

Full Research Paper

COVID-19 and Family-Owned Business Performance

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ABSTRACT

The study examined the impact (COVID-19) pandemic on family owned business (FOBs) in Southwest Nigeria. This study targeted a total population of 23,228 SMEs (SMEDAN, 2017) adopted for FOBs because most SMEs are FOBs in Nigeria. A sample size of three hundred and seventy eight 378 respondents from the total population constitutes the sample size for questionnaire that was administered. The determination of sample size for the study was achieved using the Raosoft sample size estimator. Out of the 378 questionnaire being distributed, only 250 were filled and returned appropriately. The study adopted multistage sampling technique. The focus of the study was based on fast moving consumable goods (FMCGs) producers of essential goods. The collected data was scored, tabulated, coded, and analyzed using multiple linear regression analysis with the aid of SPSS 23.0., the result reveals that there is a moderate significant relationship between COVID-19 pandemic and FOBs performance, where product patronage ($r = 0.534$, $P < 0.01$); growth ($r = 0.623$, $P < 0.01$), and profitability ($r = 0.228$, $P < 0.01$). Therefore, the study accepted the alternative hypothesis that there is a significant relationship exist between COVID-19 pandemic and FOBs performance. The study recommended that government should strengthen the business related incentive packages and circulate the information noticeably, this is indispensable in volatile potential of the Covid-19 pandemic predicament; FOBs should identify critical business issues and develop recovery strategy such as business recovery plan (BRP) to enable them mitigates the impact of covid-19 on their businesses; and opportunities should always tap from every situation by businesses.

Keywords: COVID-19 Pandemic, FOBs Performance, Product Patronage, Growth, Profitability

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1. INTRODUCTION

Organizations are constantly besotted by factors beyond their control, with unpredictable outcomes which hinder organizational survival as a fundamental goal and organizations must be able to advance responsive approaches that help them thrive through tough and challenging periods, such tough times as the recent corona virus (COVID-19) pandemic, which within a short period of time, has swept across continents, ravaging lives, social and economic exchanges and as such negatively impacting on businesses With origins traced to Wuhan, in China (Gabriel, Ekezie, Yakie, Elechi, B. Okposuogu, Lucky-Kormene, Worgu and Alabo, 2021). Donthu and Gustafsson (2020) state that pandemics seem to occur at 10–50-year intervals as a result of the emergence of new virus subtypes from virus re-assortment and it is difficult to estimate the long-term economic, behavioral, or societal consequences, which necessitate behavioral changes connected with personal protection, such as the use of face masks and social distancing rather than general behavior changes.

The COVID-19 pandemic outbreak has forced many businesses to close, leading to an unprecedented disruption of commercial activities globally in most industry sectors in which many business owners faced many short-term challenges, such as those related to health and safety, the supply chain, the workforce, cash flow, consumer demand, sales, and marketing (Donthu & Gustafsson, 2020). The COVID-19 has severely affected national and global economies in which various enterprises are facing different issues with a certain degree of losses. Particularly, enterprises are facing a variety of problems such as a decrease in demand, supply chain disruptions, cancelation of export orders, raw material shortage, and transportation disruptions, among others. Nevertheless, it is quite clear that enterprises around the globe are experiencing the significant impact of COVID-19 outbreak on their businesses, particularly, micro, small & medium-sized enterprises (MSMEs), including family-owned business (FOB) are worst hit, when compare to large enterprises, because, these firms are highly dependent on their routine business transactions and a small number of customers, do not possess sufficient resources, especially financial and managerial, and are not prepared for such disruptions likely to go longer than expected (Shafi, Liu & Ren, 2020).

Schmid, Raju and Jensen (2021) postulate that the COVID-19 pandemic has caused an unprecedented disruption of systems and societies globally, claiming more than 1.7 million lives until December 2020 with its increasing risks and existing vulnerabilities of societies and organizations globally including technological, political and environmental threats which culminate to major financial and operational challenges to continue their business, requiring them to downsize or shut down their operations or workforce.

Margherita and Heikkilä (2021) state that the health emergency generated by the global diffusion COVID-19 pandemic, which has rapidly spread from China to most world countries is a a major threat for companies and the continuity of their business processes. Bailey and Breslin (2021) argue that new opportunities were identified where the pandemic has varying effects across a nation in the case of larger countries such as Brazil, India or South Africa, which span several climatic zones, possibly a factor contributing to regional differences in susceptibility to the virus.



Carracedo, Puertas and Marti (2021) posit that COVID-19 pandemic has underscored the fragility of the foundations of the 21st century economy, which is characterized by major technological advances and remarkable globalization, centred around globally interconnected production chains seeking maximum profitability. The lockdown measures led to widespread economic collapse with significant repercussions on production and employment, and a severe impact all branches of activity due to the sharp decline in consumption. The most developed countries have seen their positive economic growth dip into the red with marked rises in unemployment and an increase in social inequalities. Comparisons are inevitable: some go so far as to equate the uncertainty generated by this pandemic with that caused by the Great Depression of 1929–33, and far exceeding that associated with the financial crisis of 2008–09.

Aifuwa, Musa, and Aifuwa (2020) posit that in Nigeria the COVID19 pandemic lockdown restrict transportation of people and goods which significantly disrupt outputs and exports, hinder the growth of the private businesses. Against the backdrop of government lockdown and a halt of business activities, private businesses financial and non-financial performances were affected, which resulted in sharp decline in sales that subsequently lead to insufficient cash flow in carrying out various operations, financing and investing activities. The widespread closing of businesses by policy mandate or downward demand shifts around the world due to COVID-19 is extraordinary in which many of these closures may be permanent because of the inability to pay expenses and survive the shutdown which is severe on all businesses, including family-owned businesses (FOB) with the only exception being agriculture (Fairlie, 2020).

FOB is the world's oldest and dominant form of business organisation with about 70 and 95% and also create between 50 and 80% employment (Adegbite, 2018). FOB is made up of the family subsystem and the business subsystem which overlaps and interrelates to form the family business system and the anticipated outcomes and goals of each FOB is a product of its definite family and business sub-systems. Privately-owned family business performance is of particular interest to each family since they set their goals based on their belief, which may be non-financial goals. Ralph (2015) explain further that FOB performance can be evaluated using: sales growth, market size, net profit, cash flow, profit sales ratio, return on investment, product and market development, client needs adaptation, costs reduction, human capital development, protection of the environmental, customer satisfaction, service quality, family wealth creation, personal goal attainment.

Wang, Lo and Weng (2019) posit that FOB(s) have their peculiarity and representativeness, as the promotion of employees in businesses is measured mainly according to their commitment to the business, and not their performance, which is also an essential difference. Allen, George and Davis (2018) argued that performance advantages of FOB(s) are tied to their closely held nature where both ownership and control are often embodied in the same individual or family and FOB governance as one source of competitive advantage leading to improved performance. This improved performance is the result of FOB(s) relying on a more personalized form of governance based on relationships, family influence and most importantly, alignment of interests between top decision makers and owners.



FOB is considered the pillar of private industry that contributes to employment generation and economic growth across the world. Most FOB(s) are small both in term of employment and sales and it is an inefficient way of organizing business activities because it advance social goals, like control and nepotism, and relegates economic goals, like profit and growth ((Andersson, Johansson, Karlsson, Lodefalk, & Poldahl, 2017).). FOB is an organization of different stakeholders' interests and demands couple with particular intrinsic values and goals (Basco, 2017).

Adegbite (2018) argue that FOB and other businesses should embrace hybrid approach to measure performance by combining both financial and non-financial measures such as: Sales growth, market share, cost reduction, operating profit ratio, quality, productivity, and return on investment in order to incorporate multidimensional aspects of firm performance.

1.2 Statement of the problem

Businesses operations have been exposed to different risks, characterized by short and long run disruption and consequences during pandemic such as an unstable current situation, and uncertainty about future developments in the markets (Ivanov, 2021; Chen, Wang & Zhong, 2021), supply base, and capacities (Sodhi, Tang & Willenson, 2021). The interruptions in the business occur due to natural calamities and crises of pandemic (Barman, Das, & De, 2021), affect the entire process of manufacturing and selling commercial goods, supply of materials and the manufacture of the goods through to their distribution and sale (Chen et al., 2021), in which FOBs are not exempted from the vulnerability in Nigeria from other external shocks (Aderemi, Ojo, Ifeanyi & Efunbajo, 2020). The COVID-19 pandemic have an intense impact on organizations globally, as businesses and societies are faced with greatest challenges that threaten their continuity (Bailey & Breslin, 2021).

The COVID-19 pandemic has dire consequence on FOBs because businesses require strong connections with people, whether they are customers or suppliers (Adam & Alarifi, 2021). Due to COVID-19 pandemic, government measure to lockdown affected all businesses including FOB, resulting in a sharp decline in sales which subsequently lead to insufficient cash flow in carrying out various operations, financing and investing activities, inventory obsolete, loss in economic value, downsizing and or closure of many businesses translating to job losses and increase unemployment rate (Aifuwa, Musa, & Aifuwa, 2020).

Ivanov (2021) found that supply chains with postponed demand and shutdown capacity during the COVID-19 pandemic are particularly prone to disruption tails. Yu, Razzaq, Rehman, Shah, Jameel and Mor (2021) found that COVID-19 disrupted global supply chain resulting in socioeconomic shocks against sustainable production and consumption. Zhang, Gerlowski and Acs (2021) found that in states with higher Work From Home (WFH) rates, small businesses performed better overall with industry variations, controlling for the local pandemic, economic, demographic, and policy factors, also that WFH rates increased even after stay-at-home orders (SHOs) were rescinded with the ready technology and practice of WFH in the pandemic. Bhat and Shah (2013) found that family and business values overlap as shown in the family members' commitment, loyalty and pride towards enhancing the service quality and employees job satisfaction that improves performance of the family.



