The Visible Hand: Organisation of work in on-demand platforms

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Ujjwal Kango

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Public Policy & Management Group

Thesis Advisory Committee

Prof. Rajesh Bhattacharya (*Chairperson*)

Prof. Saikat Maitra

Prof. Surajit Chakravarty

Abstract

Labour platforms position themselves as multi-sided markets that connect customers with an on-demand workforce. These platforms have challenged the boundaries of an organisation by enabling customers to directly contract with individual workers rather than delegating work to employees or contracting work to other firms/individuals. Through such a business model, labour platforms are able to bypass labour regulations and also shift the costs of the means of production to the workers. However, in a market-based relationship involving "work", where workers are classified as "independent contractors", management or algorithmic management, as it is referred to in the literature on platforms, becomes an objective of theoretical investigation. The digital platform, a multi-sided market that solely internalises the network externalities, is also, at the same time, an entity with no real control over the two or more user groups that the platforms intermediate. Nonetheless, for the platform to become a viable intermediary, it must address this 'crisis of control' and exercise control over the workers, who are not contractually subordinate to them. How is labour controlled in the absence of an employment contract? For instance, independent contractors working with the platforms have the flexibility to set their own schedules. How do the platforms then activate the labour effort and maintain a reliable labour supply in time and space without a formal employment relationship? Given the distinct characteristics of online platforms, it is crucial to understand the unique managerial challenges that platforms face, which differ from those encountered by traditional organisations.

This thesis combines an ethnographic study of food delivery platforms with the textual analysis of digital archives and data available online. The empirical contributions are analysed through a distinctive theoretical lens—combining political economy (LPT) and industrial sociology (work games) to analyse the phenomenon of platform work. Labour process theory (LPT) offers a useful theoretical framework for understanding the organisation of work, analysing the management control practices undertaken by digital platforms, and unpacking the sources of conflict in this new work organisation.

Overall, this thesis attempts to answer three questions. First, this thesis develops an understanding of the labour process of food delivery platforms and explains how food delivery platforms organise the labour process to control and discipline labour. We argue that algorithmic control on platforms is facilitated by at least three types of data collated by the algorithm: worker-app interactions, complementor-app (customers and restaurants) interactions, and computational labour by human managers. While research on algorithmic control tends to assume algorithms to be 'unsupervised' or 'automated', in practice, these algorithmic management systems are heavily networked and supervised. Thus, our findings emphasise that heteromation, rather than automation that pushes several tasks to complementors (restaurants, customers) and specific actors who manage these algorithms, is a better way to characterise algorithmic control. Our findings also refute the common hypothesis that the platforms, through the technological infrastructure of the algorithm and the application, result in tighter control over the labour process. We argue that food delivery platforms strategically organise the labour process so as to indirectly control the workers through their

involvement in platform games to gain compliance from the workers as 'independent contractors'. Platform games aim to foster compliance by constructing a group of self-managing workers who internalise the management of effort in accordance with the food delivery platform's goals. Additionally, while the common hypothesis is that the labour process on labour platforms is individualised owing to the engagement of the platform with the workers at an individual level and the spatial dispersal of work activity, our findings highlight otherwise. Our findings present how social relations and engagements at work are crucial for workers in manoeuvring the labour process.

Second, this thesis delves into the question of how on-demand platforms ensure the availability of workers without an employment contract or an exchange contract. We argue that platforms encounter the distinctive challenge of what we refer to as 'labour provisioning,' in addition to managing the indeterminacy of labour effort. The agreement between a delivery worker and the platform specifies the conditions of participation—not the extent of participation or the quantum of work produced. Hence, instead of purchasing labour power, platform firms engage in 'provisioning' (making available) of labour power, and the indeterminacy flowing from such peculiar contractual arrangement is more aptly called a provisioning indeterminacy, distinct from mobility indeterminacy. Consequently, we highlight how food delivery platforms in India manage the provisioning indeterminacy. The inability to manage the provisioning indeterminacy solely through indirect control (platform games) necessitates the deployment of extra-economic compulsions and spurious exercise of power. In the case of food delivery platforms in India, these extra-economic compulsions came in the form of direct control by the human manager, who played a crucial role in managing workers' scheduling. Over and above these strategies, platforms apply other strategies, such as contracting orders to third-party agencies and regulating oversupply, which act as structural levers for constraining workers and easing labour provisioning issues.

Third, this thesis attempts to understand the sources of conflict in on-demand labour platforms. Across the world, on-demand platforms have faced at least 1,271 protest events during the period 2017- July 2020[1]. We highlight three key sources of conflict in platform work relations. First, the limited obscuring of surplus appropriation enabled the workers to penetrate and identify the unequal nature of the platform work relations. Second, there is an inadequate legitimation of these subordinating practices. The discourse of 'being your own boss' faces inconsistencies stemming from the worker's lived experiences of the labour process. Moreover, unlike industrial capitalism, where the rationale of surplus extraction rests upon the risks borne by the capitalist and his investment in the means of production, platform capital fails to legitimise its already 'transparent' practices of surplus extraction. Third, the eventual tightening of rules and increasing share of platform commissions resulted in a distributive conflict over piece rates.

Overall, the thesis offers a novel perspective on labour control within on-demand platforms and highlights the new challenges of management that arise with platform work relations. Tempting as it may be to set up algorithms as a panacea to labour control, our work highlights the limitations of algorithms in labour control and points to an enduring role of hierarchy (visible hand) in the supposed market governance of labour relations. By claiming to be multi-sided markets, on-demand platforms seek to disguise their agency and politics in the organisation of work. For this reason, the title of this thesis uses the metaphor of 'the visible hand' to emphasise the persistence of the hierarchical relationship between the platform and the workers. Our work also contests the labelling of on-demand workers as independent contractors and offers new insights for policymakers.

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[1] Bessa, I., Joyce, S., Neumann, D., Stuart, M., Trappmann, V., & Umney, C. (2022). *A global analysis of worker protest in digital labour platforms* (Vol. 70). International Labour Organization.