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**ABSTRACT**

*This study investigated the relationship between gig economy application and organizational productivity of logistic companies in River State. The study adopted a cross-sectional survey design. Primary data was generated through self-administered questionnaire. The population for this study comprised of 126 heads of department of selected logistics companies in Rivers State. The census population sample method was used as the whole population was used for the study. The reliability of the instrument was achieved by the use of the Cronbach Alpha coefficient with all the items scoring above 0.70. The hypotheses were tested using the Spearman's Rank Order Correlation Coefficient with the aid of Statistical Package for Social Sciences version 23.0. The tests were carried out at a 95% confidence interval and a 0.05 level of significance. Results from analysis of data revealed that gig economy application significantly influences organizational productivity (op) of logistic companies in River State. The study recommended that there should be proper gig online application training among the workers, so that requesters can easily access their gig worker for their job description and determination of pay for such work.*

**Keywords:** Gig Economy Application, Organizational Productivity, Patronage, Profitability

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## INTRODUCTION

In the industrial era, the locus for activities of barter and exchange was the market, an idealized site of encounter between buyers and sellers within which the characteristics, quantities, and prices of goods and services were regulated automatically by the laws of supply and demand. In the emerging informational economy, the locus for those activities is the platform, a site of encounter where interactions are materially and algorithmically intermediated. The first digital work/services application emerged in the mid-1990s, and the sector took off in earnest from the mid-2000s onwards, helped by faster internet speeds and the introduction of smartphones. The gig economy's rapid growth attests to its value to both individual consumers and business clients. However, it has also attracted considerable controversy. Gig companies have been subjected to lawsuits in various countries, notably over workers' employment status, and in some cases their right to operate has even come into question. The fundamental polarization lies over the responsibilities that gig companies should bear towards the workers who use their applications, how to ensure suitable safety nets for gig workers, and how to ensure that work meets strong standards.

Gig companies can be divided into companies that provide services based on assets, and applications that provide services based on individuals' skills and labor. This study is focused on work facilitated through digital work/services applications. The application work economy is sometimes referred to as the "gig economy", and application workers as "gig workers", but the gig economy in fact has a broader meaning. It also includes "contingent work" characterized by a defined or limited duration, e.g. freelance contracting and consulting that is not carried out through digital work/services applications, and temporal services provided by staffing agencies.

Applications including online marketplaces, desktop and mobile computing environments, social

networks, virtual labor exchanges, payment systems, trading systems, and many more have become the sites of ever increasing amounts of economic activities and also of ever-increasing amount of social and cultural activities. The emergence of application-based business models has reshaped work, finance, information transmission, entertainment, social interaction, and consumption of goods and services, and has destabilized the locally embedded systems that previously mediated those activities in many different types of communities. Over recent years, the rapid rise of gig economy applications that use digital technologies to intermediate labor on a per-task basis has triggered an intense debate about the economic and public policy implications. One narrative holds that gig economy applications that use digital technologies to match workers with clients on a per task ("gig") basis are a boon to productivity and provide much-needed flexibility to workers and businesses.

The economic and social impact of new technologies is always ambivalent. On the one hand, new technologies are an essential driver of economic growth and social progress, on the other hand they can also disrupt existing socio-economic structures and the cultural and institutional mechanisms that maintain them. Although technical change is always present in human history, its pace and socio-economic implications are non-linear. The recent increase in digitalization with recourse to Artificial Intelligence, the highest penetration of broadband internet, the development of the Internet of things and the application economy has opened the ground to new forms of work organization and tasks distribution across the workforce and are changing the future scenarios for the type of jobs that will be needed and the technology's potential to substitute work. Digital applications are one of those technologies.

