



# The Realization of Cooperation between Internet Platform Enterprises and Flexible Employees

Xingyu Pu

Northwest Minzu University, Lanzhou 730030, CN  
1119223423@qq.com

**Abstract.** The platform economy has prompted the development of internet platform enterprises. Platform enterprises have to some extent solved the basic survival problems for flexible workers, their own cost reduction and efficiency improvement problems, and the difficult issue of stable employment in society via a flexible employment model. The article summarizes the current situations of internet platform enterprises and flexible workers, and proposes corresponding suggestions for the issues existing in the cooperation between the two parties, namely, the lack of social security, sense of belonging, and resource allocation imbalance for flexible workers. The suggestions are to provide social security for flexible workers, enhance their sense of belonging, and allocate resources for them to achieve win-win cooperation.

**Keywords:** Internet Platform Enterprises; Flexible Workers; Cooperation.

## 1 Introduction

Under the promotion of the digital economy, internet-based flexible employment has become increasingly common. According to *the Blue Book of China's Flexible Employment Development Report (2022)*, 61.14% of Chinese enterprises preferred to expand their flexible employment scale, and the flexible employment market is expected to continue expanding in the future [1]. Internet platform enterprises are platform organizations that use computer technology, big data, and other tools or methods to provide support, services, and applications for their internet-based businesses [2]. Some internet platform enterprises need to transform their businesses and adopting flexible employment can better help them adapt to future development. Therefore, they outsource their peripheral businesses to third-party enterprises to reduce management costs and achieve the goal of cost reduction and efficiency enhancement. Others have talent needs due to business expansion and diversification, but the explicit and implicit costs of directly recruiting formal employees in full-time positions will bring a large burden to the them. Thus, adopting flexible employment can help enterprises achieve cost reduction, efficiency enhancement, and promote development when facing transformation or new development needs. Flexible workers are temporary workers who have not signed formal labor contracts with the enterprises. On the basis of the deep integration of "platform+individual", internet platform flexible

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J. Li (ed.), *Proceedings of the SSEME Workshop on Social Sciences and Education (SSEME-SSE 2023)*,

Advances in Social Science, Education and Humanities Research 777,

[https://doi.org/10.2991/978-2-38476-116-6\\_6](https://doi.org/10.2991/978-2-38476-116-6_6)

workers, namely platform flexible workers, have emerged [3], with three characteristics: the location, time, and remuneration of work are not fixed. The development of internet platform enterprises is crucial to the overall economic and social benefits of the country. However, in order to stimulate innovation vitality and maintain core competitiveness in the intensely competitive environment, it is necessary to establish a good and healthy relationship with employees, especially to establish a harmonious coexistence relationship with flexible workers, and achieve win-win cooperation.

## 2 Status of Internet Platform Enterprises and Flexible Workers

With the support of various policies and the dual boost of internet science and technology, internet platform enterprises have seized opportunities and gathered various advantages to achieve rapid development, while the flexible workforce has also continued to grow, sparking new vitality for both sides.

### 2.1 Status of Internet Platform Enterprises

By the end of 2022, the number of Chinese netizens had reached 1.067 billion, with a high internet penetration rate of 75.6%. This vast user base provides a development foundation for internet platform enterprises. According to *the China Internet Development Report (2021)*, in the 2022 China Internet Comprehensive Strength Enterprise Ranking, Tencent Holdings, Alibaba Group and Sanquick Online Technology Group, among other enterprises, were ranked in the top ten. The businesses and brands incubated by these internet platform giants have penetrated into various aspects of residents' work and life, including WeChat, Meituan, Alipay, Douyin, Today's Headlines, Baidu Cloud, Ctrip Travel Network, and Qunar, among others [4].

### 2.2 Status of Internet Platform Flexible Workers

The development of the digital economy has transformed traditional employment forms, and the 5G era has accelerated the pace of flexible employment on platforms. Delivery workers, live salespeople, and self-media practitioners have provided more options for a climbing number of flexible workers [5]. Existing research shows that internet platform flexible workers have greatly promoted the transformation of China's employment structure, with the number of employees increasing year by year and the unemployment rate gradually decreasing, to some extent changing people's traditional employment concepts. Currently, the following characteristics are displayed by flexible workers employed by internet platforms: firstly, internet platform flexible workers have enriched the types of flexible employment [6]. Previously, flexible workers were mainly employed in the catering and promotion industries, while internet platform enterprises have expanded the flexible workforce to include graphic designers, creative planners, food delivery and express delivery drivers, etc., expanding the flexible employment population. Secondly, the group and attitudes of flexible workers have changed. People's prejudice against flexible workers employed through

internet platforms is gradually changing, and the number of high-end talents employed by internet platform enterprises is increasing. Thirdly, the composition of internet platform flexible workers is diverse. Currently, the male-to-female ratio of flexible workers employed through internet platforms is approximately 3:7. The reason why women choose flexible employment is mainly due to family factors and the pessimistic labor force hypothesis. In terms of educational composition, 85% have graduated from primary or secondary schools (including secondary vocational schools), and in terms of regional distribution, the urban-rural ratio is similar [7].

