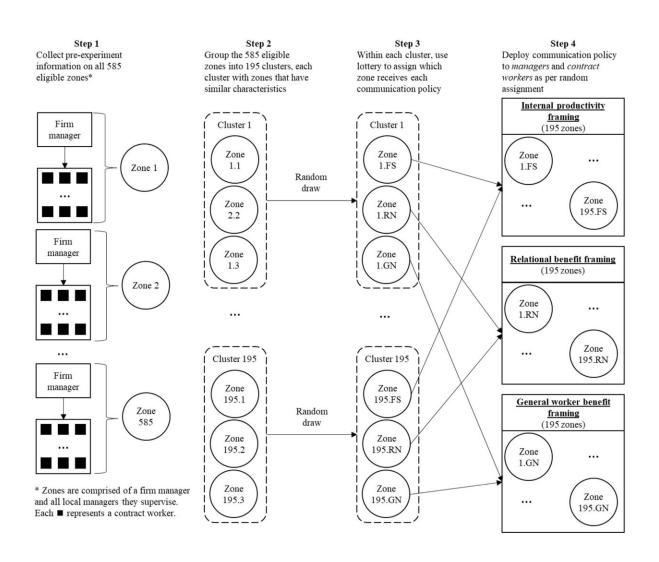


How firms frame training programs for gig workers can boost promotion and uptake of the programs

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Schematic model of randomization protocol implemented by SalesNow. Credit: *Strategic Management Journal* (2023). DOI: 10.1002/smj.3571



General skills training programs for those hired under flexible arrangements can strengthen the relationship between firm and worker, thus benefiting both groups. But for that to happen, the programs need to have strong buy-in from both managers and workers.

A study published in *Strategic Management Journal* found the use of relational terms to frame <u>training programs</u> is key: Such phrasing makes managers more likely to promote the programs and increases uptake among the gig or contract <u>workers</u>.

The research team included Thomaz Teodorovicz of Copenhagen Business School, Sérgio Lazzarini of Western University, Sandro Cabral of Insper Institute of Education and Research, and Anita M. McGahan of the University of Toronto. Inspired by an increase in alternative employment arrangements, the team wanted to study how the trend affected firms' human development efforts.

"In the past, when you've thought about traditional employment, firms have had somewhat of an incentive to invest in human.development
because they have had these expectations that the ties that bind firms and workers would be prolonged," Teodorovicz says. "And the workers would be developing skills to fulfill themselves and increase their incomes. But then as we see this rise of gig work and contract work, this incentive for firms to nurture workers' development may weaken."

The researchers partnered with a Latin American firm that had created a general skills training program targeting their contract workers. Teodorovicz and his colleagues were able to show the company that the program increases productivity and the longevity of the work arrangement. But despite the findings, the firm couldn't account for the training's low uptake.



Interviews with firm managers showed they weren't promoting the program because they didn't see the benefit to the firm, yet there was a demand for it among the workers. In response, the researchers designed a study that would test three different ways of framing the training, which would be communicated to both the managers and the workers.

One group received messages saying this training would provide workers with skills that will increase their productivity within the firm; this framing led to high promotion by managers, but low uptake by workers.

The second group received messages saying the training would cover general skills, such as time management or entrepreneurial skills; here, the managers didn't see the benefit to the firm and were less likely to promote, whereas workers were more likely to sign up.

The third group received messaging that suggested the training would strengthen the relationship between the firm and the workers; this framing led to higher promotion by the managers and greater uptake by the workers.

Rather than focusing on internal productivity or general worker benefits, the relational framing promoted the expected benefits of the training as the strengthening of the partnership between the firm and the worker. For example, one message suggested the program would enable <u>contract</u> <u>workers</u> to "strengthen their connection between you [the contract worker] and SalesNow [a pseudonym used to protect the firm's identity]."

"If we focus only on the nature of the skill—i.e., whether a skill is generally applicable across contexts or it is more applicable within the firm—we increase the likelihood that managers and workers may be in a conflict," Teodorovicz says, referring to either the firm benefitting or the worker benefitting from the program. "But if we focus on the



relationship that workers and firms nurture with one another, the conflict resolves. The training leads to value creation that benefits the workers, the firm, and—by extension—the managers."

Offering general skills training, even if those skills could also enable workers to be productive in competing firms, can signal a company's commitment to nurturing workers' development. In turn, workers reciprocate by prolonging a more productive collaboration. The best way to promote such programs, the research shows, is to frame them in relational terms.

More information: Thomaz Teodorovicz et al, Investing in general human capital as a relational strategy: Evidence on flexible arrangements with contract workers, *Strategic Management Journal* (2023). DOI: 10.1002/smj.3571

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