

## IMPACT OF HUMAN CLOUD ON ORGANIZATION & EMPLOYEES

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***Abstract:** Technology has come a long way leaving behind many eras and legacies. When technology beckons with mixed things of day-to-day life activities; it seems to make the same mundane work easier and faster. There has been a mesmerizing effect of goodness for both employer and employee; as the employee just do not faces the doldrums of everyday life routine as it is the human cloud which minuses their quandary, whereas on the other side; employer has less headache, protection for the said contingent workers.*

***Keywords:** Human Cloud, Contingent Workers*

### OVERVIEW

The very word 'Human Cloud' refers to contingent workers which basically comprises of temporary workers, college interns, project based workers, contract workers; where full time job is refrained but instead tasks, projects which are of smaller or bigger duration is being completed. The essence of human resources has hovered through a lot of significant changes like outsourcing human resource functions and letting outsiders to work for any impending organization. (Kirkbride, 2015) Human cloud is said as to be the next generational work, which will have a positive impact. Positive impact in the sense-working dynamics becomes much more flexible and accessible as no more a single physical place is attached. Work can be done from any remote location and employees do not have to push forward the daily routine life. (Tanguay, 2014) The significance reason is to use locations of choice and the synchronization of work is done. This is made easy due to the technology-enabled userface. Saas, Paas and now it is Haas i.e. Human as a service which eliminates and gives solace by a rise in business affability, cost cutting measures, talent pool diversified. (Elizabeth, 2000).

Reduction in cost is always on hands whenever there is an outsourcing of employees in various departments. Outsourcing is good and wonderful but devoid

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of word quality which gives it an awe in the practical scenario. In today's mundane world the motto is cost cutting technique without losing your best employee. Emoluments seem to take back toll as far as outsourcing is concerned. **(Ammons & Morkham, 2007)** Fluky workers seem to always migrate from one organization to another for the purpose of getting good amount of bucks. Organizations may be in need of an expert hand in crisis who may be a freelancer but without any attachment to organization. **(Mc Donald & Mackin, 2000)** Work portability is hugely patronized where completing tasks or projects is no more a daily saga of going to your concerned place of work and getting the work done. Work can be completed in any whereabouts of the employee concerned location. Contingent workers on any organization save a lot of maintenance cost like social security assurance costs, employee benefit cost and many more. **(Capeli, 1989)** Time constraint does not affect these kinds of temporary workers as portability and flexibility of work, time has taken over sheer constant work, time. A lot of time is saved and multitasking takes place mostly among the individuals. Less time helps the contingent workers to take multiple projects and finish. Job satisfaction is more because the income levels are much more. Job autonomy is raised as of the ability to go and persuade number of various projects at a variety of locations. Scope for growth and managing work life balance also is one of the main factors which propels in these kinds of workers. **(Van Dyne, 1998)**.

#### **ORGANIZATIONAL & EMPLOYEE EFFECT**

Organizations always thrive for cost cutting measures & techniques. The latter is the new mantra for organizations to excel and strive in this cut throat competition. When independent workers are employed, employer gets benefit in many ways. Employer which basically sits on a cost cutting mode restricts these contingent workers on the basis of leave management, social benefits, stability, etc. Efficiency is prone to increase in a new way as contingency workers staff away peak hours, day for one time projects. Savings are more in administrative perspective as interviewing, recruiting; tax withholding forms are not used for temporary workers. Part timers serve as a shield for the permanent workforce; because this phenomenon allows any organization to use labor at more ease. A great, potential talent pool is maintained in terms of recruitment of various sectors. Maintenance cost is less for employers. Moreover more alternatives and there is increase in productivity.

Employees have more opportunity to earn and grow themselves. A better way to manage their work life balance where both professional and personal is never juxtaposed. Experience is another way which employees gain as they tend to work on various one time projects in different organizations. At the same time job autonomy is more when there is independency in work but no attachment to one organization. Numerous skill development and job satisfaction tends to increase as emoluments are plenty.

## **OBJECTIVES**

1. To understand the perceptions of employer and employee.
2. To suggest measures based on the findings.

## **SCOPE OF THE STUDY**

The study is based in and around the capital region of Orissa and the respondents are the private sector employers, employees. For the sake of confidentiality the names of the employers and employees have not been disclosed.

## **SIGNIFICANCE OF THE STUDY**

The study is categorically conducted to lay more importance towards the contingent workers; otherwise known as **Human Cloud**, where the former has been a low cost affair for the organizations to maintain apart from the permanent employees. Organizations find it easy to deal and maintain these off roll employees in terms of delivering service, profitability and credibility. Moreover it is a cost cutting tool for the organizations at the time of layoff when the permanent staff fail to produce results.