There are various studies on COVID-19 pandemic as it relates to SMEs/MSMEs (e.g Acee-Eke & Akani, 2020; Musa & Aifuwa 2020; Aderemi, Ojo, Ifeanyi, & Efunbajo, 2020; Gregurec, Tomicic Furjan & Tomicic-Pupek, 2021; Korankye, 2020; Shafi, Liu & Ren, 2020; Ukata & Kalagbor, 2020; etc.); firm/business/organizational performance (Aifuwa, Musa & Aifuwa, 2020; Bailey & Breslin, 2021; Hu, Yang & Zhang, 2021; Owenubiugie, 2021) as well as business disruptions/supply chain (Barman, Das & De, 2021; Chen, Wang & Zhong, 2021; Farooq, Hussain, Masood & Habib, 2021; Ivanov, 2021; Sodhi, Tang & Willenson, 2021; Yu, Razzaq, Rehman, Shah, Jameel & Mor, 2021) to mention few. Despite that there are various studies on COVID-19 pandemic, there is scanty of studies on COVID-19 pandemic and FOBs performance. Hence, this study intends to fill the gap in literature. Therefore, this study examined the effect of COVID-19 on FOB performance in Southwestern Nigeria because most of the previous studies were conducted in the developed countries where the pandemic was more prevalent.

1.3 Objectives of the Study

The broad objectives of this study are to examine the effect of corona virus (COVID-19) on family-owned business (FOB) performance in Southwestern Nigeria and specifically to;

- I. ascertain the impact of COVID-19 on FOB product patronage in Southwestern Nigeria;
- II. determine the relationship between COVID-19 and FOB growth in Southwestern Nigeria;
- III. evaluate the influence of COVID-19 on FOB profitability in Southwestern Nigeria; and
- IV. determine the combine effect of corona virus (COVID-19) on family-owned business (FOB) performance in Southwestern Nigeria:

1.4 Research Questions

The study is guided by these research questions.

- I. Does COVID-19 have impact on FOB product patronage in Southwestern Nigeria?
- II. What is the relationship between COVID-19 and FOB growth in Southwestern Nigeria?
- III. To What extent does COVID-19 influence FOB profitability in Southwestern Nigeria?
- IV. What is the combine effect of corona virus (COVID-19) on FOB performance in Southwestern Nigeria?

1.5 Research hypotheses

These null hypotheses are tested;

- Ho₁: COVID-19 does not have relationship with FOB growth in performance in Southwestern Nigeria
- Ho₂: COVID-19 does not have impact on FOB product patronage in performance in Southwestern Nigeria
- Ho₃: COVID-19 does not influence FOB profitability in performance in Southwestern Nigeria
- Ho₄: COVID-19 does not have effect on FOB performance in performance in Southwestern Nigeria



2. LITERATURE REVIEW

2.1 Concept Corona Virus (COVID-19) Pandemic

The illness caused by the new corona virus (COVID-19) SARS-CoV-2, is a pandemic, because the disease outbreak spreads across countries, continents and affect more people, which is the reason it was declare pandemic by World Health Organization (WHO) when it became clear that the illness was severe and that it was spreading quickly over a wide area (Robinson, 2020). COVID-19 pandemic has ravaged and disrupt human health and businesses globally such that livelihood of millions of people has been affected. Confirmed cases of the virus named COVID-19 was first reported in December 2019 in the Chinese province of Hubei and declared a pandemic by the World Health Organization in March 2020 (Oyewale, Adebayo & Kehinde, 2020).

The presence of the virus in Nigeria was first reported on February 27, 2020, when an Italian citizen visiting Nigeria tested positive for the virus, caused by SARS-CoV-2. On 9 March 2020, a second case of the virus was reported at Ewekoro, Ogun State, a Nigerian citizen who had contact with the Italian index case. The rapid spread of the COVID-19 virus led countries around the world into a health crisis (Oyewale et al., 2020). Motti (2020) establishes that COVID-19 is a coronary disease that is fast spreading worldwide and all-encompassing pandemic that has impact on individuals, organizations, and government's welfare, routine and role respectively.

Gabriel et al, (2021) posit that apart from the observed severity, rapid spread and high mortality of the virus, most governments were either in denial of its impact on their states, or acted nonchalantly with regards interstate and international movement. This poor response is considered as one of the major factors behind the spread of the virus. Another reason has been the politicizing of the spread with some parties exaggerating actual cases for more financial support.

Foss (2021) argue that the Covid-19 pandemic have many complex consequences for organization as it led to more remote work, more delegation, smaller teams, and widespread use of workers who are more loosely connected to the organization. However, it is also led to more formalization, consistence in planning, and a heavier use of individual-level rewards. Some of which changes are efficiency-enhancing while others are efficiency-reducing. According to Hu, Yang and Zhang (2021), COVID-19 virus has a long latency period with symptoms similar to those of the seasonal flu, which makes the two illnesses difficult to differentiate.

The rapid transmission of COVID-19 was further amplified by the Chinese Spring Festival, an event for which citizens travel nationwide to reunite with their families and all Chinese cities began to impose strict preventive measures in late January 2020, such as stay-at-home orders and the closure of businesses and leisure travel was grounded to a nearly complete halt throughout China, bringing devastation to the tourism industry through suffocated demand and plummeting cashflow.



Sharma, Leung, Kingshott, Davcik and Cardinali (2020) state that Covid-19 has been the deadliest virus in recent history to hit the world community and in response, scientists around the world are in a race against time to develop a vaccine and find the right drugs to treat the debilitating symptoms of this unique disease as it continues to wreak havoc on the global economy. Most countries have issued stay-in- shelter orders to their citizens, locked down their borders to inbound and outbound travel, and restricted the flow of everything except essential commodities such as food and medicine. Zhang, Gerlowski and Acs (2021) state that COVID 19 pandemic brought a much more widespread acceptance and use of the working-from-home environment and small businesses which include mostly FOB are typically more vulnerable than larger firms.

Yu, Razzaq, Rehman, Shah, Jameel and Mor (2021) state that a pandemic is a worst-case scenario when an epidemic spread beyond a country's borders with high rate of mortalities, health risks that cost billions of dollars which increase concerns regarding public health and instigate devastating socio-economic crises in the disease ridden regions. Amid rising socio-economic shocks of COVID-19 across the globe, about 40-60 million people fall into extreme poverty due to the informal sector's highest unemployment rate. In order to 'flatten the curve' governments across the World have imposed travel restrictions, border shutdowns, business discontinuity, and quarantine in countries which comprise the world's largest economies, sparking uncertainties of an imminent recession and economic crisis, notwithstanding, some countries are still recording persistent growth in confirmed cases and deaths due to the inaccessibility of the disease resistant vaccine and drug (Yu et al., 2021). Chen, Wang & Zhong (2021) assert that the COVID-19 pandemic outbreak reduced production capacity or shutting down their factories, which lead to the disruption business activities globally.

2.1.2 Concept of Family-owned Business

Family-owned businesses are a type of hybrid identity organizations that intentionally combine the family and the business that would normally be mutually exclusive and the integration of the family and business identities is one of the differentiating characteristic of family businesses. However, this integration can potentially provide benefits such as a strong organizational culture that fosters continuity and unique values that enhance authenticity and distinction, as well as important opportunities for family members (Wielsma & Brunninge, 2019). Hernández-Trasobares and Galve-Górriz (2016) state that families are among the most important shareholders in business organizations globally, that a firm is a family business when family members own a majority of shares, are involved in management, form part of the board of directors and wish to transmit the firm to subsequent generations and the family nature of a business group determines strategies, including diversification and its subsequent impact on performance and family business not only pursue financial targets, but also aim to maintain socio-emotional wealth.

O'Brien, Minjock, Colarelli and Yang (2017) state that in FOB nepotism in which employed family members are more likely to be hired and promoted and less likely to be fired than that non-family members as traditional organisation influence is a major cause of diminish employee commitment in family businesses. Arrondo-García, Fernández-Méndez and Menéndez-Requejo (2016) assert that FOB pursue socio economic wealth which refers to non-financial goals; such as maintaining family control and influence over the firm; identification of family members with



the company; maintaining family members' status, influence and social ties; and perpetuating the firm for subsequent generations to inherit as well as financial goals. Family businesses are risk averse and avoid investment decisions that expose firm value creation to excessive risk and to losses and aim for lower levels of debt which might threaten survival.

Family businesses are typically more conservative because a significant portion of family wealth is concentrated in the company, particularly when the largest shareholder is an individual. Family businesses are characterized by patient capital investment that supports growth, investments in reputation building and reinforcement of market share and families support their businesses by injecting money and taking significant risks to continue the firm legacy, although performance may be below market average, family businesses are reluctant to downsize and are less likely to undertake divestitures, even when companies are failing. Parentalism in family businesses frequently extends to nonfamily employees, which promotes employment stability, even during market downturns. Moreover, market competition forces the family to be efficient (Arrondo-García et al, 2016). Adegbite (2018) posits that FOB is a business establish, control and manage by the same family to protect the interest of its members from one generation to another by providing and satisfying societal needs in expectation of rewards.

Bandelj, Sowers and Morgan (2019) estimate that family businesses comprise approximately 90% of all firms worldwide and are noted for performance advantages such as cost consciousness reliance on long-term management perspectives, and the use of family ties, and social capital more broadly, to aid the business. However, resistance to change, workplace inequalities between family and non-family), issues concerning nepotism, and the extraction of personal benefits from the business are all identified as disadvantages faced by family businesses.

Bloemen-Bekx, Gilsa, Lambrechts and Sharma (2019) define family business as a business founded and continue to control at least one established and successful venture, plan to continue to have family members involved in the business, and regard the management of long-term family wealth rather than one focal objective and the intent of family wealth objective embodies continued pursuit of financial and nonfinancial goals which requires family business operators to organize and maintain long-term and committed members towards achieving the objective due to the fact that family businesses are core drivers of economic growth and enduring entrepreneurial activity Mahto, McDowell and Davis (2019) postulate that family businesses are distinct firms that involve a family or multiple families ownership and management with the intention of maintaining transgenerational control and are responsible for supporting a significant portion of gross domestic product by creating new jobs and economic development globally and they are significantly heterogeneous in terms of size, ownership, family participation, and governance, which influence their performance and survival.

