of an individual on demands which are imposed on him (Selye, 1976). According to classic researchers, stress can trigger human behaviour in positive as well as negative way (Benson & Allen, 1980; Holmes & Rahe, 1967; Selye, 1956, 1976). Positive stress referred to as “eustress” and negative stress referred to as “stressors” (Selye, 1956; Simmons & Nelson, 2001). Stress can lead toward higher productivity, initiate creativity and enhance the motivation level of employees (Rojas & Kleiner, 2000; Simmons & Nelson, 2001). Some studies suggest that stress motivates individuals to perform their duties but leads towards negative behaviour if the problem remained unsolved for longer period of time (Wong & Cheuk, 2005). Employees normally complain about stress when they feel they could not cope with work demands and organizational pressure (Hart & Cooper, 2001; Van Woerkom, Bakker, & Nishii, 2016). In the recent studies, stress refers to situations where the well-being of individuals is affected by their failures to deal with the working environment (Erkutlu & Chafra, 2006; Matthews, Wayne, & Ford, 2014). Job stress refers to a combination of negative feelings of frustration, tension, hardness, distress, worry, stress and emotional exhaustion (Armstrong & Griffin, 2004).

Stress causing factors can be divided into two broader categories, personal and organizational factors (Takahashi & Takahashi, 2010). Personal factors are related to individuals coping ability such as self-esteem, personality traits and locus of control. Organizational factors include macro factors which are beyond the personal capacity of individuals such as work conditions (Schreyer & Krause, 2016), job demand in the industry (Chiang, Birtch, & Kwan, 2010), job control (Vong, Ngan, & Lo, 2018) and job creation requirements (Hon, Chan, & Lu, 2013). Mostly, personal factors interact with work environment and cause serious stress for employees.
Stress in the workplace has psychological, behavioural and physical effects on employees (Dhar & Dhar, 2010). Organizations witness absenteeism (Westman & Etzion, 2001), lack of motivation and high turnover intentions among employees (Jamal, 1990; Kim & Stoner, 2008). Job stress is witnessed as a major cause of cardiovascular diseases and poor mental health among high-stress employees (Park, Rhee, & Barak, 2016; Welker-Hood, 2006). More precisely, IT-related employees have high blood pressure, visual discomfort and musculoskeletal disorders because of high job stress (Vong et al., 2018). Mostly, freelancers have tight deadlines which cause huge stress for them (Haq et al., 2018).

Supporting Theories for Employee Job Stress

The “person-environment (P-E) fit theory of stress” suggests that an individual experiences stress when his skills, knowledge, resources and abilities do not match with the job environment (Caplan, 1987; French, Caplan, & Van Harrison, 1982). One prospect of P-E fit theory is that work environment demands may require different skills, resources and abilities which employee does not possess, and results in huge job stress (Hobfoll, 2001). Another prospect is that individual’s needs could not be fulfilled by the work environment (Greguras & Diefendorff, 2009). It is also possible that personal demands are not fulfilled by job as well as person does not possess the required skill set for the job (Greguras & Diefendorff, 2009).

According to “job-demand control theory”, job stress can result from over and undue psychological and work-related demands (Karasek Jr, 1979). There are two dimensions of the work environment which results in job stress, psychological job demands and job control (Boswell, Olson-Buchanan, & LePine, 2004). Psychological demands referred to excess workload, role conflict, time pressure, cognitive and emotional demands (Bakker & Demerouti, 2007). Job control referred to decision power, flexibility and autonomy of employees (Bond & Bunce, 2001). Authority and skill discretion are two key components of job control. High work demands with low job control results in high job strain which in turn affect mental and physical health of employees (Tsutsumi, Kayaba, Theorell, & Siegrist, 2001).

“Effort–reward theory” suggests that employees make the efforts in the work in accordance to reward they receive from employers (Siegrist et al., 2004). Employees try to seek a balance between rewards they receive against efforts they put in the work. The reward can be in financial terms, that is, salary, and non-financial terms, that is, self-esteem. Employees face stress when there is an imbalance between efforts and reward (Siegrist et al., 2004).