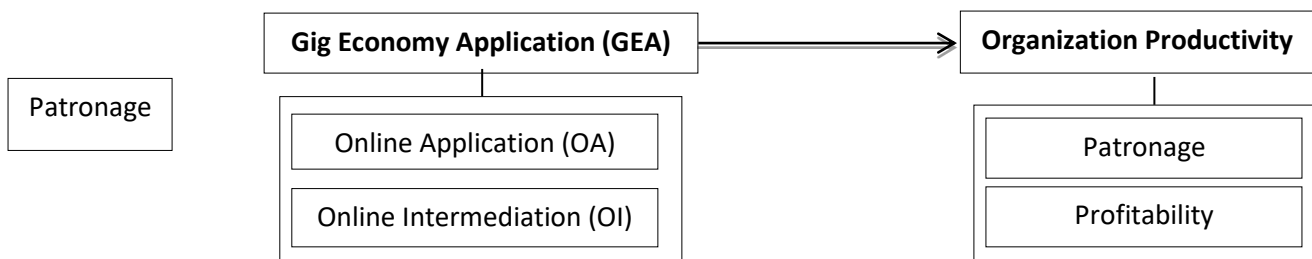
In the views of (Fernández-Macias 2017), digital applications emerged by the combination of decentralized information networks, big data

analytics and mobile digital devices. They are also a new form of coordinating economic activity. As such, they do not fit neatly into either of the two main forms of economic coordination of contemporary capitalism, firms (organizations) or markets. Applications incorporate elements of both (they put together supply and demand of a certain good or service, and also directly manage the transaction), but also *transcend* them (they can provide more transparency and efficiency, and expand the range of economic activities). Applications can be defined as digital networks that coordinate transactions in an algorithmic way.

The use of digital applications to coordinate all kinds of economic activity has been growing with the expansion of the Internet. A more recent development is the use of digital applications for the intermediation and coordination of service transactions. Whereas transactions of goods involve only an indirectly labor relationship, most service transactions involve a direct labor relationship between the supplier and demander (be it virtual or physical).

However, the implications of digital labor applications go beyond working conditions and employment regulation; they involve a significant reorganization of work and production processes. We can call this (potential) effect of digital labor applications an 'unbundling of tasks', which is in fact a radical deepening of the division of labor. The principle of the division of labor suggests that jobs specialization raises productivity, and leads to a more effective control of the production process. However, jobs as we know them today do not consist of a unique task; rather they are bundles of tasks with higher or lower degrees of

complementarities. The One possible way to understand the meaning of gig economy is to look at how it is defined internationally and nationally. Forbes (2019) stated that "The concept of creating an income from short-term tasks has been around for a long time. The gig economy is very broad and encompasses workers who are full-time independent contractors (consultants, for example) to people who moonlight by driving for Uber or Lyft several hours a week." Along the same line, (Chappelow 2019) asserted that "In a gig economy, temporary, flexible jobs are commonplace, and companies tend toward hiring independent contractors and freelancers instead of full-time employees." Similarly, TechTarget (2019) asserts that "a gig economy is a free market system in which temporary positions are common and organizations contract with independent workers for short-term engagements." (Job street 2019), asserts that "Gig economy is simply, a big group of part-timers and freelancers working on contractual or ad-hoc basis" while Metro (UK) newspaper posits that "The gig economy means an economy where organizations and businesses rely more on freelancers and independent workers, contracted on a short-term basis, than they do on permanent staff." The best known of these gig economy firms is Uber the media's 'poster boy' for everything deemed good or bad about work via online applications. However, the rise of online applications as intermediaries of supply and demand of flexible labor is surely not limited to the taxi branch. Odd jobs (e.g. via TaskRabbit), cleaning (e.g. via Helping), care (e.g. via care.com), food delivery (e.g. via Deliveroo), or programming and translating (e.g. via Upwork) are among the examples of services that are increasingly traded via online applications.



**Figure 1: Conceptual framework for Gig Economy Application and Organization Productivity**

**Source:** Desk Research (2021)

- **H<sub>01</sub>:** There is no significant relationship between gig online applications and patronage of logistics companies in Rivers State.
- **H<sub>02</sub>:** There is no significant relationship between gig online applications and profitability of logistics companies in Rivers State.
- **H<sub>03</sub>:** There is no significant relationship between gig online intermediation and patronage of logistics companies in Rivers State.

## LITERATURE REVIEW

### Theoretical Foundation

#### Social Exchange Theory by Sociologist George Homans (1961)

Social exchange theory can be explained in terms of costs, rewards, and exchanges. When rewards can only be met through interaction with another person, they are called social rewards. For example, being loved, respected, socially accepted, attractive to others, or having opinions and judgments approved by others, all depend upon other people. Rewards in social interactions include pleasure, satisfaction, gratification, and fulfillment of needs (Thibaut & Kelley, 2009). One unique property of social rewards is that we can't really barter over most of them (Blau, 2001).