## **METHODOLOGY**

The research methodology plays an important role to draw a meaningful conclusion in the area of the research. The study is based on primary data. The data is collected from the various private sector organizations in and around the capital city of Bhubaneswar. In this regard 29 private sector organizations (Employers) were visited, 123 employees were approached. But however, 47 employees finally gave their views. For the collection of data initially 19 variables were identified. The researchers have conducted a pilot study with the help of 59 respondents where, the variables are tested using Cronbach Alpha and Factor analysis. The purpose of using Cronbach alpha value is to see internal consistency among the variables. The normal thumb rule is that, if the alpha value is more than 0.70, then the variables can be accepted in the final research. The result of the alpha value is shown in the table 1.

**Table 1**  
**Cronbach Alpha Value**  
**Reliability Statistics**

<i>Cronbach's Alpha</i>	<i>Number of Items</i>
0.910	19

## **Pilot Study**

A relatively high alpha value indicates that the variables are internally consistent. But alpha value alone does not give a meaningful result regarding choice of

variables; as the suitability of the variables in the study region is also important. For this purpose, factor analysis has been conducted. Factor analysis is a data reduction technique which keeps only those variables that are relevant for the study area and the same has been conducted based on the response provided by the respondents surveyed during pilot study. But, to conduct a factor analysis both KMO & Bartlett's test needs to be conducted. Here also the condition is that if the KMO value is more than 0.70 and Bartlett's test of sphericity is significant, then the factor analysis can be conducted. The result of the same is shown in the table below:

**Table 2**  
**KMO & Bartlett's Test Result**

**KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.824
Bartlett's Test of Sphericity	Approx. Chi-Square	726.700
	Df	171
	Sig.	.000

*Source:* Pilot Study

As both the conditions are satisfied it can be assumed that the factor analysis can be conducted. So, the Principal Component Analysis has been applied and this method helps us to retain 14 variables out of the total 19 variables identified initially.

Sampling technique is another important area which helps to identify proper target respondents. In the present case it has been decided to go for snowball sampling technique.

Total 223 questionnaires were distributed and 131 were received in correct form. These questionnaires are included in the final study. Overall, the percentage of response was 59%. The distributions of respondents are shown in the table below:

### **FINDINGS OF THE STUDY**

1. Answering to the question whether human cloud helps in maintaining a diversified talent pool - 76% of employers and 90% of employees agree. It shows that majority of employers & employees believe that human cloud helps in maintaining a diversified talent pool. (Table 1).
2. 58% employers & 69 % employees agree that outsourcing would make reduction in costs. (Table 2).
3. 69% of employers & 72% of employees agree that a contingent worker gives us an extra expert hand. (Table 3).
4. Work Portability is another significant dimension in which 73 % of employers & 81 % employees agree that human cloud bolsters work portability (Table 4).

5. Increase in productivity is there as 59% employers & 66% employees do agree on this. (Table 5).
6. 82 % & 62% of the employers and employees agree that it is the human cloud, which sets the way for more alternatives. (Table 6).
7. 83% & 77% of the employers and employees agree that human cloud saves a lot of maintenance cost basically on the contingent workers rather than the permanent ones. (Table 7).
8. 73% employers & 83 % employees do agree respectively that human cloud gives flexible work time and environment. (Table 8).
9. Managing work life balance is more in case of employees where 61% agree to it and 59% of employers also agree. (Table 9).
10. 83% of employers agree that job satisfaction is more achieved and in case of employees, it is 80% who agree that job satisfaction is more. (Table 10).
11. More employees (79%) agree that as a result of human cloud, job autonomy is increased than employers where agree percent is 69%. (Table 11).
12. 62% employers agree that more human cloud, more is skill development. 57% of employees agreed that more skill development is there whenever contingent workers are more. (Table 12).
13. 83% of the employees strongly agree that self-identity takes a new shape in positive sense where as 86% of employers agree with it. (Table 13).
14. Majority of employees strongly agree (85%) that there is a scope for more growth & income, in case of employers (72%) agree. (Table 14).

#### **CHECKLIST BEFORE GOING FOR OUTSOURCING**

The aftermath effect of human cloud on organization & employees has been quite good but at the same time certain parameters like loyalty of one's towards unfinished projects, confidentiality matter, status of the part timers, high costs associated with training, illegal use of workers degrades the reputation and quality of the product manufactured by the impending organization. Illegal use of workers pertains basically to:

- Wage & hour violations according to Fair Labor Standards Act, 2005.
- Unpaid Income Taxes and the action of not completing the unpaid ones is another dilemma.
- Heavy loss related to the compensation of illness that has happened during the course of employment.