Methodology

Semi-structural Interviews

The purpose of this article was to determine the set of values which attract freelancers in e-lancing platforms and also determine the factors of FJS. Qualitative research was conducted to explore insights of value system and stress factors of freelancers. Qualitative research was selected because it provides in-depth analysis
Limited research studies were found on freelancers’ value system, and there is no study available on FVP. Semi-structured interviews were selected as the mode of data collection. Interviews were chosen as tool for data collection because it provides opportunity to subjects to express their viewpoint and understanding about the phenomenon under study (Easterby-Smith, Thorpe, Jackson, & Easterby-Smith, 2008). Semi-structured form of interview is recommended for similar type of studies because it provides set of guidelines suggested by supporting literature, and at the same time, allows respondents to express their viewpoint. Moreover, it minimizes self-presentational concern which is a major issue in focus group studies, and this form of interviews also reduces the pressure to say the right things (Bristol & Fern, 2003; Wooten & Reed, 2000). In addition, the grounded theory approach was used to conceptualize FVP and FJS by following the guidelines provided by Creswell, Hanson, Clark Plano, and Morales (2007). Grounded theory is a systematic methodology involving theory formulation through the methodological gathering of data (Strauss & Corbin, 1997). It is an inductive approach of theoretical advancement in which the researcher moves from small pieces of specific information to general theme formulation. The grounded theory approach is highly recommended when research framework is not well established. In this approach, researchers normally start from research question/proposition and then follow systematic process of data collection and analysis in order to develop understanding about the phenomenon.

Selection of Participants

Freelancers were selected from Pakistan for semi-structured interviews. Purposive sampling technique was used to select respondents because it justifies research objectives and also due to limited resources (e.g., time and money; Etikan, 2016). This study was not sponsored by any freelancing platform. Therefore, participants were free to share their experiences. Purposive sampling also allows researchers to select the right blend of participants based on experience. The researcher made appointments with respondents on phone calls and provided brief information about the purpose of interview. Participants gave appointments according to their availability and convenience. Interviews were conducted in relaxed environment. Participants signed a consent form presented by interviewer before interview. Interviews were voice recorded and later transcribed in text for analysis. In order to ensure quality of data and effectiveness of study, interviews were conducted under the guidelines of True and Bryman (1990).

After greetings, interview started with general inquiries about future of freelancing industry, and then moved towards specific inquiries. Participants were asked about attractions for them to join and stay e-lancing. Participants were asked about benefits which they expect from freelancing platform. After benefits, participants were inquired about problems which they experience during their freelancing, and also inquired about factors which affect their performance...
negatively. After general inquiries about value and stress factors, the researcher asked participants more specific questions about the role of platform and the problems which they experience while shifting from one freelancing platform to another. In the end, the researcher closed the interviews by thanking respondents for their time and useful insights.

Analysis

Data analysis was done in Nvivo 12 Pro software and follows the process of open coding, combining the codes in broader categories (axial coding) and then themes (Creswell et al., 2007; Sinkovics, Penz, & Ghauri, 2005). First respondent enabled the discussion and provided guidelines for subsequent interviews. Therefore, first respondent was selected very carefully, and respondent had vast experience of 13 years in freelancing. The analysis developed progressively during the process of data collection. Open codes were allotted to each sentence of transcribed version of interviews. Data were recorded in Nvivo 12 Pro after each interview. These open codes were grouped into axial codes. Data collection process was repeated until the achievement of saturation point. Saturation point is criterion for the adequacy of sample size for similar nature of qualitative study (Boddy, 2016). The theoretical saturation point was achieved earlier in the 11th interview, and no new nodes were generated until the 20th interview. Hence, the sample size is comprised of 20 participants which fulfils sufficient criterion for practical \( n > 10 \) and theoretical saturation point (Boddy, 2016; Hagaman & Wutich, 2017; Starks & Trinidad, 2007). Table 1 shows demographic profile of participants.