Homans originally defined costs as something of value that is given up; it can also be the withdrawal of a reward, or punishment. Money is the most obvious "cost" that we exchange for some product or service, though we might also give friends money just to help them out. We also work in exchange

for money which involves giving our time, energy and skills. But what about spending time with friends? What does it "cost" you to carry on a conversation? What does it "cost" you to be in a relationship? Carrying on a conversation costs you time and energy; time and energy that you might have been spent doing something else, even something more rewarding. The amount of time and energy expended in a conversation is affected by its importance and its intensity and depth. Besides costing time and energy, relationships necessitate forfeiting some of your freedom and independence.

Another prominent figure in developing social exchange theory was sociologist Richard Emerson who described exchanges simply as "the economic analysis of non-economic social situations (Emerson, 2006). This first principle loosely applies economic concepts to human decision making and interactions. Consider your own decisions, particularly those dealing with communication choices and relationships. To what degree do you evaluate the pros and cons, the reward and costs, as a way of helping you decide?

Social interaction involves two or more parties, each exchanging a reward needed by the other person. We depend upon other people for valued resources, but to gain such resources involves an exchange of something we value. We interact with others because we gain some reward for doing so, but the other person must also gain some reward from us (Burns, 2016). In so doing, we create



interdependent relationships. If an interaction does not provide you with a reward or the reward do not match (equity) or exceed your cost (profit), you are likely to end it. We might continue the social interaction and build a relationship as long as we are being rewarded. But our needs change and what might be rewarding at one point might lose its reward value. For example, suppose a friend rewards you for your company by fixing you cookies all the time. At first you might be finding the cookies very rewarding, but you might start gaining weight and getting tired of the same old cookies such that they are no longer rewarding. Relating this theory to our study, we can mean that gig (application) workers (logistics sector) can increase their level of productivity when the exchanges between the application, requesters and the gig workers are rewarding to all parties involved

#### **Nature of Gig Economy Application**

During the Industrial Revolution, entrepreneurs discovered that it was often cheaper and more efficient to bring large number of workers together in firms in order to produce ever-increasing quantities of identical goods by dividing labor into manageable units arranged around uniform systems and processes. While this may have limited the number of bespoke and artisanal products offered, mass-production provided a windfall to consumers seeking consistent and affordable goods and services. For workers, meanwhile, the rise of firms would eventually provide stable and dependable sources of income upon which they could rely. Thus was born the ideal of “organization men,” employees who would remain loyal to a single long-term employer over the course of their careers, a concept around which many twentieth-century government programs and social welfare policies were based.

For decades, this arrangement proved mutually beneficial. “Organization men exchanged years of service for defined benefits; steady pay, a pension, health benefits, guaranteed safety conditions and more. Underpinning these organization men’s allegiance was the belief that their firm would take

care of them.” Indeed, many scholars have argued that the high degree to which employees identified with their employers and adopted their employers’ goals as their own were among the primary factors in the United States’ post-World War II economic growth because this alignment produced several beneficial effects; loyal workers did not demand excessive compensation, they were unlikely to game their employer’s internal structures and processes to advance their own interests at their employers’ expense, and they could be counted on to make discretionary judgments that benefitted the company rather than just themselves. Decades before business executives learned to rely on the mantras of “other people’s money” and “I’ll be gone, you’ll be gone,” the prospect of a lengthy career with a single employer allowed corporate officers to link their personal success and self-esteem more closely with the health and prestige of their employer rather than with their individual salary or net worth.

In retrospect, cracks in this façade began appearing as early as the 1970s. In that era, companies began heeding the advice of investors and management experts instructing them to cut costs and focus on their core competencies, selling off secondary or tertiary business lines and outsourcing back-office responsibilities. Scholars in a variety of fields concurrently offered theoretical justification for these practices as necessary in order to provide maximum value to companies’ shareholders at the expense of the companies’ other stakeholders, including their employees. This process accelerated drastically in subsequent decades, as technological innovations made it far easier for companies to contract with external vendors for many services and discrete projects, turning streamlined efficiency and profit-maximization into familiar and well-worn ideals pursued throughout corporate America. These trends soon dovetailed with the cultural focus on individual responsibility and accountability that accompanied the “Reagan Revolution.” The dominant sentiment of this era was succinctly expressed by a General Electric human resources