### **3 Issues in the Cooperation between Platform Companies and Flexible Workers**

Internet platform companies have created more job opportunities and increased job positions by adopting flexible employment methods, which have effectively solved the basic survival and income problems of flexible workers [8]. They have also reduced management costs, achieved cost-effectiveness, and created more benefits for society by providing better services, paying taxes, and donating money and goods in times of crisis. However, there are still several problems that need to be solved between internet platform companies and flexible workers.

#### **3.1 A Lack of Social Security for Flexible Workers and Cooperation Basis**

Social security is a system that combines economic and social aspects. It can promote economic development by reallocating labor market resources and stabilize the economic development environment by redistributing income [9]. From a macro perspective, assuming corresponding social security responsibilities can promote social harmony and obtain broader development space. From a micro perspective, by fulfilling the social security responsibilities of enterprises, the corporate system can be improved, corporate culture can be sublimated, and corporate creativity can be sustained [10]. For workers, they can choose the time and place of work based on their actual situation, which allows them to reasonably arrange their work and life rhythm. Internet platform companies employ flexible workers based on the company's employment needs, which reduces labor and management costs. Internet platform companies' employment covers industries such as the service industry and education and training industry. Job positions include food delivery drivers, courier delivery drivers, and various types of network anchors, providing employment opportunities for people of different cultural levels and skill levels. Therefore, Internet platform companies have strong inclusiveness in terms of job flexibility and personnel absorption. However, adopting a flexible employment method also means that flexible workers differ from regular employees of Internet platform companies. Flexible workers have not signed a formal labor contract with the platform company and lack corresponding protection in terms of income, insurance, and physical and mental health. Therefore, the cooperation basis between Internet platform companies and flexible workers is lacking. For example, most food delivery drivers work 6-7 days a week, 9-14 hours a day, and

have a maximum of four days off per month [11]. In the era of algorithmic calculation, they not only have to compete for working hours but also for speed. As a result, food delivery drivers' traffic violation frequency is higher than that of other professions because the algorithm does not have human emotions and assumes that they can work under any circumstances. High-intensity and long hours of work have a significant impact on the physical and mental health of delivery drivers. In addition, internet platform companies establish a "cooperative partnership" with flexible workers by registering them on their applications, forming a "hidden" labor relationship. Through this, internet platform companies evade the responsibilities that should be borne as employers, such as purchasing the five social insurances for employees and instead opting for accident insurance or other commercial insurance, which are more expensive for flexible workers and offer lower protection. The high-intensity work pace also results in unavoidable penalties for flexible workers, and with relatively low commissions per order, their income is more uncertain without a guaranteed minimum income.

### **3.2 Lack of Sense of Belonging for Flexible Workers Makes Cooperation Difficult**

Sense of belonging is an intrinsic connection between an individual and the group they belong to, which includes identification and maintenance of the individual's membership and subordinate relationship within the group. Belonging theory suggests that people have a need to interact positively with others and maintain good relationships, which can help most people avoid conflict and negative effects [12]. If there is a lack of sense of belonging, there may be negative consequences for an individual's psychology or behavior.

The lack of sense of belonging for flexible workers to internet platform companies is one of the important reasons why the two parties cannot cooperate effectively. One of the important reasons for the lack of sense of belonging is that both parties have not established an effective labor relationship. In addition, flexible workers have long been seen as marginalized individuals. As a result, flexible workers cannot find a sense of belonging in the platform organization. The labor contract is not only the most important means of regulating labor relations but also an important basis for employees to have a sense of belonging. In a legal sense, a *de facto* labor relationship is a labor relationship that exists based on the facts, even without a written labor contract [13]. However, internet platform companies cleverly convert the relationship between themselves and flexible workers by registering them on their platform software and establishing a "cooperative partnership" with them, thereby evading the *de facto* labor relationship that should exist between the two parties. This is an example of irregular employment with non-standard labor relations [14]. Flexible workers are paid on a per-order basis, which means they receive a fixed commission after completing each task, and they lack basic guaranteed income. Due to the lack of basic protection from an employer, flexible workers lack a sense of belonging to the internet platform company. In the internet platform organization, flexible workers are not formal members like the regular members of the organization, their work is flexible

and unstable, so they are usually viewed as "marginalized people" outside the organization. Moreover, under the interference of traditional social occupational recognition, flexible workers find it difficult to be recognized and accepted by the organization and its formal members.

### **3.3 Internet Platform Companies Have Imbalanced Resource Allocation, Making it Difficult to Establish Long-term Partnerships**

Reasonable allocation of resources enables companies to fully utilize individual knowledge reserves and stimulate creativity, achieving greater economic and social benefits. If internet platform companies can solve the problem of imbalanced resource allocation and allocate resources reasonably, they can consolidate employee centripetal force, enhance employee loyalty, and ensure that the company and employees achieve common goals. The reasons for the imbalanced resource allocation of flexible employment personnel in internet platform companies are as follows. Firstly, flexible employment groups are mainly composed of young people who have received junior, high school or technical secondary education, and lack awareness and channels for resource acquisition. Secondly, in the era of digitalization sweeping across all industries, flexible employment personnel have longer working hours, higher intensity, and more trivial details, and lack the guidance and help of professionals. Even if resources are provided, flexible employment personnel do not have the economic and ability to use them. Thirdly, flexible employment personnel have not signed formal labor contracts with the platform organization and have not been accepted by the platform organization and its members. They are not familiar with the resource situation of the platform organization, and the resources they can enjoy are also limited. The above reasons result in loose contact between both parties, making it difficult to establish long-term partnerships.