Table 1. Descriptive Characteristics of Participants

<table>
<thead>
<tr>
<th>ID</th>
<th>Age</th>
<th>Gender</th>
<th>Education</th>
<th>Experience (Years)</th>
<th>Type of Freelancing</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>34</td>
<td>Male</td>
<td>PhD</td>
<td>13</td>
<td>IT solutions, consultancy</td>
</tr>
<tr>
<td>2</td>
<td>30</td>
<td>Male</td>
<td>PhD</td>
<td>4</td>
<td>IT solutions</td>
</tr>
<tr>
<td>3</td>
<td>27</td>
<td>Male</td>
<td>PhD</td>
<td>1</td>
<td>IT solutions</td>
</tr>
<tr>
<td>4</td>
<td>35</td>
<td>Male</td>
<td>PhD</td>
<td>5</td>
<td>IT solutions</td>
</tr>
<tr>
<td>5</td>
<td>34</td>
<td>Male</td>
<td>PhD</td>
<td>1</td>
<td>IT solutions, academic writing</td>
</tr>
<tr>
<td>6</td>
<td>26</td>
<td>Male</td>
<td>Master</td>
<td>2</td>
<td>IT solutions</td>
</tr>
<tr>
<td>7</td>
<td>33</td>
<td>Female</td>
<td>PhD</td>
<td>3</td>
<td>Academic writing</td>
</tr>
<tr>
<td>8</td>
<td>36</td>
<td>Male</td>
<td>Master</td>
<td>5</td>
<td>IT solutions</td>
</tr>
<tr>
<td>9</td>
<td>32</td>
<td>Male</td>
<td>Master</td>
<td>3</td>
<td>IT solutions</td>
</tr>
<tr>
<td>10</td>
<td>25</td>
<td>Male</td>
<td>Master</td>
<td>1</td>
<td>IT solutions</td>
</tr>
<tr>
<td>11</td>
<td>34</td>
<td>Male</td>
<td>PhD</td>
<td>3</td>
<td>IT solutions</td>
</tr>
</tbody>
</table>

(Table 1 Continued)
### Table 2. Summary of Analysis

<table>
<thead>
<tr>
<th>Open codes</th>
<th>Frequency</th>
<th>Axial Codes</th>
<th>Themes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flexible timing</td>
<td>18</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flexible scheduling</td>
<td>14</td>
<td>Work-life balance value</td>
<td></td>
</tr>
<tr>
<td>Free-time utilization</td>
<td>8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income</td>
<td>19</td>
<td>Economic value</td>
<td></td>
</tr>
<tr>
<td>Commission</td>
<td>11</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Extra financial benefits</td>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job independence</td>
<td>10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Work autonomy</td>
<td>9</td>
<td>Autonomy value</td>
<td>Freelancer Value, Proposition</td>
</tr>
<tr>
<td>No work restrictions</td>
<td>5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Be your own boss</td>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Skill development</td>
<td>13</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Career development</td>
<td>4</td>
<td>Developmental value</td>
<td></td>
</tr>
<tr>
<td>Future opportunities</td>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Experience</td>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passion</td>
<td>7</td>
<td>Hedonic value</td>
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<tr>
<td>Enjoyment</td>
<td>4</td>
<td></td>
<td></td>
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<tr>
<td>Reputation</td>
<td>7</td>
<td>Social value</td>
<td></td>
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<tr>
<td>Peer group</td>
<td>5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ambiguous requirement</td>
<td>7</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Source: The authors.*

(Table 2 Continued)
Table 2 shows brief summary of data analysis. FVP is comprising of work-life balance value, economic value, autonomy value, developmental value, hedonic value and social value. FJS is comprising of role clarity, payment issues, time management issues, work availability issues, work rejections and lack of perks and benefits.