Family-owned businesses are contributors to the creation of wealth and employment in economies across the world, and they range from small businesses that complement the operations of large conglomerates in different industries and countries (Cano-Rubioa, Fuentes-Lombardob, & Vallejo-Martosca, 2017; Charbel, Elie and George, 2013;Wale-Oshinnowo, 2017a; and Wangfenga&Lihong, 2016).



There is no acceptable definition of family-owned business, though, most authors highlight ownership, family involvement, family control and succession as key components of classifying a family business (Cano-Rubio et al, 2017). Aldamiz-Echevarría, Idígoras, and Vicente-Molina (2017) posit that an organisation of any size is a family-owned business, if: The decision-making rights and control are possessed by a natural person(s) who established the organisation, or who has/have acquired the share of the organisation, or is control by their spouses, parents, child or children's direct heirs; The majority of decision-making rights are indirect or direct; At least one representative of the family or folks is formally involved in the governance of the business. According to Charbel et al, (2013) family-owned business can be defined by retaining majority ownership and control by relations. On the other hand, affirm that a small company that is operated by the founder with the intention of entrusting control and management to the younger family member is a family-owned business.

Joseph (2014) classify family-owned business as family-owned and family-managed, family-owned but not family-managed and family-managed but not family-owned and state further that a business owned and managed by a nuclear family is a family-owned business. By obligation, it will be operated with the intention of transferring it to the family future generation in accordance with their values and preferences and family dynamics. Wale-Oshinnowo (2017b) stated that the key characteristics of what constitutes a family-owned business are; family influence on the business strategy; the family vision; intention to keep control of the business and succession which distinguish family-owned business and encourage familiness.

Goel, and Jones (2016) posit that survival of a family-owned business is determine by the desire of the family to keep the business base on extent of control, leadership, involvement in management of the organization.. Tsai, Lin, Lu, Nugroho, and Lin (2017) posit that family-owned businesses are small-scale enterprises establish with entrepreneurial efforts and resources harnessed by family members with kinship relations, especially family members of the founder. Cowan and Wright (2016) report that FOB have fewer resources which make competing and expansion a major challenge and describe FOB as a business owned and managed by a single family

FOB is any business owned and or operated by an individual, couple(s) or family (Banki & Ismail, (2015). Banki, Ismail and Muhammad (2016) in their classification state that micro business has not more than 10 employees and small business employ between those 11 and 49 workers. Peter (2012) states that small-scale family-owned businesses differentiate themselves through responsible management practices and sensible financing arrangements, taking account of the needs of employees, investing in durable relationships with suppliers and customers, and are connected to their local communities which determine their survival and continuity.

2..1.3 Family-Owned Business Performance

Chua, Chrisman, Massis and Wang, (2018); O'Brien, Minjock, Colarelli and Yang (2017) argued \that FOB performance can be measured in terms of organizational efficiency, the relationship between outputs and inputs, or in terms of organizational effectiveness, the relationship between outputs and goals and assessing performance as achievement of goals is important for FOB because of the multiplicity of goals they are explicitly or implicitly assumed to possess and family business pursues financial and non-financial goals.



Financial goals can be expressed in terms of value creation, which can be defined as revenues minus costs, including the cost of capital. Basco, Calabrò, & Campopiano (2018) posit that FOB performance can be divided into three: entrepreneurial, financial, and social; such goals combine the demands and interests of current and potential shareholders. Most research measure organisational performance in a FOB with financial parameters such as: return on investment (ROI), return on equity (ROE), Tobin's q; return on assets (ROA), sales or sales growth, profit or profit growth, and return on sales (ROS) (Ralph, 2015). Cirillo, Huybrechts, Mussolino, Sciascia and Voordeckers (2020) posit that growth is one of the main challenges of any type of organisation as an expression of business success with significant impact on the economy and society in terms of new job creation and a significant number of FOB(s) follow a growth strategy and reach a substantial size.

FOB(s), growth could be related to both business and family issues on the one hand, growth helps them to strive for the business-oriented goal of sustaining a financially prosperous business and on the other hand, specifically relevant for the family-oriented goal of developing new employment opportunities for the next generation and transferring the firm across generations. Ingram, Barton and Gartner (2016) .argue that a growth strategy may threaten the family need for liquidity and control over the business, as a result some FOB(s) deliberately choose not to grow

Gupta, Drave, Dwivedi, Baabdullah and Ismagilova (2019) state that organizations try to build sustainable performance when capabilities and resources blend to maintain equilibrium between operational and economic performance which involves sustaining and expanding economic growth and the combination of quality management practices such as just-in-time, lean manufacturing and higher accuracy in data predication will help serve the market, ensuring continuous growth and sustainable market performance and the long-term sustainability of an organization depends on three vertices of performance, i.e. market, financial and operational performance. Palacios-Marques, Garcia, Sanchez and Mari (2019) posit that organizational performance consists of four correlated elements: financial results, operational efficiency, stakeholder satisfaction, and ability to compete.

Fundamentally, performance is at the core of all activities in organization as it determines the organizations' survival as organizational and for continuous organizational survival in the competitive business environment, the performance of the organization cannot be overlooked in formulating corporate strategies. The organizational performance includes both financial and non-financial performances; which the former refers to tangible or the monetary benefits such as the return of investment, revenue, and profit margins, while the latter refers to the customer satisfaction, growth and other intangible benefits (Muthuveloo, Shanmugam & Teoh, 2017).

2.1.4 Product Patronage

Kaosuwan (2015) stated that product patronage is determined by consumer behavior which is conceptualized as making a decision about buying and using a products or services which include the before and after buying decision. The behavior often includes activities and buying process such as where to buy, when to buy, and how much to buy. The proper way to analyze consumer behavior is by using six "W" questions and one "H" question which can also be explained by using the market concept which includes; who is in the target market? Which is



about the demographics of target customer; what does consumer buy? It is about the product components that consumer really wants to buy; why does the consumer buy? That is the objective or the purpose of buying the particular product; who participates in the buying? the role of people around the consumer who might have any influence on the decision of buying; when does the consumer buy? It is about timing and occasion of buying the particular product; and where does the consumer buy? The distribution channel of where the consumer can get the product or service. The H question is how does the consumer buy? The process of buying the product? The consumer behavior model is based on the factors that can create stimulus and to make the consumer respond by making a purchasing decision (Kaosuwan, 2015).

According to Luceri, and Latusi (2012), cost-benefit analysis is considered as an appropriate outline in product patronage. Patronage produces benefits, but also involves costs. Concentration of purchases as a result of sales promotion simplifies the patronage activity and decreases search efforts. Time is a relevant component of patronage costs, and its value is not the same among customers. Therefore, differences in opportunity cost of time may explain the differences in patronage patterns. Specifically, consumer characteristics and market structure factors which may favour dispersion or concentration of product patronage are taken into account such as; consumer characteristics (age, family size, gender, employment, primary store format preference, shopping activity perception, deal proneness) and two market structure factors (number of stores operating in the market and retailers variety).

Blut, Teller and Floh (2018) stated that establishing and maintaining a close relationship with customers and converting them into patronage is a key strategic aim of many organisations, as doing so leads to sustainable sales and profits and increase return on investments. Patronage is a behavioural aspect of a customer's viewpoint which is measured by the number of purchases. Patronage describes a close and sustainable relationship between an organisation and its client (Waite, 2012) because in the business circle patron refers to the customer who patronizes a product or service. The concept of patronage is characterized by reciprocity between the partners in this relationship, whereby the organization offers product or services to its patron and, in return, the patron displays a positive attitude and behavior toward the organization.

2.1.5 Growth

Maxwell (2019) states that organizations can grow in a number ; organically' (with what they have got) or inorganically (by plugging in what someone else has) and which can be mix to realize a modest amount of growth which can take the form of merger/acquisition ; joint venture/strategic alliance; corporate venture capital; geographic expansion; and incubation. Manzur (2019) posits that most organisations desire growth in order to prosper, not just to survive and the most meaningful measure is one that shows progress with respect to an organisation's stated goals and the ultimate goal of most organizations are profit; net profit, revenue, and other financial data are often utilised as "base-line" indications of growth and sales figures, number of employees, physical expansion, or other criteria can also be use as measure of organisational performance.



Witek-Crabb (2014) asserts that organisational growth is manifested through increase in the number of employees, income, profit, or market share which is the measures of externally visible quantifiable changes of the organization. Maximising organisation's growth critically depends upon its' ability to learn from their failed efforts to solve problems and work toward achieving product-market fit and develop more scalable business models (Walesa,Beliaeva, Shirokova, Stettler&Gupta, 2018). Organizational growth is remarkably the bringing together the size of association, number of employees working in organization, salary, benefit, or part of the overall industry in the business terminologies. Size of organization is one of the indicators of organizational growth. This has become an imperative matter that every organization desires to deal with on a priority basis; it has also been seen in terms of financial productivity (Zafar & Akhta, 2020).

The extent to which an organisation achieve objectives of profitability, competitive advantage, increasing market share, growth, and maintaining long-term survival among others depends on using appropriate organisational strategies and action plans. A performance measurement system is central to evaluation of FOB performance and the review of strategic plans (Oyemomi, Liu, Neaga, Chen, & Nakpodia, 2018).

2.1.5 Profitability

Profitability in business is a matter of survival; if business does not continue to be profitable, no one stays in the business. Profitability occurs when revenue is more than the expenses. Successful industrialists not only accomplish that, they ensure their organizations are more profitable over time (Sherman, 2020). The number of production units, production per unit, direct costs, value per unit, mix of enterprises, and overhead costs all interact to determine profitability (Jenkins, 2015). Profitability is evaluated in relative term, looking at the success or failure of a business; Profitability appraises how efficient the organizations use its resources to produce profit (Evans, 2020). So evaluating present and precedent profitability and extrapolative future profitability is very essential. Profitability is ability of a organization to utilizes its endowments to produce revenues in surplus of its expenses.