executive who exhorted employees to “do good work, work hard, and always have a copy of your resume ready” because, “as a society, we’re going to be moving away from the things that tie people to a company for thirty years.” Put another way by the same company’s legendary CEO, “Neutron Jack” Welch, “Only satisfied customers can give people job security. Not companies exclusion of all other interests, was amply demonstrated by Wall Street’s outrage at American Airlines’ recent agreement to raise wages, prompting financial analysts to complain that the company was prioritizing employees over shareholders. Although “modern corporate law does not require for-profit corporations to pursue profit at the expense of everything else,” the notion that companies might act in their employees’ interests rather than that of their shareholders or that shareholder might even benefit from improving corporate morale and attracting higher-quality employees through increased wages was scarcely heard.

### Online Applications

Within digitalized societies and economies, a crucial role is played by online application. These can be conceived as digital ‘locations’: online spaces where users can obtain information or interact socially or economically. They are, in a way, the digital version of public squares, social clubs or marketplaces. There is no consensus on a single definition of online platforms, and a clear-cut definition would probably be too narrow, or conversely apply to a very wide range of Internet services. According to the European Commission’s rather wide understanding, it comprises, *inter alia*, search engines, social media, ecommerce platforms, app stores, price comparison websites and ad networks. <sup>9</sup><sub>F</sub><sup>1</sup> To distinguish an online platform from a ‘mere’ website, it seems that a certain dynamic element would have to be involved, in that users can generate content and that there can be interaction or otherwise exchange of some kind, rather than just a static presentation of information.

Accordingly, the online application economy could be understood as the entire economy comprising, involving and resulting from these digital applications. Specifically, as is the case with digitalization generally, online applications can;

- Be used in the production process (e.g. to organize work among a team of workers);
- Constitute the product or service itself (e.g. social media, search engine or online encyclopedia); and/or
- Be the method of (organizing the) provision, sale and delivery of goods and services (e.g. ecommerce websites, transport apps, food delivery apps).

The gig online application economy is thus best understood as a part of the broader digital economy, characterized by the role played by online applications in various parts of the economic ‘value chain’. Heeks (2017) analyzed the many different terminologies that can be used in this domain and concluded that the prime term from a work and labor focus would be “online labor”; from a client-side focus would be “online outsourcing” and as an overall domain would be “(digital) gig economy” Here, online labor is defined as contingent (task- or project-based) intangible work delivered digitally and done for money, organized via online outsourcing application that are marketplaces bringing together buyers and sellers Lehdonvirta et al (2014) and Graham et al (2017).

Schmidt (2017) provided a comprehensive taxonomy of online labor, and divided it into two types:

- **Crowd work** where tasks are not given to a specific individual and which is further subdivided into *microwork* (tiny units of piecemeal task as for Amazon Mechanical Turk or Crowd flower) and *contest-based* (many compete for the task but “only one result is used and paid for” as for 99 designs). Examples of micro-work include data entry, tagging or interpretation of content, completion of

surveys, and finding of information (Berg 2016).

Examples of contest-based work include creation of a design such as a company logo.

- **Online freelancing** where a more substantial task is given to an identified individual as for Up work or Freelancer. Examples of the variety of online freelancing work include software development, web development, translation, transcription, data analytics, design, administrative support, sales and marketing (Agrawal et al 2013, Margaryan 2016).

In practice, divisions are blurred and it probably makes more sense to think of a continuum of online labour from micro-work to online freelancing.

Most scholars see intermediation by online applications, be it through an app or a website, as a key defining feature of the gig economy (Wood et al., 2019). The advent of such online applications has led to the advent of the gig economy. This view is also shared in policy reports of single countries, such as the United States (BLS, 2017), the United Kingdom (CIPD, 2017; Department of BEIS, 2018). The logic of considering only applications-mediated work as belonging to the gig economy is based on two principal arguments. First, scholars that see online applications as a defining feature of the gig economy tend to argue that the role of rating systems and algorithmic management fundamentally differentiates online application intermediation from older forms of offline intermediation (temp agencies, telephone operators, offline bulletin boards, etc.) (De Stefano, 2015; Shapiro, 2018; Duggan et al., 2019; Wood et al., 2019). Second, online applications did not only change the technology used to mediate supply and demand, but also the legal nature of relationships, replacing bilateral relationships by trilateral relationships involving a worker, a requester and the platform (Aloisi, 2015).

