

Good example of contingent workers in cultural sector essay

[Business](#), [Company](#)



Introduction

Contingency workforce refers to provisional workers who work with employers on temporary basis. Contingency workers can be categorized as freelancers, non-permanent contract workers, self-employed professionals, consultants, daily wagers and independent contractors. Contingent employees offer various benefits to the organizations by decreasing the cost, associated with hiring and maintaining permanent employees, and by reducing the risk associated with employing large permanent workforce. The number of contingent workers is continuously growing and it is expected that the contingent workers will contribute more than 40 percent of total workforce by 2020 in the United States (Neuner).

Presently the representation of contingent workforce is more than 30 percent of total workforce and it is expected to grow at a good rate (Neuner). Cultural industry encompasses various sectors such as entertainment, media, art, music, visual art and designing, religious activities, tourism, sports and recreation, heritage and literature etc. Due to nature of job, cultural industry represents a large percentage of contingent workers. Majority of the cultural work is generally performed by the contingent employees. Musicians, artists, stage performers, lyricists, camera men, singers, song composers, dancers, story writers, poets, actors, are individual contingent workers.

In organizational settings, contingent workforce has its own advantages and disadvantages. However, in cultural sector, contingent workforce plays a major role in success of organizations because all specialized jobs such as music, art and design are performed by the freelancers or contingent employees. The number of contingent jobs in cultural sector is increasing

because it was difficult for cultural organizations to sustain during economy recession. This paper discusses the management of contingent workforce in cultural sector organization along with benefits and disadvantages, offered by the contingency workforce to cultural companies.

Background

Universal Music Group is working in cultural industry since 1934. UMG is one of the largest multinational music companies of the world. UMG is based in the United States and is currently owned by one of the biggest media barons of France. The company is involved in developing and promoting music across the world for several decades. The company has its headquarter in Santa Monica, California and regional offices at various other locations such as New York, London, Los Angeles etc. The company employs around 7000 full-time workers (Universal Music Group).

The company has seen various ups and downs in economy and also has experienced issues in human resource management practices. Apart from a big team of full time employees, UMG also hires services of contingent workers at different places and various occasions. UMG has faced various human resource related issues in the past with its full time employees, as well as, contingent employees. Recently a group of interns has dragged this cultural company into an American court of law on the ground that the company has failed to pay them for their services.

Problems and Issues

Universal Music Group is facing human resource issues in managing their contingent workforce. The major problem identified in the company is

compensation and pay benefits. During the time of economic recession, when company do not have enough funds to even pay its fulltime workers, contingent workforce facilitated smooth operations in the company at low cost. However, Universal Music Group does not recognize the benefits offered by contingent workforce and discriminate them by offering low wages. On other hand, full time workers feel insecure and at higher risk of losing their job because company is paying them higher wage along with other benefits (Zillman, 2015).

The need of skilled contingent employees is continuously growing. Skills of contingent workers are pivotal to the company. Despite of these facts, Universal Music Group is not preserving healthy relationship with its contingent workers. The company is not offering proper reward and recognitions to its contingent workforce whereas, the same is offered to fulltime workers. In collaborative working environment, all employees work together irrespective of their job status. It is very de-motivating for contingent employees when one worker receive higher pay and various benefits and other does not, despite of same amount of work, qualification and work experience. Contingent workers also do not receive praise, rewards or recognition for their hard work.

Discussion

Cultural companies such as Universal keep facing human resource related issues in respect of full time employees, as well as, contingent employees. Cultural organizations need to use services of contingent workers in a considerable ways due to nature of work. Contingent workers also receive

wages for their work and it is equally beneficial for them. However, contingent workers allege that companies tend to take benefits of contingent employees. They hire their services but when it comes to pay them or give them other benefits, their conduct becomes reluctant. It is not only Universal Music Group but other cultural companies are also paying low wages to contingent workers. Therefore, the main issue between cultural organizations and contingent employees is related to payment and benefits. Recent allegations by some interns against UMG are related to the payments only (Zillman, 2015).