In other words, this is an organization's capability of generating profits from its operations. The other three indexes are: solvency, market prospects, and efficiency. Financiers, those that the organization are owing, and executives use these key concepts to examine how well a organization is performing and the future prospect it may possibly have if operations were handled appropriately (Daniel, 2018). Profitability examines the correlation between the revenues and expenses to see how healthy an organization is operating and the future-prospective growth an organization might have (Daniel, 2018). Profitability may be essential but not most significant for FOBs (Li & Marshall, 2019).

2.1.6 COVID-19 and FOB Performance

Most businesses thrive on physical interactions, distribution of tangible products and services through road or air transport, and in other levels of economic exchange on a physical plane or process. From the foregoing it is apparent that the COVID 19 pandemic has had devastating effect from the national, sectorial, industry level on most businesses (Gabriel *et al.*, 2021). The conceptualization of the COVID 19 pandemic involves not only the actual effects of the virus on the citizenry (e.g. health complications and death) most of which are workers within some of



the organizations of interest; it also involves the fear and sense of insecurity associated with the pandemic (Schmid, Raju & Jensen, 2021). Alves and Gama (2018) posit that majority of small and medium-sized companies (SMEs) are family owned and their presence extends across various sectors of activity. Dawson, Ginesti and Sciascia (2019) state that FOBs are expected to live up to several responsibilities, one of which is to fulfill an economic and productive function within the legal framework and plan against disruptions such as pandemic and other challenges.

Family businesses depend on profit and household savings to increase their net worth, because profit growth and savings are critically important for the long-term survival of family businesses (Haynes, Marshall, Lee, Zuiker, Jasper, Sydnor, Valdivia, Masuo, Niehm & Wiatt, 2021). Graafland (2020) state that FOB supports multiple family members belonging to the present and perhaps future generations and wants to ensure them a better future, According to Alves and Gama (2018): Basco, (2017): Adegbite (2018), FOB performance constitutes a multidimensional concept, where both the economic-financial and non-economic factors need to be considered when measuring performance, particularly in FOBs, in which non-economic objectives are prominent antecedents in which there are concerns not only about financial aspects but also the needs of the family. Hence, decisions tend to protect the family's identity, reputation and to ensure the perpetuation of its values along with the company capital, among other factors, even when this may on occasion harm the performance of the business.

2.2 Theoretical Review

2.2.1 The situational crisis communication theory (SCCT)

The situational crisis communication theory (SCCT) developed by Timothy Coombs in 2007. The theory offers a theoretical relationship between crisis-situation and the responding strategies. It further illustrates numerous response strategies that could be used when faced with specific crisis or state of affairs (Gabriel et al, 2020). COVID-19 pandemic that has led to major crisis in the world; it is unavoidable that business will have to deal with a crisis at some point. An organization may not be able to keep lot of crises, when outside or uncontrollable factors come into play (Pietroluongo, 2020). Unless a crisis strategy is in place, organization can be easily frightened (Amareesan, 2019). This theory underpins the study in which FOB manager can respond to the crisis of pandemic ravaging businesses globally by rejigging their strategies to prepare, accommodate and manage pandemic crisis.

2.3 Empirical Review

Chen, Wang and Zhong. (2021) investigated supply chain disruption recovery strategy considering product change under COVID-19. An experimental research was carried out and found that the planned disruption recovery strategy can effectively drive down the profit loss of producer due to late delivery and order cancellation; it also observed that the influence of supply chain disruptions is minimized. Mixed methodology should have been adopted for the study. Aifuwa, Musa and Aifuwa (2020) carried out survey research design by examining the relationship between coronavirus pandemic outbreak and organizational performance in Nigeria. Questionnaires were administered online to owners of private businesses and financial analysts in Lagos State, Nigeria. The findings of linear regression showed that Coronavirus (COVID-19) pandemic harms both the financial and non-financial performance of private businesses in Nigeria. Expo factor research method could have been adopted.



The study of Owenvbiugie (2021) appraised the impact of COVID-19 on business in Edo State, Nigeria. Accidental sampling technique was used to determine 234 respondents. Questionnaire was used as research instrument for the descriptive survey. From the result, it was discovered that COVID-19 affected profit, sales volume and business cash flow. A multistage sampling technique is observed as a gap. In this vein, Acee-Eke and Akani (2020) assessed the impact of Covid-19 pandemic on SMEs marketing activities in Nigeria. The study adopted descriptive research design. The target population was based on the SMEs registered with the Rivers State Chamber of Commerce and Industry, Port Harcourt, Rivers State. The study used purposive sampling technique and the sample size was 325. Regression analysis and ANOVA were used and revealed that there is effect of Covid-19 pandemic on SMEs marketing activities. The study should have had a coverage of South-south Nigeria to have made the study robust.

The findings of Aderemi, Ojo, Ifeanyi and Efunbajo (2020) showed that the organizations experienced moderate reduction in production and sales during the lockdown as well as a spike in reduction of contracts and deliveries as a result of impact of corona virus (COVID-19) pandemic on 100 SMEs investigated in Nigeria. Producer of essential goods should have been investigated. Further studies by Ojong-Ejoh, Angioha, Agba, Aniah, Salimon and Akintola (2021) explored the impact of the COVID-19 pandemic on small and medium scale enterprise (SMEs) operation in Calabar, Cross River State, Nigeria. The cross-sectional survey method was used in collecting data from 474 SMEs using semi-structured questionnaire. Stratified and purposive sampling techniques were used and correlation analysis found that there is a significant relationship between COVID-19 pandemic and the operations of SMEs.

A qualitative research was conducted by Gregurec, Tomicic Furjan and Tomicic-Pupek (2021) on the impact of COVID-19 on sustainable business models in SMEs. The findings revealed that there was distribution of drivers and technologies across service sectors because SMEs are changing their business models in order to adapt to this changing environment. Quantitative research is should have been adopted.

Shafi, Liu and Ren (2020) adopted an exploratory methodology in reviewing literature. The study used descriptive statistics to examine the impact of COVID-19 pandemic on 184 micro, small, and medium-sized enterprises (MSMEs) operating in Pakistan. The findings showed that most of the participating MSMEs have been severely affected and they are facing several issues such as financial, supply chain disruption, decrease in demand, reduction in sales and profit, among others. Besides, over 83% of MSMEs were neither prepared nor have any plan to handle such a situation. Further, more than two-thirds of MSMEs accounted for not surviving when the lockdown lasts more than two months. Large enterprises are not investigated.

Korankye (2020) evaluated the impact of global Covid-19 pandemic on small and medium enterprises in Ghana. Using a purposive sampling approach 120 online questionnaires were sent but 106 were fully filled and used for the study. Corelational analysis were utilized test the hypotheses and discovered that the SME's are battling to survive in the era of this pandemic as revenue reduction, downsizing, reduction in demand, organizational restructuring, and fear of exiting correlated positively to indicate the of the state of SME's in the metropolis during this pandemic. It is an indication that covid-19 have really affected the operations of small and medium enterprises.

SME's must therefore initiate measures that would make them survive in the period of this pandemic and post covid-19. Triangulation methodology can be adopted for the study. In China, Hu, Yang and Zhang (2021) examined the avoiding panic during pandemics COVID-19 in tourism-related businesses. A survey research was conducted on 1212 tourism-related businesses. Estimation results of econometric models, mixed effects (ordered) logit models found that small-sized businesses were vulnerable to the pandemic; social responsibility behavior is determined by business size, local pandemic circumstances, and local tourism dependence while different businesses were favored from distinct government relieved policies. The respondents should have been tourist is more appropriate to have reduce the respondent bias.

2.4 Conceptual Framework

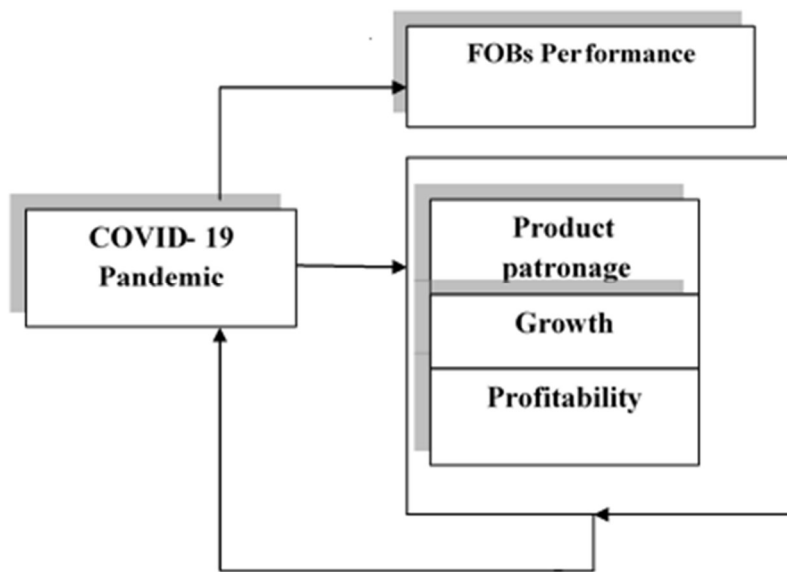


Fig 1: Conceptual Framework
Source: Researcher Conceptual Framework, 2021.

The diagram illustrates the relationship between COVID-19 pandemic and FOBs performance; the independent variables were measured and with product patronage, growth and profitability.



3. METHODOLOGY

3.1 Research Design

For the purpose of this study, a descriptive survey using through structured questionnaire as the primary source of data collection to investigate the impact of COVID-19 pandemic on FOBs performance in the Southwest, Nigeria. The independent variable is (i.e. COVID-19 pandemic) on the dependent variable (i.e. product patronage, growth, profitability).