Online applications and older forms of intermediation in traditional labour markets

consists in the radically new way that the intermediation is performed, namely through the use of algorithms, reviews, GPS, and electronic payment systems. According to (Helberger et al., 2018; Van Dijck et al., 2018) It is the novel way in which online applications match supply and demand that have raised application-specific regulatory issues, including algorithmic discrimination, privacy and the lack of transparency.

Online applications position themselves as intermediaries that match demand and supply of labour, putting in contact workers and clients. Clients whether physical persons or companies can post tasks, while workers can find those tasks that aligns best to their skills and their availability for doing work. As there are no boundaries in the online world, online applications allow clients to reach out for the workforce worldwide, thus considerably increasing the supply of suitable candidates. Conversely, workers gain access to more work opportunities both locally and globally. The tasks that can be posted and executed vary tremendously in nature, spanning from “micro-tasks”, requiring just a few minutes of time for execution and a relatively low level of skill (examples are writing reviews of a product, product categorization) to “macro-tasks”, requiring a considerable time and skill for their execution (examples include website development). Some authors also speak about complex tasks, which are similar to continuous relatively high-skill work performed by firm employees or by a specialized contractor (Felstiner 2011).

Increasingly, online applications transform the modes of work and change the way the concept of work is viewed by both businesses and workers. Such transformations inevitably carry both a strong potential for benefitting societies. Online gigs’ leads to organizational encouragement of entrepreneurial traits and prompts gig workers to make decisions, take action, and foster their belief that they can take control of their own destinies. This belief leads to self-motivation and a sense of independence that is translated into greater loyalty and extra effort for



the organization. Application workers come to believe that they control their own success through their efforts and hard work, which in turn benefit the success of the entire institution which leads to the achievement of organizational productivity.

### **Online Intermediation**

According to (OECD 2014) online intermediaries bring together or facilitate transactions between third parties on the Internet. They give access to, host, transmit and index content, products and services originated by third parties on the Internet or provide Internet-based services to third parties. Intermediation is the process by which a firm, acting as the agent of an individual or another firm, leverages its middleman position to foster communication with other agents in the marketplace that will lead to transactions and exchanges that create economic and/or social value.

Internet intermediaries are important actors because their services create network externalities such that the benefits from using the service increase as diffusion spreads. Therefore, building a critical mass of users is key for these actors. In addition, these actors often operate in two-sided markets whereby they are an intermediary between two different groups of agents, for example, users and advertisers or buyers and sellers. Two-sided markets have implications in terms of causing intermediaries to adopt particular pricing and investment strategies that will get both sides of the market on board, and that balance the interests of the two sides. In particular, online advertisers, which now represent over 10% of global advertising revenue, play an important role as they often enable intermediary platforms to provide increasingly sophisticated content and services at no monetary cost to users. In addition to online advertising, revenue models of Internet intermediaries include subscription and on-demand paid service models, brokerage fees, donations, as well as community development models for content or software.

The pace of change of Internet services and their technical complexity means that reaching stable, established business practices is difficult. It should be re-emphasized that business models are currently in flux and are likely to remain so for most identified intermediaries.

One troubling facet of the sharing economy is that workers compete against each other for customers, often by offering low prices. Labor expert Stanley Aronowitz likens the arrangement to “wage slavery in which all the cards are held, mediated by technology, by the employer, whether it is the intermediary company or the customer.” Said differently, the gigs may appear initially to pay a decent wage; however, once costs for travel and necessities like licensure, insurance or equipment maintenance as needed most workers make less than minimum wage, asserts Dean Baker of the Center for Economic and Policy Research. And that does not factor in the costs of finding and securing new work. The risks are real: When riders of peer-to-peer ride shares get hurt, the drivers are responsible. Harm by customers that damages drivers’ cars and hosts’ homes largely falls on those individuals providing the services, not the operating firms who contract with them. Plus, if the workers receive bad reviews from customers, the blame falls on the worker and the hiring firms can deactivate them at will.