**Research Findings**

In general, most of the participants consider that freelancing is an attractive industry and offer a lot of opportunities. Workforce demand will be high and growth is also going to be high in coming years. Most of the freelancers think that freelancing is an attractive industry and hold positive attitude towards working in e-lancing platforms.

“I think the future of freelancing is very bright…. It will expedite, because, today’s world is a global village and traditional jobs are not available so freelancing is a different kind of job so you can get it online. As IT industry is growing, so there will be a lot of jobs at freelancing and even in other sectors like management… like you have any expertise… set online and do a job.” (Respondent 2)

But few respondents also think that freelancing industry is going to be extremely competitive in near future, and it will be really difficult to survive in this competition especially for fresh freelancers.
"Future of freelancing … freelancer should be more competent to win more projects from freelancing websites because of too much competition, and competition is growing exponentially.” (Respondent 3)

**Freelancer Value Proposition**

Based on interview analysis, following categories of value set are identified as dimensions of the FVP; work-life balance value, economic value, autonomy value, development value, hedonistic value and social value (Figure 1).

**Figure 1.** Dimensions of Freelancer Value Proposition  
**Source:** The authors.

**Figure 2.** Dimensions of Freelancer Job Stress  
**Source:** The authors.
Work-life Balance Value

Work-life balance is the most prominent driving force for freelancers to work in this industry. Freelancers can manage their life and work according to their schedule. Flexibility of work is the dominant feature of freelancing and strong attraction for freelancers. Majority of freelancers are part-timers and they work in their free time apart from their regular job. So, they take projects according to availability of free time.

“[T]hird thing, time is very flexible according to your work distribution so I think time flexibility is also an important factor.” (Respondent 9)

“Freelancing is not full-time activity … most of them working as part-timers … as I know many persons whose main job is something else and doing freelancing in their free time…. May be seasonal freelancers, may be students free from there exams and have two, three months and want to have some hands on experience, so they start freelancing.” (Respondent 15)

Sometimes, freelancing can negatively affect personal life of freelancers if they take too many projects or spend too much time in freelancing in order to achieve their work associated goals. This adverse effect is related to freelancer’s self-management and not with platforms or freelancing industry. Actually, freelancing allows them to shift their balance more towards work in order to gain benefits.

“[W]hen you do freelancing, you do it in your free time, it is not your fix job. Sometimes you take stress but that is the stress which you want to take … otherwise everything is normal.” (Respondent 2)

“It is independent and home base job concept…. Even a lot of women who are housewives can avail this opportunity as freelancer … because they are sitting in their homes and they are caring and performing their duties.” (Respondent 4)

Work-life balance is one of major concerns of corporate culture. Work-life balance is also considered to be an important value factor for corporate employees. Long office hours and overtime meetings disturb the personal life of individuals. Work-life imbalance negatively affects creativity, productivity, organizational commitment and life satisfaction (Greenhaus, Collins, & Shaw, 2003). Work-life imbalance positively affects absenteeism, stress, job turnover, domestic violence, illness and parenting problems. In contrary, if there is balance between life and work, then it enhances employee’s performance and job satisfaction (Hobson, Delunas, & Kesic, 2001). So, work-life balance value is common factor among EVP and FVP.

Economic Value

Economic value is also important dimension of EVP (Berthon, Ewing, & Hah, 2005; Jiang & Iles, 2011). Similarly, renting and sharing of underutilized resources brings economic benefits. In freelancing, sharing of knowledge, skills, abilities and underutilized free time brings strong financial incentives. Most of the freelancers in the e-lancing model are part-timers. The more optimal utilization of resources brings more economic benefits. This is one of the major reasons that entrepreneurs are adopting e-lancing model. It is considered to be a win-win situation for both clients and freelancers. Clients get the best deal available in the
platform by bidding, and freelancers get the agreeable financial benefits on
underutilized resources (i.e., time, skills and knowledge).