3.2 Population for the Study

This study targeted a total population of twenty three thousand two hundred and twenty eight (23,228) SMEs (SMEDAN, 2017) adopted for FOBs because most SMEs are FOBs in Nigeria. The study concentrated on Lagos and Ogun States ($8396+2465=10861$) because of closeness and high clusters of business organizations

3.3 Sample and Sampling Technique

A sample size of three hundred and seventy eight (378) respondents from the total population constitutes the sample size for questionnaire that was administered. The determination of sample size for the study was achieved using the Raosoft sample size estimator. Out of the (378) questionnaire distributed, only 250 were filled and returned appropriately. The study adopted a three phase multistage sampling technique. Firstly, purposive sampling technique was used to select the FOBs. In the second phase, convenience sampling was used to select Lagos and Ogun States. Thirdly, random sampling technique was later used. The focus of the study was based on fast moving consumable goods (FMCGs) producers of essential goods.

3.4 Instrumentation

The study sourced both primary and secondary data. The primary data was sourced from a structured questionnaire titled "COVID-19 pandemic and FOBs performance using 5-likert scale. Section A elicited the demographics of the respondents Section B comprised of the 16 items variables in total, COVID-19 pandemic (4-item), while FOBs performance, 12 items (product patronage, growth, profitability, 4-item each); were adapted from previous works of Adegbite (2018) for dependent variable (product patronage, growth, profitability) and Gregurec et al., (2021) independent variable. The questionnaires were administered by experts. Furthermore, the secondary data was sourced from textbooks, articles, and other publications.



3.5 Model Specification

The model specification for this study was adapted from the research of Pérez-López, Tiznado, Magaña, Wilson, Barreras, and García-Alcaraz (2019); Singh, Luthra, Mangla and Uniyal (2019) and Adimo and Gao, Ge, Lang and Xu (2017) which tries to examine the relationship between information and communication technology and entrepreneurship performance during pandemic. The mathematical model thus examined how these two variables are related, proxied on network size and density and network centrality (independent variables), Entrepreneurial performance during pandemic (dependent variable)

A multiple regression is used to specify the model, and this is shown below:

$$Y = f(X) \dots\dots\dots(1)$$

Where

Y= Family-Owned Business Performance (Dependent variable) measured by growth (FOB)

X = COVID-19 (Independent variable)

Y is further broken down into y_1, y_2, y_3

Where

y_1 = Growth (FOBG)

y_2 = Product Patronage (FOBPP)

y_{23} = Profitability (FOBP)

Hence:

$$X = a + \beta_1 \text{FOBG} + \beta_2 \text{FOBPP} + \beta_3 \text{FOBP} + \epsilon \dots\dots\dots(2)$$

Where a = constant intercept

β_1, β_2 and β_3 = Co-efficient of associated variables

ϵ = error term.

A priori expectation

The 'a priori expectation' in the model is that all the independent variables are expected to have a positive effect on entrepreneurial performance measured by growth, product patronage and profitability. The mathematical expression is represented as: $x_1 > 0; x_2 > 0$

4. FINDINGS AND RESULTS

Test of Hypotheses

Hypothesis I

H₀: there is no significant relationship between COVID-19 pandemic and product patronage.

Table 4a:

**** Correlations**

COVID-19 pandemic	Pearson Correlation Sig. (2-tailed) N	1 250	.534 ** .000 250
FOBs performance (product patronage)	Pearson Correlation Sig. (2-tailed) N	.534 ** .000 250	1 250

******. Correlation is significant at the 0.01 level (2-tailed).

Hypothesis II

H₀: there is no significant relationship between COVID-19 pandemic and growth.

4b.

**** Correlations**

COVID-19 pandemic	Pearson Correlation Sig. (2-tailed) N	1 250	.623 ** .000 250
FOBs performance (growth)	Pearson Correlation Sig. (2-tailed) N	.623 ** .000 250	1 250

******. Correlation is significant at the 0.01 level (2-tailed).



Hypothesis III

H₀: there is no significant relationship between COVID-19 pandemic and profitability.

** Correlations

COVID-19 pandemic	Pearson Correlation Sig. (2-tailed) N	1 250	. .228** .000 250
FOBs performance (profitability)	Pearson Correlation Sig. (2-tailed) N	.228** .000 250	1 250

** . Correlation is significant at the 0.01 level (2-tailed).

Interpretation:

The entries in table 4a-c show the result of Pearson Product Moment correlation carried out to test the relationship between independent variable (COVID-19 pandemic) and dependent variable (FOBs performance). Given the regression analysis, the result reveals that there is a moderate significant relationship between COVID-19 pandemic and FOBs performance, where product patronage ($r = 0.534$, $P < 0.01$); growth ($r = 0.623$, $P < 0.01$), and profitability ($r = 0.228$, $P < 0.01$). Therefore, we accept the alternative hypothesis that a significant relationship exist between COVID-19 pandemic and FOBs performance.

Table 5a
Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.414a	.171	.154	2.58175	171	10.253	3	149	.000

a. Predictors: (Constant), COVID-19 pandemic

b. Dependent Variable: FOBs Performance



Table 5b
ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	205.022	3	68.341	10.253	.000b
Residual	993.147	149	6.665		
Total	1198.170	152			

a. Dependent Variable: FOBs Performance (Product patronage, Growth, Profitability)

b. Predictors: (Constant), COVID-19 pandemic

Table 5c

Coefficients^a

Model	Unstandardized Coefficients	Standardized Coefficients	t	Sig.	
B		Std. Error		Beta	
1	(Constant)	7.231	1.894	3.818	.000
Product patronage	.177	.079	.184	2.245	.026
Growth	.210	.075	.235	2.806	.006
Profitability	.140	.072	.148	1.934	.055

a. Dependent Variable: FOBs Performance (Product patronage, Growth, Profitability)

It was also found out from table 5a-c, that there is a significant effect of COVID-19 pandemic on FOBs Performance; ($R^2 = 0.171$, Adjusted $R^2 = 0.154$, $P = 0.000$). These indicate that of the variation in FOBs Performance, COVID-19 pandemic factors accounted for 15.4%. Further analysis also reveals that of all the factors of FOBs performance, product patronage accounted for (23.5%); where growth and profitability accounted for the variation in COVID-19 pandemic at (18.4%) and (14.8%) respectively.

5. CONCLUSION

The purpose of this study is to ascertain the impact of COVID-19 pandemic on FOBs performance in Southwest Nigeria. In a synopsis, the COVID-19 pandemic affects all measures of FOBs performance. COVID-19 pandemic are characterized as operational problems in manufacturing, trade and supply chains for FOBs. Thus, COVID-19 pandemic is consequential for the failure of SMEs during the COVID-19 pandemic period, due to the high level of its impact amid the performance of manufacturing, trade and supply chain activities. The study therefore concludes that, there is a positive and significant impact of COVID-19 pandemic on FOBs in Southwest Nigeria.



6. RECOMMENDATIONS

The study therefore, recommends the following:

1. In this period, government should assist businesses to access fund that promotes business sustainability during and after pandemic to boost their activities.
2. Government should rapidly strengthen the business related incentive packages and circulate the information noticeably, since this is indispensable in volatile potential of the Covid-19 pandemic predicament.
3. Business institutions should provide free and classified consultative services to all businesses to enable them coordinate their activities smoothly in the course of this difficult state of affairs.
4. FOBs should identify critical business issues and develop recovery strategy such as Business Recovery Plan (BRP) to enable them mitigate the impact of covid-19 on their businesses.
5. FOBs managers/owners should review existing policies, procedures and response plan if they must survive the post-COVID 19 business challenges.
6. Wavering of taxes and lowering of interest rate could also be put in place by the appropriate policy makers to make businesses continue buoyant during and after COVID-19 pandemic.
7. Opportunities should always tap from every situation by businesses.

7. IMPLICATION OF THE STUDY

From the findings of this study, it implies that COVID-19 pandemic has impacted negatively on FOBs in Nigeria. Nigerian government should ensure that Emergency Economic Stimulus Bill content of 2020 is properly put into practice, consideration and strategies for COVID-19 response in Nigeria as suggested to FOBs operators with recommendations for operations FOBs may bounce back and contribute greatly to Nigeria economy. The above may also serve as ways of minimizing the negative impact of COVID-19 on FOBs in Nigeria may bounce back and contribute greatly to Nigeria economy. The above may also serve as ways of minimizing the negative impact of COVID-19 on FOBs in Nigeria.



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Invited Students Research Term Paper



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Topic:

**GROWING DEMAND OF OFFICE CAREER AND HUMAN
DEVELOPMENT IN A CONTEMPORARY SOCIETY**

Presented by

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ABSTRACT

The aim of this study is to investigate the growing demand of office career and human development in a contemporary society. Change has been seen in our society as the project, initiative or solution being introduced in the organization to improve the way work gets done, solve a problem, or take advantage of an opportunity. This study will emphasized on the literature reviews on growing demand of office career and human development in our society. Although a lot of challenges has affected the growth of office career in the area of technology. The primary sources and secondary sources of data were used to analyse the research work through the administration of different journal and online interview to different workers in a modern organization. The conclusion from review shows that office career has really constituted to the human development especially in business environment. This paper is recommended to office workers – training and retraining, government parastatals – fund and conducive environment and institutions – trainers of office workers.

Keywords: Platform economy, gig workers, nature of work, employee relations

INTRODUCTION

An office is a space where an organization's employees perform administrative work in order to support and realize objects and goals of the organization. An office is a department of an organization, especially the government, where people deal with a particular kind of administrative work. An Office is generally a room or other area where administrative work is done. An office can also be defined as a place where clerical work is performed for successful operation of an institution.