Even though online gig work application can cut out intermediaries, the opposite can also be true. Because of the heavy role that reputational feedback scores play in online gig work application, work can flow to intermediaries/middlemen who already have a high score. These intermediaries then re-outsource that work, keeping a part of the client’s fee for themselves. The existence of a large pool of potential workers online helps this practice to continue and allow intermediaries to pay low rates.

From the client’s perspective, intermediaries can add value to the process by e.g. breaking larger projects into more manageable tasks, providing project management and taking responsibility for

timely delivery to the client. Experienced intermediaries may also be better at picking workers than inexperienced clients. But from the workers' perspective, intermediaries can complicate the flow of information from clients to workers, potentially hindering skill development.

### **Organizational Productivity**

Productivity is the measure of the efficiency of a person, machine, factory, system in converting inputs into useful outputs. Productive organizations are built on team work and shared visions. Organizational productivity is essential to business owners as well as the Nigerian economy but for that to be achieved, gig workers needs to be on board with the leaders. The more the economy booms, the more unemployment reduces, raising the standard of living for everyone. Therefore, organizational productivity is pivotal for patronage and being productive is fundamental to increase business profitability as well as personal satisfaction. The success of a firms such as logistics companies can be assessed on the basis of its patronage, output and or processes and inputs that produce the outputs. Productivity in general terms, refers to the ratio of the output of the firm to the inputs.

Researchers have obtained measures of individual performance to include speed, accuracy, and time needed to learn, and have used these to estimate individual productivity at the organization. The implicit or explicit assumption underlying these efforts has been that increased individual productivity will increase organizational productivity, Locke and Latham (2005). With the advent of technology massive personal productivity gains have been enabled. Computers, spreadsheets, emails, mobile phones, tablets and other advances have made it possible for an average gig worker to seemingly produce more in a day than is possible in traditional work in a year. Arguably, it is vital to affirm that if individual gig workers are able to perform their work much better and faster, over all organizational productivity is inevitable.

### **Patronage**

Patronage is something for which virtually every organization strive, small firms want to get big, big firms want to get bigger. Indeed, organizations including the Logistics Companies have to be patronized. Customers have different reasons behind their patronage of a particular brand; tastes, sincerity, efficiency, price and preference are some of the reasons that determine the patronage of the logistics companies. It is therefore necessary to identify the determinant factors of patronage. It is very essential for logistics companies to investigate into these determinants in order to find appropriate marketing strategies that can induce new customers' as well as retain the current ones. There has been a growing competition among logistics companies as the services offered are mostly similar; consequently, they are required to identify dynamics customers consider to make a choice among different providers. Safkli (2007) stated that the brain behind customers' preference for services selection and patronization showed that the most important reason is confidence in service delivery. He listed a number of factors deemed to be of relevance in firms' patronage to assess its level of importance. Subsequently, the main reason showed that the most effective reasons were service quality, efficiency and financial factors.

Kamakodi and Khan (2008) were of the opinion that there were ten important reasons customers consider in making a decision to patronize a logistics company. Their study obtained responses from 292 clients of logistic companies on the reasons that influenced their decisions to patronize the firms. Top on those reasons were; the safety of requester, accessibility to application workers, firm's reputation, personal attention, pleasing manners, confidentiality, proximity to work place, timely delivery of service and friendliness of logistics workers'. This study reaffirmed the importance of customer service to customers' patronage. Again, Rehman and Ahmed (2008) asserted that the major determinants of patronage by customers of logistics companies showed that the most important

reasons were as follows; customer services, convenience, and online application facilities.

### **Profitability**

Profitability of logistics companies is an essential component of organizational productivity, its importance spans through logistics firm's productivity to economic stability. At the organizational level, a higher return to a large extent reduces Logistics Company's fragility. At the macro level, increased profitability makes for a sustainable sector that can drive economic growth and development.

Profit making is the primary reason behind every organization that is operational; as a result, a firm's level of efficiency with her earning is a major determinant of a successful and productive organization. It is therefore necessary to identify the determinant factors of profit. It is very essential for logistics companies to investigate into these determinants in order to find appropriate marketing strategies that can induce her level of profitability. There has been a growing competition among logistics companies as the services offered are mostly similar; consequently, they are required to identify dynamics requesters consider to make a choice among different providers in order to boost her profit base. The morale of workers plays a crucial role in an organization's profit base, this is so because, a motivated and happy workforce contribute immensely to higher organizational productivity which will adversely improve her profit base.