In current environment, when companies are still recovering from economic recession, the pressure to cut the cost is very high. Universal Music Group has also cut down jobs and lay off its employees. In such time, hiring contingent workers certainly affects the interests of full time employees. There is always a job security issue among them because of contingent workers. They are always under pressure to lose their job and are afraid of losing their job to any freelancer or self employed person who performs better than them (Kandula 8-11).

Companies are bound to pay full time employees as per the labour and employment norms. Full time employees are also entitled of several benefits and perks such as insurance, healthcare benefits, retirement benefits etc. Companies do not lose any opportunity to get rid of their full time employees if they find any alternative in form of freelancers or self employed because doing so costs them lesser. However, hiring services of contingent workers is not always bad for full time employees. Sometimes contingent workers turn out to be very helpful for full time employees, thus there is a mix effect upon

them.

A variety of issues occur as a result of collaborative working of cultural organizations, full time employees and contingent workers. Organizations have a tendency to take maximum output from employees in lesser money while workers want to receive maximum salary and all possible benefits from their employers. Full time employees are entitled to various benefits along with reward and recognition but contingent workers are not given all the benefits. Sometimes they believe that they are being exploited. Contingent workers think that full time employees are eating into their benefits while full time employees have other types of problems with contingent employees. Cultural companies are taking several benefits by hiring contingent workers. Various benefits offered by the contingent workforce are: cultural company is not required to pay for unproductive time such as sick leaves, vacations, and casual leaves; contingent workers are highly efficient because organization hire them only when work come; maintaining contingent workers required less paper work and low administrative cost; very helpful during the time of demand fluctuation, which is very common in cultural sector; and offer wide talent pool and flexibility. There are certain problems that cultural organizations face due to contingent workforce such as disloyalty, higher training cost, confidentiality and perception among fulltime employees that contingent workers are robbing their overtime work opportunities (Horne et al. 6-33).

Contingent workers are very useful for cultural organizations, but at the same time, there are some differences between full time employees and contingent workers. These differences are at various levels such as

payments and benefits, as well as role and responsibilities. Full time employees are expected to be more responsible towards their organizations. Full time employees are expected to be more punctual and serious about the assigned affairs to them. Since contingent workers are freelancers are not on the payroll of organization, they are involved in very crucial matters of organizations in the way, full time employees are involved. Contingent employees can get rid of their role and responsibilities whenever they want and organizations also can fire them anytime, but the case of fulltime employees is different (Decenzo and Robbins 110).

Recommendations

Contingent workforce offers various benefits to the Universal Music Group, hence it is moral responsibility of the company to treat them nicely and eliminate discrimination based on job status i. e. permanent or temporary. The company should first form uniform pay policy in order to give same wages to part-time employees as permanent employees. However, company can exclude benefits such retirement plan and healthcare coverage, which are more suitable for permanent employees.

Universal Music Group should form certain program to recognize the efforts made by contingent workforce. Company can announce best part-time performer on monthly basis or can develop quarterly mechanism to announce extraordinary efforts of contingent workers. Newsletters, group mails, and internal events can be a platform to announce name of top contingent performers. Universal Music Group should focus on developing a healthy relationship between company, part-time employees and full-time

employees, which can only be achieved by healthy communication. The company should promote healthy two-way communication between employees, managers and senior management. Frequent two-way communication will help managers and supervisors to understand and resolve the problems faced by their employees. Healthy communication will help in resolving all conflicts and in security developed in permanent employees.

Conclusion

After considering all the related aspects of cultural organizations like Universal Music Group, contingent employees and full time employees, it can be concluded that a number of human resource issues arise while working collaboratively. These human resource issues should be dealt with prudence in accordance to employment laws. Overall business industry including cultural sector is noticing a significant increase in number of contingent workers, which is expected to grow further. The benefits offered by contingent workforce such as financial benefits, high productivity, wide talent pool, and availability of workforce during demand fluctuation are also unmatched. Therefore, all cultural organizations should adopt HR practices to keep contingent workforce happy and satisfied. Companies should pay good wages to their part-time staff and develop some programs to recognize and reward the efforts deployed by contingent workforce. The cultural organizations should focus on maintain long-term healthy relationship with their contingent workforce.

Works Cited

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