Economics, demographics, technology, and other factors are changing the nature and organization of work. This is evident in the dramatic changes in the composition and availability of jobs. For example, many jobs are being revamped, while others are eliminated by advances in technology, a phenomenon referred to by some as “technological unemployment” (Brynjolfsson & McAfee, 2014). Furthermore, newer forms of independent work done by those who solicit jobs and customers to generate their own income (Dokko, Mumford, & Schannzenbach, 2015) are gradually eroding the prevalence of permanent jobs. A venue that affords employment opportunities for a growing number of independent workers has become known as the platform economy. Platforms are a means for organizing work in which most of the human work is not performed by the platform owner, but by those operating elsewhere in the system.

The Eurofound, an European Union (EU) agency concerned with social and employment policies, defines it as “. . .employment that uses a (digital) platform to enable organizations and individuals to solve specific problems or provide specific services in exchange for payment” (Florisson & Mandl, 2018, p. 4). This definition emphasizes the knowledge and service work available through platforms. However, platforms also provide a marketplace to sell products as through eBay or Esty, for example, as well as to share surplus capital resources, such as renting a vacant guest cottage through Airbnb.



The workforce has always included those who prefer the autonomy and flexibility of self-employment. Today those who work independently can opt into the platform economy as a venue for their employment (Manyika et al., 2016). Despite their recent appearance, these new forms of work already are estimated to employ 10.1% of the U.S. workforce (Manyika et al., 2016) and are expected to continue growing (Horowitz & Rosati, 2014). This article explores these trends and the implications for human resource development research and practice.

PROBLEM STATEMENT

The problem of this study is changes in the nature and organization of work brought about by the emergence of the platform economy have led to growing anxiety about the precarious nature of employment itself (Zysman & Kenney, 2015). Recent studies on these trends acknowledge the nascent character of the platform economy and debate its current scope and scale (Schwab, 2016). However, few deny its potential for reshaping the future of work because platform structures and processes not only transform but also transgress the traditional way work is controlled, conducted, and conceived. Other challenges includes:

6. Fitting In. Figuring out how to be part of a new work culture can at times be frustrating.
7. Being Heard. It takes time to gain the trust of coworkers to get them on board with your ideas.
8. Making Mistakes.
9. Time Management.
10. Slackers.

OBJECTIVE OF THE STUDY

- To discuss the growing demand of office career and human development in a contemporary society
- To highlight the antecedents of new work methods and structures in our society.
- To discuss the new forms of work and employment relationships in our society.
- To discuss on social and economic consequences of new forms of work in our society.

RELATED WORKS

Literature on New Forms of Work and Employment Relationships:

Labor market shifts and the ebb and flow of occupational demand mean that some jobs and occupations are expanding, creating opportunities for more workers, while other jobs are in decline. New employment relationships include autonomous gig workers, self-employed independent contractors, and those employed by others who work on demand. A large body of research on this topic has been categorized as literature on “new forms of work and new employment relationships” for the purpose of this article. This literature was reviewed to examine how new forms of work have changed employment relationships. Literature on new forms of work was selected only if the literature addressed work transactions involving a third party serving as a broker between the worker/provider and the customer who were brought together through electronic media (i.e., an app or program such as Task Rabbit or Airbnb). This includes all types of work structured in this way including package and home food delivery, handyman and fix-it services, ride hailing, room and storage space sharing, merchandise



listings, such as Craigslist and eBay, and professional services, such as those offered through Elance-oDesk, InnoCentive, and CrowdFlower.

Literature on the Social and Economic Consequences of New Forms of Work:

The growth of new forms of work has led to social and economic consequences, both intended and unintended, for workers, consumers, businesses, and other stakeholders in the economy. These consequences include the expanded choice, convenience, and value of new online transactions for consumers and the greater autonomy and flexibility and, for some, precariousness of work for gig workers and others employed in the platform economy. This article reviews a body of research on this topic, which has been categorized as literature on the “social and economic consequences of new forms of work.” Literature selected on social and economic consequences of the growth of new forms was delimited to the social and economic consequences occurring within the last 5 years or expected in the near future. Most of the literature in this category addresses the current and near-term consequences of the growth of new forms of work because long-term consequences are less predictable and infrequently cited in the literature.

Literature Search and Review:

A search was conducted to identify literature on the categories discussed above. Literature was searched in four databases (ERIC, Academic Search Premier, Business Source Complete, and Google Scholar). Key subject terms were used to identify relevant literature in the databases. Literature on the antecedents of new work methods and structures was identified using 31 key subject terms (e.g., online economy, workplace automation, evolution of the platform economy). Literature on new forms of work and new employment relationships was identified using 57 key subject terms (e.g., independent work, contingent workers, self-employment). Literature on the social and economic consequences of the growth of new forms of work was identified using 24 key subject terms (e.g., online shopping, precarious employment, advantages [disadvantages] of the platform economy). The search for literature in all three areas required using a total of 112 terms.

A form of synthesis was used to bring together related streams of knowledge from the three major categories of literature into a significant, value-added contribution to new knowledge. The product of this synthesis, found at the end of the article, lays out a comprehensive agenda for the future research of problems and issues in the changing nature and organization of work that require closer analysis. The future research agenda also includes specific research questions to guide the study of each problem or issue (see). This is consistent with the purpose of the article—to examine this issue in an integrated way, leading to a better understanding of the topic.

The Platform Economy:

Traditional functional and divisional structures for organizations have given way to new network structures for organizing work in recent years including process-based, matrixed, and most recently, technologically enabled networks referred to as platforms. Although there is wide variation in the activities performed in platforms, all platforms are composed of some form of network structure and a matching mechanism that connects consumers with providers through technologically enabled systems and algorithms. However, unlike the conventional marketplace, value is not determined solely by the products or services available through the



platform; rather, the platform's network effects also contribute to its appeal as a venue for provider and consumer transactions (Nica & Potcovaru, 2015).

The aggregation of users creates a critical mass that all participants can leverage for their own purposes. Consumers have more choice, and providers or workers gain a larger market for their products or services. The more members and workers who are associated with the platform, the more valuable the network is to the parties involved, which includes the consumer, provider, and platform (Florisson & Mandl, 2018).

Platforms maintain elaborate rating systems to aid actors in the matching process. Consumers rate providers and in some platforms the provider can also rate the consumer. On the worker side, these ratings systems create a dependency on the platform because their ability to garner and increase their work is tied to good ratings that cannot be transferred to another platform or work situation (Florisson & Mandl, 2018). Therefore, although platform workers operate as independent agents within an open platform ecosystem, they can quickly develop a dependency on a particular platform for work and income.

Beyond these very basic features, the nature, size, and scope of the platform economy are disputed. In part, the disagreement is linked to definitional problems that lead to different estimates of the size and characteristics of the platform workers, as well as overall structure and revenues of the platform economy (Forde et al., 2017). That said, by many accounts the estimated number of individuals participating as workers in the platform economy is wide ranging and rapidly increasing. JP Morgan Chase (Farrell & Greig, 2016) examined personal financial data from 2012 to 2015 and found that 4.2% of U.S. adults or 10.3 million people earned income from online platforms, and participation in platform work increased 47% over the 3 years of the study.

Similarly, during roughly the same time, the EU estimated 1% to 5% of European adults earned some income through platforms (Forde et al., 2017). It is estimated that nearly 45 million people worldwide have participated in platform work (Forde et al., 2017). Still, these numbers do not convey the true scale of the workforce because many platform workers are not regular participants; in fact, only a small number of workers engage in the platform more than once a month (Farrell & Greig, 2016; Huws, 2016).

Demographic data on platform workers are also inconsistent. Research in the United States (Farrell & Greig, 2016) found platform workers were likely to be young, better educated, and more urban than the general population. Whereas a Pew sponsored study (Smith, 2016) found that lower income Americans were twice as likely to engage in platform work. The Eurofund (Florisson & Mandl, 2018) found a similar pattern in the EU. Still, recent global data contradict these findings and show that the workforce is diverse in terms of age, background, education, employment status, and motivation to participate (Florisson & Mandl, 2018). Although difficult to explain, one account for the discrepancies in the global demographic data may be that the platform economy replicates inequities in local labor markets and structures, giving rise to complicated participation and demographic patterns that are difficult to capture in underdeveloped data sets.



For example, researchers (Florisson & Mandl, 2018) found that in labor markets where opportunity for traditional work is limited, platform work is a main source of income. In these areas, like India for example, the platform workforce is largely male. In Western nations, on the contrary, where the labor market is more diverse, the platform largely provides supplemental income. In these areas, such as in the United States and the United Kingdom, the data show more gender diversity in the platform workforce. More refined data on the platform workforce are required to identify and explain for the difference in the workforce within and across economies.

Education and skill mix of the platform workforce are also difficult to determine. Forde et al. (2017) found that 52% of tasks performed in 200 platforms operating in the EU required low skills, whereas only 16% required high skills. Many of the higher skilled tasks are associated with global platforms that crowdsource micro tasks associated with complex problems and projects, whereas local platforms are more likely to offer service-oriented micro tasks, such as transportation, delivery, or household services that require less skill. Though these local micro tasks can be performed by workers with lower qualifications, in regions and countries where educational attainment is high, the education levels of people performing these services tend to be higher than in areas where education levels are lower (Florisson & Mandl, 2018). This suggests that the education levels of workers performing similar tasks across the platform can vary widely and that many platform workers are underemployed by conventional standards.

Antecedents of New Work Methods and Structures:

This section examines the antecedents giving rise to the new platforms and it includes a discussion of the implications for the way work is accomplished at the task level—that is, how individuals perform work. This insight can be leveraged to enhance the human development field by aligning human development theory and practice with the needs of the emerging platform economy.

Behaviors of Consumers and Workers:

The behavior of consumers and workers has enabled the growth of new types of work. Regarding consumers, today they are more willing to use the Internet to purchase goods and services “sight unseen,” driving the expansion of online commerce and the decline of traditional retail and department stores. In addition, consumers are now more willing to pay for temporary access or to share products, often at a reduced cost, rather than own them. Examples are seen in the success of Airbnb’s room rentals and Getaround’s car rentals. This propensity of people to make their unused resources available to others and to share rather than purchase products and service has given rise to the “sharing economy” and “peer-to-peer” economy, both variants of the platform economy.