Workers wellness is indicated as the underlying factor in morale and that internal and external environments affect morale. For example, financial concerns of application workers outside of work can affect productivity. Research also revealed that worker stress results in lower productivity such as absences, tardiness, leaving early, mistakes, and lack of concentration.

Gig workers often become the front line since they are responsible for the services rendered by logistics companies. Unhappy application workers

can make for unhappy customers and in this age of intense competition, customer's loyalty is a great financial value that must be maintained in the long run to grow profits. (Voges, 2003) Morale is the key to developing and fully capturing human potential and channeling this energy toward productivity. Morale is an important ingredient of an enterprise but can it necessarily affect productivity in a firm ultimately increasing the bottom line. From an organizational perspective, positive employee morale leads to increased productivity and less missed time from work because workers enjoy coming in, enjoy the people they work with, and enjoy the challenges associated with the job. It also leads to great customer service (Voges, 2003).

Locke and Latham (2002) were of the opinion that profit maximization energizes organizations, and profit earnings challenges firms to aim even higher. Therefore, when profits are earned, it should be set by or jointly with the workers' responsible for its achievement. The organization's leadership and where appropriate its stakeholders should know that profit is important and that at the appropriate time resources should be channeled towards its achievement. Profit maximization should also allow for flexibility. The relevance of profitability as a measure of organizational productivity in the logistics sector cannot be over emphasized. When logistics companies' profits are attained, gig workers are retained, make repeat purchase, act as referral agents, undoubtedly, these positive outcomes will ultimately improve a company's level of productivity.

### **METHODOLOGY**

The study adopted a cross-sectional survey design. Primary data was generated through self-administered questionnaire. The population for this study comprised of 126 heads of department of selected logistics companies in Rivers State. The census population sample method was used as the whole population was used for the study. To empirically evaluate the relationship between the predictor and criterion variable of this study the spearman's rank order of correlation coefficient

was adopted as a tool. The analysis was presented using the scientific package for social sciences (SPSS) version 23 software.

## DATA ANALYSIS AND RESULTS

### Bivariate Level of Analysis

This segment presents the data results for the analysis and tests for all previously hypothesized bivariate associations are presented. The hypotheses stated in the null form were all tested using the Pearson's product moment correlation.

**Table 1: Correlations Matrix between Gig Online Application and Patronage**

		Gig Online Applications	Patronage
Gig Online Applications	Pearson Correlation	1	.723**
	Sig. (2-tailed)		.000
	N	103	103
Patronage	Pearson Correlation	.723**	1
	Sig. (2-tailed)	.000	
	N	103	103

\*. Correlation is significant at the 0.05 level (2-tailed).

Source: SPSS Output

**H<sub>01</sub>:** There is no significant relationship between gig online applications and patronage of logistics companies in Rivers State.

The result of correlation matrix obtained between gig online applications and patronage was shown in Table 1. The correlation coefficient of 0.723 confirms the direction and strength of this relationship. The coefficient represents a positive

correlation between the variables. The test of significance shows that this relationship is significant at  $p < 0.000 < 0.01$ . Therefore, based on observed findings the null hypothesis earlier stated is hereby rejected and the alternate upheld. Thus, there is a significant relationship between gig online applications and patronage of logistics companies in Rivers State.

**Table 2: Correlations Matrix Between Gig Online Application and Profitability**

		Gig Online Applications	Profitability
Gig Online Applications	Pearson Correlation	1	.803*
	Sig. (2-tailed)		.040
	N	103	103
Profitability	Pearson Correlation	.803*	1
	Sig. (2-tailed)	.040	
	N	103	103

\*. Correlation is significant at the 0.05 level (2-tailed).

Source: SPSS Output

**H<sub>02</sub>:** There is no significant relationship between gig online applications and profitability of logistics companies in Rivers State.

