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# Platform Labor and Algorithmic Management: Wellbeing, Unions, and Regulation

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## ABSTRACT

Platform labor, mediated through digital platforms and governed by algorithmic management, has transformed contemporary work arrangements, offering both flexibility and precarity. This paper examines the multifaceted nature of platform work, highlighting the diverse tasks, work structures, and algorithmic oversight shaping worker experiences. Empirical evidence suggests ambivalent effects on worker well-being, influenced by platform governance, regulation, task allocation, and individual skill levels. Collective representation, including unions and cooperative platforms, remains challenged by uncertain employment status and dispersed labor structures. Regulatory approaches at national, supranational, and transnational levels attempt to address algorithmic management risks, with policy implications for worker protection, equitable remuneration, and digital labor rights. Methodological considerations and case studies across transportation, cleaning, and generalist task platforms underscore both the social and economic significance of platform labor. Finally, gaps in knowledge highlight the need for interdisciplinary research on algorithmic management, worker well-being, and effective regulatory frameworks to guide the evolving platform economy.

**Keywords:** Platform Labor, Algorithmic Management, Worker Well-Being, Labor Regulation, and Collective Representation.

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## INTRODUCTION

Platform labor refers to a digital-mediated form of work carried out via online platforms. The array of tasks carried out through these platforms varies widely, ranging from simple errands such as dog walking or grocery deliveries to complex programming jobs or design projects [1]. Platform labor can be grouped into complementary and competing activities. Complementary activities augment jobs performed outside the platform economy. Competing activities entirely substitute formal employment or informal self-employment. Many of these platforms provide the opportunity to undertake small, one-off tasks that are unlikely to induce full-time employment, offering a supplementary source of income [2]. A platform that takes temporary remote occupations serves as the main activity and opens to new clients and projects when work wanes. Digital labor platforms have been characterized by their convenience, fast return on investment, and provision of alternative routes into the labor market [2]. Opportunities for flexible work, at times convenient for users, are explicitly advertised by platforms. Furthermore, perceptions of earnings are subject to managerial discourse. Sufficiently low earnings for platform tasks, or missed and unpaid deliveries, are largely explained away as unlucky consequences [3]. These aspects resonate strongly with young, educated users with limited wages in demanding occupations regarded as temporary "gigs." The largest and most controversial platforms also actively encourage becoming a driver or other form of worker as a way to cover expenses during the COVID-19 pandemic. Platform labor remains vulnerable to unanticipated shifts [3].

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### **Conceptual Framework: Platform Labor and Algorithmic Management**

The term “platform work” encompasses a variety of service exchanges between individuals or organizations through digital platforms, mediated by algorithms [2]. Digital labor platforms operate over the internet, enabling the provision of services from diverse skill profiles, including both online and in-person tasks. The categorization of labor as “platform work” is applied when a large part of service provision takes place through these platforms. The distinction between “work” and “services” enables the recognition of a wide range of ecosystem actors within platform work, such as platform providers, job providers, and workers [3]. The description of platforms and other actors as “service providers” is common across studies. Furthermore, platform-enabled “service exchanges” are often referred to as “services” despite the dual meaning of that term. To prevent ambiguity, “exchanges” is preferred for the service provided by platforms that connect job providers to workers [4]. The “air” or “sharing economy” encompasses a narrow subsection of platform work, including the rental of physical assets. A working definition that encompasses all service exchanges, whether paid or unpaid, facilitated through digital platforms, is thus presented: “platform work is the provision of services through digital platforms” [3]. The term “algorithmic management” refers to the distribution, optimization, and evaluation of human work by software algorithms [1]. Algorithms make decisions based on numerical input in various contexts, ranging from insurance assessments to the selection of films on streaming platforms. In the platform context, algorithmic management shapes not only the work itself but also the working conditions [4]. Algorithmic management differs from conventional management hierarchies, which maintain the capacity for human judgment in decision-making. The limitations of algorithmic management can harm workers in particular, leading to increased opacity and requiring substantial regulatory intervention [5].

### **Wellbeing of Platform Workers: Empirical Evidence and Theoretical Perspectives**

Platform labor and algorithmic management are often viewed through the lens of well-being, economic stability, and job quality [6]. Two literatures characterize platform work as either detrimental to well-being or as offering freedom and flexibility. These contrasting perspectives prompt inquiry into how to meaningfully compare the well-being of platform workers across different platforms, and how to judge the essential drivers and moderating factors contributing to platform worker well-being. A comprehensive analysis begins with a review of empirical evidence on platform worker well-being [7]. The small but growing body of empirical evidence on platform worker well-being, much of it based on quantitative analysis of labour-platform data, indicates that platform work often ranks above traditional forms of work on employment-quality indices [5]. Platform work, however, can be detrimental to well-being depending on contextual factors such as the operator of the platform, the rules governing work practices on the platform, workers’ skill levels in relation to tasks given to them, and the structure of labour markets for the skills being used [8]. Indicative of the ambivalence of platform work is evidence that gig workers on non-digital platforms rate it more favourably than those on digital platforms. Ambivalence finds a larger theoretical basis in the literature on regulation, platform governance, algorithmic management, and motivations for work. The regulation literature emphasizes how the degree and type of regulation interact with design features of platforms and the modalities through which platform operators govern work to affect well-being outcomes [9]. The platform-governance literature highlights how platforms deploy different degrees of governance, or design features that shape relationships among workers, tasks, and earnings [2]. Algorithmic-management literature underscores the differing managerial concerns that drive design choices, together with the myriad audition, evaluation, and allocation algorithms that constitute management systems. The motivations-for-work literature identifies the highly varied objectives and drives that shape how particular tasks, governance settings, and earnings profiles can either facilitate or block well-being [10].