Regarding worker behaviors, whether by choice or necessity, more people today are self-employed or engaged in project-based work that, while allowing more flexible work schedules, lack the long-term employment security of traditional jobs. Self employment and working independently are more common today than at any time in the past (Torpey & Hogan, 2016). The greatest participation in platform work is among people who experience the highest income



volatility, the young and the poor (Farrell & Greig, 2016), which suggests that many use the platform to supplement earnings from work in traditional jobs.

Regardless of whether workers use platforms and other contingent forms of work to construct a career or bolster their income, career patterns are shifting as many workers move in and out of traditional roles in firms and new gigs in networks. As workers oscillate between different forms of work, they may adopt new career strategies and skills for self-marketing, self-regulation, and identity alignment within a complex network of professional and personal relationships (Vallas & Prener, 2012). The emerging platform economy is now facilitating and distributing these new career patterns, calling for enhanced career development research and practice in the human development field.

In short, changing patterns of consumer shopping and spending and new employment relationships have given rise to new types of work methods and structures. As seen in the sharing economy and peer-to-peer economy, these new structures are grounded in a basic premise—there is economic value in the unused potential in resources that are not fully exploited by their owners. This constitutes a new, untapped market for consumers and providers who see the mutual benefit of transactions based on pooled resources. In the future, this trend may change how the economy functions by creating new forms of exchange that challenge the basic precepts of capitalism (Nica & Potcovaru, 2015). According to Schmid (2006), these shifting market relationships provide a moral opportunity for society to rethink individual rights and responsibilities, in other words, the social contract that underlies the nature and organization of work.

Financialization of Industry:

Financialization is a process by which financial institutions and markets increase in size and influence in the economy. Brought about by innovations in capital markets (Kochan, 2011) and globalization (Appelbaum, 2012), it is changing the nature of capitalism by reorienting accountability to one stakeholder, the stockholder. As the market becomes the dominating interest inside firms, the locus of control moves from production or operations to finance. Leaders are under new pressure to value shortterm market interest over long-term goals such as technology, product, and human development (Batt & Appelbaum, 2013).

In response, firms have stripped down to their core competencies (Batt & Appelbaum, 2013) and reworked their supply chain to outsource work to contingent labor markets in the United States and other countries (Appelbaum, 2012). Though individual contractors and smaller entrepreneurial enterprises garner more work, they also bear a greater share of market risk (Appelbaum, 2012). At the same time, the internal labor market inside firms that once provided the basic mechanisms for worker socialization and continued advancement has been largely dismantled.

In addition, given the continuous shifts in the market, any work can be deemed nonessential at any time, thereby leaving all workers open to the risk of redundancy. Therefore, financialization has changed the nature of work, both inside and outside firms, by making it contingent. The emergent platform economy, by adopting the gig as the basic structure for work, is perhaps capitalizing on the growing trend and acceptance of the changing nature of work of today.



Political, Social, and Institutional Shifts:

Pressing political and social needs have also disrupted traditional forms of work and employment. Financialization leads to shrinking budgets and constrained public finances that have diminished the resources and political will for meaningful social change (U.K. Commission for Employment and Skills, 2014). In addition, there has been a steady growth in the income inequality within the Western world, in part related to the changing nature of work, creating new social pressure to reduce poverty (Page, 2014), create jobs (Osterman & Schulman, 2011), and raise wages (Shipley, 2004). All of these factors enable alternative forms of work, while also giving rise to new debates over how to structure and regulate the labor market in the new and emerging organization of work, such as work in the platform economy.

Indeed, perhaps the most significant institutional shift has occurred in the labor market. A labor market, according to Osterman and Burton (2004), is constituted by the dynamic interaction of social, economic, and political forces that determine the way work is organized and how workers are treated at work. In the United States, this process is largely located inside firms where collective bargaining agreements and other formal firm-based employment policies regulate the employment relationship of permanent employees. Now with the decline of unions and the breakdown of centralized control processes in firms, employees have much less say over the terms and conditions of their employment. In addition, with the growth of contingent work arrangements, contingent workers are no longer employees and employers are not legally required to adhere to employment regulations in their dealings with this growing portion of the workforce.

Osterman and Burton (2004) found that these and other shifts in the employment relationship have been accompanied by a change in the normative dimension of the labor market. Worker attitudes and expectations have shifted because firms are unilaterally rewriting the rules of employment. These trends raise questions of fairness and equity in the labor market. Kaufman (2013) observed that each nation has a concept of what is fair in employment relations and that if these values are violated, social and political pressures will force a change in the rules. Adler (2016) concurred when he observed that the future of work will not be determined by technology, but by the regulation that will govern how it used. Still others (Appelbaum & Batt, 2014; Bernhardt, 2012) questioned whether the political will exists to mobilize the social action required to establish new, more relevant labor market regulations in the current political economy. New human development research and practices on the emerging nature and organization of work may also need to focus on the emerging institutional framework and how it can be enhanced through systemic human development strategies.

Technological Factors:

Technological factors have the potential to transform work, business, and the global economy (Manyika et al., 2013). Referred to as disruptive technologies, these factors have great potential to drive massive, economically disruptive change. The literature review identified six of technologies that have particular implications for improving the form and functioning of the platform economy, including computing, artificial intelligence, the Internet of Things, cloud technology, advanced robotics, and 3-D printing. Each also has implications for the nature of



work and the role of human development research and practice in the emerging platform economy.

Mobile computing devices with Internet connectivity are more available and less expensive than ever. Wireless web use now exceeds wired use. In addition to enabling ubiquitous social interaction, the mobile Internet has applications for business, commerce, and government that allow efficient delivery of products and services and increase workforce productivity. Software development for mobile devices, commonly known as “apps,” is also an increasing source of work for gig workers who create apps on speculation for platforms (e.g., Apple Store) that sell and distribute them (Bergvall-Kåreborn & Howcroft, 2013). Other platform workers use mobile apps to increase productivity and increase income, for example, TaskRabbit workers use mobile apps to minimize transition times between jobs, creating time for more gigs.

Artificial intelligence, computer-mediated machine learning, and voice recognition are being combined to automate knowledge work (Bughin et al., 2018). These advances continue to transform how knowledge work is organized and performed (Chui, Manyika, & Miremadi, 2015; Jacobs, 2017). These technologies will make the platform more accessible to knowledge workers and at the same time may limit their professional judgment and discretion. For example, new tele-medicine technology connect doctors and patients via the Internet, while new automated medical records embed protocols that predetermine a course of treatment for common diagnoses in part, limiting physician authority.

The Internet of Things transforms processes and systems in business and industry by embedding Internet-connected sensors and regulators in equipment that can monitor and regulate operations and output. The Internet of Things can track factory production, monitor the flow of fluids through utility lines, and measure moisture for forestry and agricultural purposes. Embedded in this technology is the capacity to monitor, diagnose, repair, and maintain machines and consumer products, potentially wiping out a wide range of middle-skilled technical and customer service jobs.

Related to the Internet of Things is cloud technology, which enables the movement of data processing or data storage service to the Internet, minimizing the need for local processing power and resources. Cloud technology has improved access to a broad range of real-time information and increased the analytical capacity of knowledge workers. In the future, the cloud will sort, store, and retrieve (e.g., medical records clerks), as well as deliver (e.g., postal jobs) large volumes of detailed information (Katz, 2019; Postal Regulatory Commission, 2019), eliminating many administrative and service jobs, a stable source of employment for many workers today.

Physical task and jobs will also be impacted by new technology. For example, advanced robotics makes use of increasingly capable robots with enhanced senses, dexterity, and intelligence to automate tasks or complement human performance. Advanced robots are now used in a wider range of business and industrial applications due to accelerating advancements in machine vision, artificial intelligence, machine-to-machine communication, sensors, and actuators. Robots not only enable the off-loading of physical work, but also take on many analytical tasks; therefore, they hold great potential to change the nature of work for workers across all skills



levels. In addition, 3-D printing is an additive manufacturing technique that creates a product by systematically adding layers of material to create a model.

With 3-D printing, an idea can go directly from a 3-D design file to a complete product, bypassing many traditional manufacturing steps and reducing the amount of material wasted. This enables on-demand production, which saves time, reduces the need for costly inventory, and enables the inexpensive manufacturing of customized parts and small batch production runs. The ability to produce customized parts has enormous potential to allow people to repair and extend the life of manufactured goods far beyond the current life expectancy, resulting in a net decrease in the demand for new manufactured goods and a decrease in manufacturing jobs (Wohlers Associates, 2019).

Combinations of any of these technologies could multiply their impact. For example, the mobile Internet could lead to more applications for the Internet of Things, and both could advance the automation of knowledge work. These technologies have given rise to new ways of accomplishing work and they are also changing consumer needs and creating new market opportunities. Together these trends give rise to a dynamic labor market in which jobs are eliminated, existing jobs are transformed, and entirely new jobs appear. The impact on the future of work is a topic of great debate between those who foresee the potential for a jobless future accompanied by growing economic and social inequality (World Economic Forum, 2018) and those who are more optimistic and project the continued expansion of the economy and labor market (Manyika et al., 2016). In either case, it is clear that the nature of work and employment relationships is undergoing great change. It is imperative that field of human development align and leverage its theories and practices to ensure that these trends expand, rather than limit the developmental potential of work in the future.