“Money, that is the first thing … in my personal perspective, money makes more people
do freelancing.” (Respondent 2)
“[I]t is on you that how much you can earn … if you have a lot of time or no time, it is
on you how much you could do your work.” (Respondent 11)

Freelancer can increase economic value by gaining more projects and spending
more time in freelancing. Freelancer can receive a lump sum amount per project
or can receive income per hour. This is also fascinating for freelancers that income
is directly related to their performance and there are no corporate culture evils,
that is, organizational politics, favouritism and glass ceiling.

“Third attraction you can say for me … in your job, you have fix salary and increments
are annually or after six months, but here you can have your increment daily. If you
work one hour extra, you have your increment in salary.” (Respondent 1)
“I can earn handsome amount in part-time without affecting my regular job; this was
my main objective.” (Respondent 12)

**Autonomy Value**

Autonomy refers to will power of a person that when to, how to and to what extent
perform a job (Fornes, Rocco, & Wollard, 2008). In literature of corporate
organizations, it is proven that high level of work autonomy contributes to higher
levels of job satisfaction and commitment. Freelancers are enjoying more flexible
and autonomous work environment as compared to corporate employees. Autonomy
is source of motivation and helps in problem-solving behaviour (Spreitzer, 1995).
Work autonomy also leads towards job commitment and less autonomy leads towards
frustration and lower job satisfaction (Bredillet, Tywniak, & Dwivedula, 2015).

“First of all, job independency; you do not have to work for anyone; you are your own
boss. You can do your own work, and this was first priority for me.” (Respondent 1)
“You are managing yourself not anyone else. And second is work restrictions like you
have to go to office at nine in the morning and come back around five, six. There is fix
slot of 8 hours of working; here, you have 24 hours and you have to manage yourself
like you have to work for 8 hours or 10 hours.” (Respondent 9)

“Job independence” and “no work restrictions” appear to be prominent contributors
of FVP. Freelancers are independent, empowered, autonomous and their boss.
They do not follow formal dress code, work hour timings and hierarchy structure;
they are self-managed and self-motivated

“First of all, you do not have a bossy culture; you do not have traditional office. You can
set in your own comfortable space whichever you like … so the independence….
Nobody is going to watch you … you have to be self-motivated … self-triggered.”
(Respondent 4)
Developmental Value

Developmental value is defined as “the extent to which an individual is attracted by an employer that provides recognition, self-worth and confidence, coupled with a career-enhancing experience and a springboard to future employment” (Berthon et al., 2005). It refers to people demand for professional development (Jiang & Iles, 2011). Jiang and Iles (2011) identify that developmental value is one of the most important dimensions of organizational attractiveness and employer-based brand equity (EBBE)—which means that employees value those companies and employers which offer better opportunities for skill development, professional development and career advancements. Potential employees also evaluate a firm’s attractiveness on the bases of career growth opportunities (Sengupta et al., 2015).

“[A]nd can also help in increasing your expertise … and this expertise can help in your industrial life also … you can grow much higher because of experience, and experience never dies.” (Respondent 3)

“[A]nd can also help in increasing your abilities. You focus on many problems in that perspective…. Which are new to you … so that is also a learning perspective to improve your abilities.” (Respondent 12)

“[A]nd can also help in increasing your expertise … and this expertise can help in your industrial life also … you can grow much higher because of experience, and experience never dies.” (Respondent 3)

“You can communicate with international people, and you can talk on different projects with people, you can communicate with other freelancers and developers.” (Respondent 6)

Developmental value plays an important role in freelancing career. Developmental value motivates freelancers to participate in e-lancing platforms. These platforms not only help them to develop technical skills but also provide a handy experience and global exposure. Developmental value is source of intrinsic motivation, which helps freelancers to remain and grow in e-lancing. Studies show that if developmental values are high, then the motivation level of employees will be high and turnover intentions will be low (Jaw, Ling, Wang, & Chang, 2007).