## CONCLUSION

Human Cloud no doubt is a wonderful way to compete for future growth of the company in leaps and bounds. From the analysis of study, it has been concluded that factors like more earning opportunity, maintaining a good work life balance, increase in job satisfaction, self-identity caters to the development of employees in a fruitful manner. On the other hand less maintenance cost, no leave management, maintaining a diversified pool of talent caters to organizational perspective. Human Cloud is one of those modern innovative ladders through which organizations thrive for existence through cost cutting techniques and employees have a better scope for growth by becoming versatile in handling various one-time projects, tasks.

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Annexure

**Table 1**  
**Human Cloud helps in maintaining a diversified talent pool**

Perception	Employer				Employee			
	F	%	Valid %	Cumulative %	F	%	Valid %	Cumulative %
Strongly Agree	14	48	48	48	29	62	62	62
Agree	8	28	28	76	13	28	28	90
Agree	2	7	7	83	2	4	4	94
Neutral	3	10	10	93	0	0	0	100
Disagree	2	7	7	100	3	6	6	
Strongly Disagree								
Total	29	100	100		47	100	100	

Source: Primary data

**Table 2**  
**Do you think that outsourcing would make a reduction in costs?**

Perception	Employer				Employee			
	F	%	Valid %	Cumulative %	F	%	Valid %	Cumulative %
Strongly Agree	10	34	34	34	20	43	43	43
Agree	7	24	24	58	12	26	26	69
Neutral	6	21	21	79	9	19	19	88
Disagree	2	7	7	86	3	6	6	94
Strongly Disagree	4	14	14	100	3	6	6	100
Total	29	100	100		47	100	100	

Source: Primary data

**Table 3**  
**Contingent Workers gives us an expert hand always**

Perception	Employer				Employee			
	F	%	Valid %	Cumulative %	F	%	Valid %	Cumulative %
Strongly Agree	12	41	41	41	19	40	40	40
Agree	8	28	28	69	15	32	32	72
Neutral	0	0	0	69	5	11	11	83
Disagree	4	14	14	83	8	17	17	100
Strongly Disagree	5	17	17	100	0	0	0	
Total	29	100	100		47	100	100	

**Table 4**  
**Human Cloud enables work portability**

<i>Perception</i>	<i>Employer</i>				<i>Employee</i>			
	<i>F</i>	<i>%</i>	<i>Valid %</i>	<i>Cumulative %</i>	<i>F</i>	<i>%</i>	<i>Valid %</i>	<i>Cumulative %</i>
Strongly Agree	17	59	59	59	36	77	77	77
Agree	4	14	14	73	2	4	4	81
Neutral	5	17	17	90	4	9	9	90
Disagree	1	3	3	93	0	0	0	100
Strongly Disagree	2	7	7	100	5	10	10	
Total	29	100	100		47	100	100	

*Source: Primary data*

**Table 5**  
**Contingent workers help to increase in productivity**

<i>Perception</i>	<i>Employer</i>				<i>Employee</i>			
	<i>F</i>	<i>%</i>	<i>Valid %</i>	<i>Cumulative %</i>	<i>F</i>	<i>%</i>	<i>Valid %</i>	<i>Cumulative %</i>
Strongly Agree	9	31	31	31	18	38	38	38
Agree	8	28	28	59	13	28	28	66
Neutral	7	24	24	83	7	15	15	81
Disagree	2	7	7	90	4	8	8	89
Strongly Disagree	3	10	10	100	5	11	11	100
Total	29	100	100		47	100	100	

*Source: Primary data*

**Table 6**  
**Human Cloud paves the way for more alternatives to employer & employee**

<i>Perception</i>	<i>Employer</i>				<i>Employee</i>			
	<i>F</i>	<i>%</i>	<i>Valid %</i>	<i>Cumulative %</i>	<i>F</i>	<i>%</i>	<i>Valid %</i>	<i>Cumulative %</i>
Strongly Agree	14	48	48	48	21	45	45	45
Agree	10	34	34	82	8	17	17	62
Neutral	0	0	0	100	10	21	21	83
Disagree	5	18	18		3	6	6	89
Strongly Disagree	0	0	0		5	11	11	100
Total	29	100	100		47	100	100	

*Source: Primary data*



**Table 7**  
**Human Cloud saves a lot of maintenance (Social Security, ESOPS, etc.)**

Perception	Employer				Employee			
	F	%	Valid %	Cumulative %	F	%	Valid %	Cumulative %
Strongly Agree	20	69	69	69	31	66	66	66
Agree	4	14	14	83	5	11	11	77
Neutral	3	10	10	93	6	13	13	90
Disagree	2	7	7	100	3	6	6	96
Strongly Disagree	0	0	0		2	4	4	100
Total	29	100	100		47	100	100	