## **4 Conclusions: Path for Cooperation between Internet Platform Enterprises and Flexible Workers**

As the social and economic development progressed, enterprises gradually realized the importance of retaining employees for their long-term growth. Providing flexible workers with "decent work" social benefits, matching income, good development prospects, equal organizational treatment, strong social security, and opportunities to integrate into the organization can promote win-win cooperation between internet platform laborers [15].

### **4.1 Providing Social Security for Flexible Workers to Establish a Cooperative Foundation**

Internet platform enterprises providing corresponding social security for flexible workers is the basis for establishing cooperation between the two parties. By providing social security to flexible workers, internet platform enterprises can promote their

occupational stability, while flexible workers, after being protected, can promote the efficiency of internet platform enterprises, bringing more development opportunities to the enterprises. Both sides promote each other's growth and development, forming a "double cycle" interaction process [16]. For flexible workers, providing social security needs to cover their income, social insurance, and physical and mental health aspects.

Regarding income protection, internet platform enterprises can appropriately increase the commission for each order based on market conditions, overall revenue, and the overall living conditions of flexible workers, thereby increasing their basic income. Additionally, on the issue of fines, special circumstances can be declared, emergency situations reported, or appeals made afterward, and judgments can be made based on the specific situation faced by flexible workers within a certain period of time. If the order cannot be completed smoothly due to uncontrollable factors, the platform enterprise can reduce the punishment accordingly or bear the losses caused by such situations.

Regarding the purchase and payment of social insurance, on the one hand, employment methods should be standardized. Internet platform enterprises should sign formal labor contracts with flexible workers in accordance with laws and regulations, clarify the relationship between the two parties, especially for flexible workers whose work provided by internet platform enterprises is their only or main source of income. The internet platform enterprises should take more responsibility and ensure the standardization of employment procedures, and pay the required types of insurance in accordance with laws and regulations. On the other hand, enterprise unions and industry unions should work hard to make social insurance purchase and payment for flexible workers a reality and promptly understand national and local policies, popularize policy details and changes to flexible workers in a simple and understandable way.

Regarding physical and mental health protection, on the one hand, consideration should be given to the physiological and psychological bearing capacity of the human body. The maximum working time limit per day and per week should be stipulated to allow flexible workers to have sufficient rest. On the other hand, free psychological counseling services can be added to relieve flexible workers' psychological problems encountered in work and life, guaranteeing their physical and mental health and enabling them to invest more energy into their work.

#### **4.2 Enhancing the Sense of Belonging of Flexible Employees to Achieve Cooperation**

Flexible employees are important human resources for the sustained development of Internet platform enterprises. In a fiercely competitive market, Internet platform enterprises can maintain their competitiveness by enhancing the sense of belonging of flexible employees and achieving victory at critical moments. For flexible employees, Internet platform enterprises can enhance their sense of belonging to the platform organization through measures such as establishing effective labor relations, providing income guarantees, and formally accepting flexible employees, in order to achieve the common vision of cooperation between both parties.

In terms of establishing labor relations, Internet platform enterprises should correct any previous non-standard employment practices, no longer evade their responsibilities by using "hidden" labor relations or "partnership" relations, but instead sign written labor contracts or other agreements with flexible employees in accordance with regulations and inform them of the key contents of the labor contracts, so that flexible employees can feel that they are one of the members of the Internet platform organization.

Regarding income guarantees, Internet platform enterprises can set minimum wages based on actual situations, ensuring that flexible employees have basic income in the event of a lack of orders or difficulties, so that they can feel the warmth of the organization, self-identify as "unit people," and have a sense of belonging to the organization. In addition, Internet platform enterprises can also enhance the sense of belonging and identification of flexible employees by establishing smooth two-way communication channels, providing them with the necessary skills and knowledge training, and transmitting corporate culture and encouraging formal members to accept them.

### 4.3 Reasonably Allocate Resources for Long-term Cooperation

Internet platform companies carry out their business by dispatching tasks to flexible workers. To achieve long-term task assignments, it is important to grasp the important human resources of flexible workers and avoid a decrease in customer satisfaction and efficiency due to the accumulation of orders. By reasonably allocating resources, internet platform companies can not only avoid the consequences of no one taking orders but also make flexible workers more loyal to the platform organization and complete their work better. There are two ways to reasonably allocate resources. Firstly, companies should inform flexible workers of the resources that they can provide and provide guidance to help them improve their resource utilization efficiency. Secondly, companies can sign formal labor contracts with flexible workers and mobilize members of the organization to accept flexible workers, allowing them to enjoy corresponding resources. Among the resources that can be allocated, they should be appropriately tilted towards flexible workers.

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