Hedonistic Value

Hedonistic value was proposed by Holbrook and Hirschman (1982) and can be defined as “those facets of consumer behaviour that relate to the multisensory, fantasy and emotive aspects of product usage experience”. It refers to perceived benefits of enjoyment, excitement, fun and pleasure which an individual experiences while use and experience of the product or service. In marketing research literature, it is proved that hedonistic value has high impact on purchase intention and user attitude towards use (Kazakevičiūtė & Banytė, 2013). In category of luxury products, impact of hedonistic value on purchase intention is even much high (Chattalas & Shukla, 2015). Moreover, luxury products provide pleasant sensory benefits and good aesthetic appearance which is highly appealing and desirable for potential customers (Şener, Ateşoğlu, & Coşkun, 2018). In developed countries where average consumable income is high, people are more likely to take emotional decisions rather than rational decisions (Vigneron & Johnson, 2004).
“[A]lso, it is my passion and it is fun to work as a freelancer.” (Respondent 6)
“And may be for some people, it is passion. If they have passion, they do such kind of things.” (Respondent 2)
“Frankly speaking, it is like passion for me to work as a freelancer.” (Respondent 9)

Freelancers perform tasks and complete projects because projects are themselves a source of enjoyment for them and give them a feeling of competence (Acquier, Daudigeos, & Pinkse, 2017). Enjoyment is regarded as an integral motivational factor in different collaborating economy platforms, especially in information-sharing platforms and social media platforms (Nuhn & Wald, 2016). Another research identified that enjoyment is one of the driving forces for users to contribute and help in online information-sharing system (Chung-Yan, 2010; Zhang, Cheng, Luo, & Fu, 2016).

**Social Value: Reputation**

Seeking of likeminded persons and social networking is need of human being. As social animal, people always care about social values and their contribution to the society. Their image, status and reputation in the peer group are important factors for life satisfaction. Reputation is considered to be an external motivational factor for corporate employees. In sharing economy platforms, reputation is proven to be an important motivational factor and it enhances participation, especially in information-sharing platforms (Hung, Durcikova, Lai, & Lin, 2011). Reputation in the online information-sharing platform positively influences the behaviour of editors and content writers (Anthony, Smith, & Williamson, 2009). Role of reputation among the peer group is also important in open source IT projects (Van den Born & Van Witteloostuijn 2013). Sharing economy helps to build new social connections among peer groups, and people can get fame easily among the peer group because of viral platforms of sharing economy (Lee, Chan, Balaji, & Chong, 2018).

“Because in one platform, we make reputation, but we change; we have to make our reputation again. This is fundamental thing which every freelancer can experience.” (Respondent 1)
“First, I do not have good profile so getting project was one of the difficult tasks; no one was giving me any project when they saw my profile.” (Respondent 11)
“There is some pressure that you do not have good profile … and a lot of people are working in freelancing then how can you excel there. First of all, you need to make a good profile and you should do projects at very low cost.” (Respondent 6)

**Freelancer Job Stress**

As shown in Figure 2, the interviews also indicate several factors that are contributing factors of FJS: lack of role clarity, payment issue, time management issue, work availability issue, work rejections, and lack of perk and benefits.

**Role Clarity**

The first factor which surfaced in this study is the lack of role clarity which contributes to FJS. Most of the freelancers do not have a clear idea about desired
outcomes and clients often could not properly communicate project guidelines to freelancer. This conflict creates many problems and stress for freelancers. Sometimes clients themselves do not have clear perception, and they keep changing their requirements as one of participants rightly explained:

“First problem is ‘customer satisfaction’ … again there are two perspectives: one is those customers who communicate straight forward their requirements and you achieve their requirements and get back to buyers … and there are other types … who do not have clear goals and targets.… Once they point out something in projects and deliver to you and then he came to know ‘no I want to modify this, I want to modify that…. That is not my requirement…. Actually, the buyer does not know what he wants to achieve … then alters it time to time.” (Respondent 12)

This issue also creates other problems, that is, time management, self-management and payment rate conflict. The freelancer may put a very low bidding in order to win a project and do not develop understanding about the project and desired skills which are required, which leads towards stress in later stages.