Source: Primary data

**Table 8**  
**Human Cloud gives flexible work time and environment**

Perception	Employer				Employee			
	F	%	Valid %	Cumulative %	F	%	Valid %	Cumulative %
Strongly Agree	15	52	52	52	30	64	64	64
Agree	6	21	21	73	9	19	19	83
Neutral	5	17	17	90	4	9	9	92
Disagree	3	10	10	100	2	4	4	96
Strongly Disagree	0	0	0		2	4	4	100
Total	29	100	100		47	100	100	

Source: Primary data

**Table 9**  
**It manages the work-life balance to the fullest of extent**

Perception	Employer				Employee			
	F	%	Valid %	Cumulative %	F	%	Valid %	Cumulative %
Strongly Agree	9	31	31	31	19	40	40	40
Agree	8	28	28	59	10	21	21	61
Neutral	7	24	24	83	9	19	19	80
Disagree	1	3	3	86	5	11	11	91
Strongly Disagree	4	14	14	100	4	9	9	100
Total	29	100	100		47	100	100	

Source: Primary data

**Table 10**  
**Job Satisfaction is more achieved**

<i>Perception</i>	<i>Employer</i>				<i>Employee</i>			
	<i>F</i>	<i>%</i>	<i>Valid %</i>	<i>Cumulative %</i>	<i>F</i>	<i>%</i>	<i>Valid %</i>	<i>Cumulative %</i>
Strongly Agree	20	69	69	69	27	57	57	57
Agree	4	14	14	83	11	23	23	80
Neutral	0	0	0	100	5	11	11	91
Disagree	0	0	0		4	9	9	100
Strongly Disagree	5	17	17		0	0	0	
Total	29	100	100		47	100	100	

*Source: Primary data*

**Table 11**  
**As a result of Human Cloud, Job Autonomy is increased**

<i>Perception</i>	<i>Employer</i>				<i>Employee</i>			
	<i>F</i>	<i>%</i>	<i>Valid %</i>	<i>Cumulative %</i>	<i>F</i>	<i>%</i>	<i>Valid %</i>	<i>Cumulative %</i>
Strongly Agree	17	59	59	59	23	49	49	49
Agree	3	10	10	69	14	30	30	79
Neutral	6	21	21	90	4	9	9	88
Disagree	3	10	10	100	6	12	12	100
Strongly Disagree	0		0		0		0	
Total	29	100	100		47	100	100	

*Source: Primary data*

**Table 12**  
**More Human cloud, more is the skill development**

<i>Perception</i>	<i>Employer</i>				<i>Employee</i>			
	<i>F</i>	<i>%</i>	<i>Valid %</i>	<i>Cumulative %</i>	<i>F</i>	<i>%</i>	<i>Valid %</i>	<i>Cumulative %</i>
Strongly Agree	10	34	34	34	17	36	36	36
Agree	8	28	28	62	10	21	21	57
Neutral	6	21	21	83	8	17	17	74
Disagree	5	17	17	100	7	15	15	89
Strongly Disagree	0	0	0		5	11	11	100
Total	29	100	100		47	100	100	

*Source: Primary data*

**Table 13**  
**Self-Identity takes a new shape in positive sense**

<i>Perception</i>	<i>Employer</i>				<i>Employee</i>			
	<i>F</i>	<i>%</i>	<i>Valid %</i>	<i>Cumulative %</i>	<i>F</i>	<i>%</i>	<i>Valid %</i>	<i>Cumulative %</i>
Strongly Agree	18	62	62	62	39	83	83	83
Agree	7	24	24	86	8	17	17	100
Neutral	1	3	3	89	0	0		
Disagree	2	7	7	96	0	0		
Strongly Disagree	1	4	4	100	0	0		
Total	29	100	100		47	100	100	

Source: Primary data

**Table 14**  
**Scope for more income, growth for contingent workers**

<i>Perception</i>	<i>Employer</i>				<i>Employee</i>			
	<i>F</i>	<i>%</i>	<i>Valid %</i>	<i>Cumulative %</i>	<i>F</i>	<i>%</i>	<i>Valid %</i>	<i>Cumulative %</i>
Strongly Agree	20	69	69	69	40	85	85	85
Agree	1	3	3	72	1	2	2	87
Neutral	4	14	14	86	2	4	4	91
Disagree	0	0	0	100	4	9	9	100
Strongly Disagree	4	14	14		0	0	0	
Total	29	100	100		47	100	100	

Source: Primary data