The result of correlation matrix obtained between gig online applications and profitability shown in Table 2. The correlation coefficient of 0.803 confirms the direction and strength of this relationship. The coefficient represents a positive

correlation between the variables. The test of significance shows that this relationship is significant at  $p < 0.000 < 0.01$ . Therefore, based on observed findings the null hypothesis earlier stated is hereby rejected and the alternate upheld. Thus, there is a significant relationship between gig online applications and profitability of logistics companies in Rivers State.

**Table 3: Correlations Matrix Between Gig Online Intermediation and Patronage**

		Gig Online Intermediation	Patronage
Gig Online Intermediation	Pearson Correlation	1	.519**
	Sig. (2-tailed)		.000
	N	103	103
Patronage	Pearson Correlation	.519*	1
	Sig. (2-tailed)	.000	
	N	103	103

\*\* Correlation is significant at the 0.05 level (2-tailed).

Source: SPSS Output

**H<sub>03</sub>:** There is no significant relationship between gig online intermediation and patronage of logistics companies in Rivers State.

The result of correlation matrix obtained between gig online intermediation and patronage was shown in Table 3. The correlation coefficient of 0.519 confirms the direction and strength of this relationship. The coefficient represents a positive

correlation between the variables. The test of significance showed that this relationship is significant at  $p < 0.000 < 0.01$ . Therefore, based on observed findings the null hypothesis earlier stated is hereby rejected and the alternate upheld. Thus, there is a significant relationship between gig online intermediation and patronage of logistics companies in Rivers State.

**Table 4: Correlations Matrix Between Gig Online Intermediation and Profitability**

		Gig Online Intermediation	Profitability
Gig Online Intermediation	Pearson Correlation	1	.551**
	Sig. (2-tailed)		.128
	N	103	103
Profitability	Pearson Correlation	.551**	1
	Sig. (2-tailed)	.128	
	N	103	103

\*\* Correlation is significant at the 0.05 level (2-tailed).Source: SPSS Output

Source: SPSS Output

**H<sub>04</sub>:** There is no significant relationship between gig online intermediation and profitability of logistics companies in Rivers State.

The result of correlation matrix obtained between gig online intermediation and profitability was shown in Table 4. The correlation coefficient of 0.551 confirms the direction and strength of this relationship. The coefficient represents a positive correlation between the variables. The test of significance shows that this relationship is significant at  $p < 0.000 < 0.01$ . Therefore, based on observed findings the null hypothesis earlier stated is hereby rejected and the alternate upheld. Thus, there is a significant relationship between gig online

intermediation and profitability of logistics companies in Rivers State.

#### DISCUSSION OF FINDINGS

This study was to investigate how gig economy application enhances organizational productivity of logistics companies in Rivers State. The findings revealed that there is a positive and significant effect of gig economy application on organizational productivity of logistics companies in Rivers State. De Stafano and Aloisi (2018) made clear his finding which support the result gotten from this study on independent contractor and organizational productivity which stated that gig workers mostly



complete activities which are remunerated through monetary payment, the question of subordination is less clear-cut. On the one hand, workers are assessed by clients through ratings and reviews and monitored by applications regarding their acceptance rates and speed of service. This information may be used by the application to decide to cut off an 'underperforming' gig worker from the application at any moment in time and without explanation. On the other hand, gig workers enjoy the freedom of whether, or not, to accept a gig request and remain in most cases autonomous with regard to what to charge and how they carry out the requested gig. Thus, depending on a number of factors (such as the use of ratings in ways that can be detrimental to the gig workers, or whether the price is set by the applications or freely agreed), the gig worker may classify as an independent contractor or may be entitled to the legal rights and obligations of a traditional employee.

## CONCLUSION AND RECOMMENDATIONS

The gig online application economy is thus best understood as a part of the broader digital

economy, characterized by the role played by online applications in various parts of the economic 'value chain'. It analyzes many different terminologies that can be used in this domain and concluded that the prime term from a work and labour focus would be online labour; from a client-side focus would be "online outsourcing" and as an overall domain would be "(digital) gig economy. Therefore, this study concludes that there is a positive significant effect of gig economy application on organizational productivity of logistics companies in Rivers State.

The study therefore recommended that:

- There should be proper gig online application training among the workers, so that requesters can easily access their gig worker for their job description and determination of pay for such work.
- The intermediaries between the gig economy and organizational productivity should be handled with a high level of sanity and managerial staff should be advocating for it.

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