“Stress is proportional to your skill set. What is level of your skill set and what are you committing to clients. Most of the time, freelancers are not clear about projects and their role and desired outcomes. Clients do not communicate clearly.” (Respondent 4)

“[A]nd sometimes you have different approach in your mind but the person who approaches you have different approach and output in mind.” (Respondent 2)

Payment Issue

There are two kinds of payment issues. First, conflict arises between client and freelancer due to any reason, that is, working hour, desired outcome and work rejections. Second, conflict may happen in terms of payment issues between platforms and freelancers, that is, payment gateway issue, security issues and delay payments.

“Actually, the buyer does not know what he wants to achieve … then alters it time to time … due to conflicts of both there are also payments issues and platform issues.” (Respondent 12)

“Especially in Pakistan, we have payment issues like payment cards…. In Western countries, you can have your card but in our country, we do not have that cards; we cannot register our self, we have register then we give our card to someone else who can use this card, and from there we can get cash.” (Respondent 9)

“Major problem which I experience is payment get way … previously, but now pioneers websites launch their cards, so this problem is removed almost.” (Respondent 1)

Time Management Issue

Time management is a common problem among new freelancers. Underestimation of time and pressure of deadline contributes to FJS. Time management can also affect work-life balance of freelancers.

“If you are less experienced then time estimation could be a problem. Let suppose you estimate some work to complete at four hours but it takes eight hours … then client definitely gives you stress that you did not follow deadlines. If you gave a deadline, then
it is understood that client will demand at that deadline. Normally, freelancers give minimum time but they should have given buffer time too.” (Respondent 1)

“If you are working for freelancing company, then they ask you to complete an assignment in 24 hours …. That is not possible that means you have to give up all the activities of daily life.” (Respondent 7)

Work Availability Issue

Inconsistency of work availability also causes tension for freelancer. This factor can be more significant in case of full-time freelancers. Part-timers do freelance for extra benefits, so intensity of stress is lower for them.

“It varies from time to time, sometimes you get much more from freelancing; and there also comes a time, when you are totally free and nothing comes to you, so you become hopeless. So, I would suggest that freelancing should be apart from your job. Second activity and second priority.” (Respondent 7)

“In the beginning, it was very difficult for me to find out work online … even now, sometimes I do not have enough work to do.” (Respondent 18)

Work Rejections

Rejections are critical in freelancing because freelancers can only receive the benefits and high rating when they complete the project. Rejections demotivate them and cause huge stress for freelancers. Work rejections are common for inexperienced freelancers due to lack of understanding about projects and under developed skills.

“In my early stage, projects which I made get returned because of lack of expertise, and it was difficult to win a project in freelancing … because my profile was not very good in beginning.” (Respondent 3)

Lack of Perks and Benefits

Corporate employees have future security due to many long-term perks and benefits (i.e., benevolent fund and gratuity) but freelancer income is project based. They could not enjoy long-term holidays and other perks and benefits of corporate employees. This factor is critical for full-time freelancers because they do not have any other sources than freelancing, so future uncertainty cause stress for them.

“You know, when you do practical jobs, government jobs have a lot of funding…. Provident fund … like when you retire there is pension … if you go to private sector, they will give you very good benefits, but in freelancing, you do not have good packages, just do the current project and get money; when you cannot do anything, then what will you do … you do not know what your future will be.” (Respondent 6)

Conclusion and Recommendations

This study provides many useful insights about freelancing industry and helps to understand the value system of freelancers. Development of FVP and FJS is
theoretical contribution of this study, which could serve as the foundation of freelancer-platform relationships. Identification of value proposition is the fundamental step of branding which helps to achieve critical outcomes (Heger, 2007). FVP will help e-lancing platforms to understand and improve the business model and relationship with freelancers. FJS construct indicates problems which negatively affect performance and life of freelancers.