New Forms of Work and Employment Relationship:

A recent study by the World Economic Forum (2018) sought to bring further clarity to the implications of these antecedents and other trends for jobs and the future nature of work. The study asked Human Resource (HR) Directors leaders in large, multinational firms to identify how these trends would influence their hiring and talent management decisions over the next 5 years. The study found 50% of leaders foretold a reduction in the full-time workforce by 75 million, the creation of up to 133 million new jobs, or a net gain of 58 million. This growth, however, will be offset by significant shifts in the nature, format, and permanency of jobs. For example, HR leaders projected a major shift in the division of labor between humans and machine. Machines will increase their contributions by 57% by taking on new roles in reasoning, decision making, administrative functions, and information retrieval. At the same time, firms will increase their reliance on contractors and develop new project-based work designs and remote staffing arrangements that engage employees in a more flexible manner (World Economic Forum, 2018).

Work is made more complex by these trends, requiring simultaneous collaboration among many functional specialties and professions. To respond to this complexity, the basic template for organizing work has shifted from functional specialization and fulltime employment toward project teams and contingent assignments (Guile & Lahiff, 2017). Indeed, cross-disciplinary project teams have become the unit, as well as the driver of economic action. Some (Jensen,



Thuesen, & Geraldi, 2016) also suggest that projects drive all social and personal action in a complex society.

As work and life are increasingly connected and organized around a mix of interconnected projects, people form new portfolio careers (Castells, 2011) that enable them to connect a series of disconnected work, learning, and personal experiences to craft a coherent biography (Gee, 2018). Contingent project teams are now the norm throughout the economy, causing a shift in the conventional employment relationship from a stable, full-time job to more casual forms like freelance, temporary contracts, and self-employment (Guile & Lahiff, 2017). Today, more people move in and out of different forms of employment contracts, and not necessarily in sequence or concurrently, and these fluctuations in employment lead to gaps in income that many workers cannot withstand (Bergvall-Kåreborn & Howcroft, 2013). This new form of labor market risk is giving rise to calls for new social protections for contingent workers, including those who participate in the platform economy.

The need for new regulation in the platform economy is essential because the status of platform workers and the nature of their employment relationship within the platform does not conform to existing employment law, leaving many platform workers outside of the reach of the legal protections that ensure their employment rights.

Generally, who has most control over the employment relationship—the employer or employee—determines whether someone is considered an employee or an independent contractor. Determining the control over work in the platform economy is difficult. To start, there are at least five kinds of control that could belong to either the employer (i.e., platform owner) or the employee (i.e., contractor or service provider), depending on the business model: (a) price charged to the customer, (b) equipment used by the worker, (c) means of service delivery, (d) venues for advertising the service, and (e) the worker's schedule (Hagiu, 2015). These five forms of control over the employment relationship allow a range of options—from full control by the firm (e.g. vehicles for traditional taxi companies) to minimum requirements by the firm (e.g. car age and maintenance for Uber drivers) to full control by the worker (e.g., the vehicles used by Postmates couriers).

Each platform develops its own set of control mechanisms with many possible combinations. While the right combination—the model creating the most value for the company and its workers—may be at one end of the full-control-to-no-control spectrum, in the platform economy we see that it is more likely to fall in the ill-defined middle, where company and worker could split control factors many different ways. This lack of clarity has led legal experts, labor market scholars, and worker advocates to question the adequacy of current legal and regulatory oversight of new employment and labor practices in platform work.

Determining the employment status of platform workers is therefore difficult and the subject of much research and debate in the literature on the platform economy (Donovan, Bradley & Shimabukuro, 2016). Meanwhile, while the debate plays out in policy circles, platform workers are in a legal limbo because they do not fall into any established employment category. They are not really independent contractors or freelancers because many are dependent on the platform and its rating system for work and yet they are bound to the terms and conditions of the platforms which commonly deny the existence of formal employment relationship with



workers (Florisson & Mandl, 2018). Once workers agree to these terms, they are cut off from the legal and social protections afforded to regular employees.

In this review, we see that while platforms offer new business and employment models, they also give rise to new challenges and policy questions related to social protections and employment regulations. As platforms grow, and many anticipate they will, an increasing number of workers will be left out of the social protection systems. Employment-related risk and insecurity will continue to rise at the individual level, and the ability of the social protection system to meet the needs of a growing number of people will also be compromised (Florisson & Mandl, 2018). Human development scholarly practitioners need to become knowledgeable of employment law and other broader institutional regulatory trends in order to contribute to new social protections that ensure platform workers support for continued development and engagement in productive work.

Social and Economic Consequences of New Forms of Work:

Viewed from the consumer's perspective, the platform economy offers many benefits that were not previously available. For example, accessing products and services through web-enabled platforms offers consumers expanded choice, convenience, and value. Greater choice and the ease with which consumers can switch between alternative providers also reduce the possibility of competition-dampening monopolies (Yaraghi & Ravi, 2017). Compared with traditional, facilities-intensive, brick-and-businesses, monopolies are also diminished by the low barriers new providers face to enter the platform economy. Although this is offset by the challenge of building a network of users in a virtual environment, the platform economy can nonetheless lead to favorable cost, convenience, greater variety, and more responsiveness to consumers' needs.

Gig workers who value the variety of work environments and assignments that are not available to permanent workers view the platform economy as beneficial. Many can work wherever there is an Internet connection. Others appreciate the autonomy of not being tied indefinitely to the same job responsibilities. Moreover, for those who wish to explore different career directions, the gig economy provides the opportunity to experience different job environments (Torpey & Hogan, 2016). Gig workers, many of whom are unlikely to know where the organization they work for is physically located, often cite flexibility and autonomy as the most desirable aspects of their work.

Although many workers value the freedom and variety of opportunities offered by the platform economy, others feel exploited by jobs with tenuous job security and disenfranchised by a system with little regard for the sense of belonging felt by employees in traditional organizations. Exacerbating the alienation felt by these workers, they have been told they are expendable by misguided executives. Lukas Biewald, the CEO of CrowdFlower, a crowdworking platform that sorts and enriches data, bluntly told an audience of young IT professionals:

Before the Internet, it would be really difficult to find someone, sit them down and get them to work for you, and then fire them after ten minutes. But with technology, you can actually find them, pay them a tiny amount of money, and then get rid of them when you don't need them anymore. (Marvit, 2014, p. 8).



Disenfranchisement, dissatisfaction with precarious employment, and uncertainty about future work make many unwilling to participate in the gig economy and may inhibit its growth (De Stefano, 2016). Others are put off by the platform economy because of social and professional isolation. Heller (2017) described the experiences of gig workers including one who worked for TaskRabbit. Excerpts of Heller's (2017) encounter with the TaskRabbit worker capture the social and professional isolation experienced by some gig workers. We realized that he (the TaskRabbit worker) probably visited strangers several times a day, meting out bits of himself, then moving on, often forever, and I considered what an odd path through professional experience that must be. He rarely met other taskers, he said; there were no colleagues in his life whom he could share experiences and struggles. "The gig economy is such a lonely economy," he told me. (p. 32).

The platform economy has raised concerns about the applicability of current legal and regulatory oversight of new employment and labor practices. As already discussed, the employment status of an increasing number of workers in the platform economy is difficult to determine and oftentimes is determined by how the platform chooses to define its relationship with gig workers. For example, the office cleaning workers of Managed by Q, although on-demand and part-time, are employees, not contractors, whereas Uber considers its drivers independent contractors. This illustrates the ill-defined status of gig workers who often are neither fully independent of their employers nor full-time employees, which has led to calls for the creation of a new, intermediate employment status-one that fills the gap between those who are either employed by or contractors of the firms that pay their wages.

The consequence for platform workers is that this limbo status cuts them off from a host of social protections and benefits that can fortify them in a more fluid labor market. They do not have access to employer provided training or mentoring that can help them build or maintain requisite employment and employability skills. Platform workers who are cut off from these and other firm-based opportunity structures may find themselves in a situation facing many low-waged workers. Research shows that low-waged workers get stuck in dead end positions because the more unstable a career track, the less likely they can leverage prior work experience to find a better job (Scully-Russ, 2005). Workers who lack the basic skills to enter the platform and those who do not have access to the resources to garner the high ratings to succeed in the platform economy may face significant barriers to entry and advancement in the emerging platform economy.

Finally, the increasing use of online recruiting by employers to recruit new employees circumscribes the breadth of information each party has about the other. Virtual communications instead of face-to-face interaction in the hiring process leads to misunderstandings and mutual uncertainty, and reduces the probability that best people will be hired and that the job seeker will choose the best employer (De Stefano, 2016). In this case, the platform economy would be better served by the thorough scrutiny characterized by traditional, research-based, selection practices. Taken together, we see how these employment shifts in platform structures have ushered in a new context for organizing work with the potential to upend economic relationships and the social contract that bind and indeed define what it means to be an employer, a worker, and a consumer. In response to the potential significance of the platform economy, scholars have turned their attention to the implication for the nature



and organization of work (Schwab, 2016), workers (Bergvall-Kåreborn & Howcroft, 2013), and labor relations law and systems (De Stefano, 2016).

However, Kuhn (2016) noted that Human Resources and human development research on the platform economy and similar shifts in the nature and structure of work, to the extent it exists, is focused on information systems that improve labor market efficiencies and access to gig employment, leaving questions related to traditional HR/D functions such as recruitment, compensation, or training and development largely unexamined.

Human development scholar-practitioners, in addition to helping to structure work and improve performance, are responsible for facilitating the social and workforce integration of the growing number of platform workers, as well as for the development of the skills needed by those participating in the platform economy. The mechanisms of social and labor market integration, including employment regulations (legal and social protections), must be different from those that regulated the job-based labor market and the same can be said for the skills required to enter and succeed in the emerging platform economy. The discussion of these findings is followed by the implications for human development practice, theory, and research.

METHODOLOGY

The primary sources and secondary sources of data were used to analyse the research work through the administration of different journal and online interview to different workers in a modern organization.

CONCLUSION

The conclusion from this review shows that office career has really contributed to the Human Development especially in business environment.

RECOMMENDATION

This review is recommended to office workers – training and retraining, government parastatals - fund and conducive environment and institutions – trainers of office workers.