Freelancing industry is different from corporate industry; therefore, this study explored industry-specific dimensions which are different from corporate industry. EVPs is comprised of social value, economic value, departmental value, application value and interest value (Berthon et al., 2005). Jiang and Iles (2011) measure value propositions in context of employee-based brand equity which comprises of economic value, social value, development value and interest value. FVP has common dimensions of economic value, social value and developmental value, and industry-specific dimensions are autonomy value, work-life balance value and hedonic value.

Freelancing platforms have to maximize overall freelancer value and minimize job stress in order to develop relationship with freelancers and to stay competitive in industry.

**Managerial Implications**

Platforms can implement following strategies to increase overall value for freelancers. In order to capitalize on developmental value, platforms can conduct workshops and trainings which will help freelancers to develop their skills. Platforms can introduce professional certificates for freelancers which will not only enhance their skills but also help clients to perceive freelancer’s capabilities. Most of the time, clients could not find right freelancer for work and rating system could not showcase all the skills of freelancers. In this way, clients can have benchmark measurement of skills and capabilities ensured by platform, which will prevent them from scams and enhance their satisfaction. For enhancement of economic value, better incentives can be introduced and business model should provide secure and fast transaction of payment. Normally, platforms hold payment of freelancers in order to provide better service to clients, but platform should support both clients and freelancers. Fiverr is the pioneer freelancing platform which insures freelancer’s payment with the introduction of upfront payments. Clients have to pay in advance at the point of order, and upon delivery of service, platform transfer payment to freelancers. This strategy is appreciated by freelancers and motivates them to work more for Fiverr. Social value is an interesting finding of this study, in corporate culture social value refers to employee relations with supervisor, peer group, colleagues and subordinates; but in freelancing, social value is related to reputation and connections of freelancers. Platforms can increase social value by recognizing the good work of freelancers and by presenting certificates of recognition. If freelancers stuck in any project, platform can help freelancer to find helping connection. In this way, work rejections will be less and helping connection can also have economic and social benefits. This strategy can
develop a sense of community in the platform, and freelancers can make friends on the platform which will enhance social value. Hedonistic value is more related to intrinsic motivational factors such as excitement, fun, enjoyment and passion. Extrinsic factors can also help to increase hedonistic value such as service quality, layout of platform and overall better service experience.

Role clarity is serious concern for freelancers. Freelancers remain unclear about their role due to lack of communication with clients and also because of eager for getting projects. Freelancers should communicate properly and do not mislead clients about their skills. Self-management trainings can solve problem of role clarity and time management issue. The platform should provide more incentives to experience freelancers who spend significant working hours in platform and attached to platforms for longer period of time. Platform can introduce some perks and benefits to secure their future. Platform can also introduce optional investment schemes, similar to provident fund and social security fund. These strategies will enhance motivation level of freelancers and will lead towards favourable outcomes for platform as well.

Limitations and Future Directions

In this study, data were collected from Pakistani freelancers and generalization of results on freelancing industry is somehow limited. Data were mainly collected from IT professionals; other freelancers such as graphic designers, content writers, researchers and consultants should be included in future studies. Quantitative research is required to further validate and refine dimensions of FVP and FJS. It would be interesting to compare different demographics and their effect on freelancer value and attitude towards e-lancing platform. Future studies can also compare value proposition among part-time freelancers, full-time freelancers and freelancers who join this industry after their retirement from corporate jobs. Priority of values may change with experience, gender, project type and nature of freelancing. Cross-country value comparisons can be done between developed, developing and under developed countries.

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ORCID iD

Zubair Nawaz [ID] https://orcid.org/0000-0002-1602-5697
Appendix

[Greetings and general briefing]

1. What is your viewpoint about future of freelancing?
2. As you have been working as a freelancer, what are attractions for you in this industry?
3. What kind of problems you experience in your work?
4. Have you ever shifted from one freelancing platform to another?
5. What kind of problems you experience when you change freelancing platform?
6. What do you think about the role of the platform itself as a “brand”, and how the platform can affect your working?

[Thanks, and closing remarks]

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