### **Unions and Collective Representation in the Platform Economy**

The condition of platform workers has generated academic discussion in the context of labor collectives. Because of the uncertain employment status, platform workers represent a particular challenge for collective organization. However, the need for collective action has been recognized in the form of cooperative platforms [3, 4]. The independent status of platform workers has raised questions concerning the relevance of classic Labor Relations Theory (LRT) [5]. The question of whether platform work constitutes a form of employment remains debated. Platform work has been associated with self-employment, vulnerable employment, and informal employment. The problem that LRT deals with, namely the need to organize collective action against exploitation, remains applicable. Yet organizing collective action remains very difficult in the platform economy [5].

### **Regulatory Approaches: National, Supranational, and Transnational Perspectives**

The COVID-19 pandemic has accelerated the adoption of a range of digital labor platforms offering formal and informal work, such as Uber [3]. The importance of regulating algorithms as a form of governance becomes clear, particularly in the case of platforms like Uber that directly control a significant portion of the work process. Consequently, algorithmic management has emerged as a new regime of regulation that can enhance productivity

and facilitate normative compliance [11]. However, broader risks to labor and worker well-being have also appeared. The re-engineering of work embodied in platforms that utilize algorithmic management can exacerbate observational and supervisory harassment, a major risk factor for wider health issues [1]. Governments and other regulatory agencies can design regulations that specify acceptable or prohibited algorithmic management practices and define required data transparency and platforms [4]. Such specifications can limit algorithmic management to practices that comply with established standards, thereby reducing the risk of harm to workers. Such regulatory strategies can also be classified as hard or soft via their legal status. Hard regulations impose organizational underwriting, monitoring, or reporting duties, while soft regulations comprise a set of recommended practices that firms can voluntarily commit to reporting against to signal legitimacy [5]. International organizations such as the International Labour Organization (ILO) and the Organisation for Economic Co-operation and Development (OECD) are joining national governments in developing new regulations for digital platforms, portable worker benefits, and cross-platform task verification [12]. Regionally, the European Commission has proposed a Directive on Work in the Platform Economy. If adopted, regulations that specifically address algorithmic management would be unprecedented at the supranational level [3].

### **Policy Implications and Reform Pathways**

The policy implications of platform labor and algorithmic management are significant. Platforms have facilitated broader socioeconomic inequalities and the growth of precarious work [2]. Following these trends, regulatory attention has risen internationally, and scholars have contributed accumulated evidence on the social effects of platform labor and algorithmic management [1]. Within this milieu, lessons accrued from ongoing policy developments and detailed longitudinal analyses may inform critical reforms to protect workers' rights and well-being.

### **Methodological Considerations in Studying Platform Labor**

The analysis of platform labor is challenged by the wide variety of activities it covers, the complex regulatory environments governing platform firms, and the difficulty of comparing platforms operating in different national or sectoral contexts [1]. First, platform labor encompasses a wide variety of work activities, including skilled professional services, low-skill micro-tasks, transportation services, and accommodation rentals, which occupy different spaces on multiple continua, such as skill-level, offline versus online, one-off versus continuous, and by-extension versus self-contained [2]. Within these continua, no systematic study yet scores platforms on the degree to which they operate in-platform or out-of-platform, offer flexible or non-flexible scheduling, dominate the market or face significant competition, and display algorithmic transparency or opacity. Extending the corpus of existing platform, algorithmic management, and worker wellbeing studies would help to address these gaps, which in turn influence the regulatory interventions that might govern certain platform types [1]. Second, many countries have not yet regulated the platform economy, and most regulations that do exist concern one platform or one activity rather than the entire economy or all activities [3]. Governing configuration terms, such as platform economy versus platform work, do not reflect this reality. In addition, regulation can focus on workers rather than platforms or the platform economy as a whole [4]. Existing regulations already exist that cover valued inputs outside the standard regulatory framework. The relationship between platforms and the platform economy, platform regulation, and algorithmic management falls outside many emerging economy studies. Further insight is thus needed into how firms influence platform regulation, either promoting uniform regulations that consider certain intermediate goods state-of-the-art or driving fragmented regulations that equalise countervailing measures. Dedicated academic work exploring these themes would yield considerable analytical dividends [5].

### **Case Studies: Illustrative Contexts and Comparative Insights**

The pairing of algorithms and platform technologies that form a primary locus of platform work management has not only remapped business power relationships, but it has reframed long-standing questions of personal and community wellbeing, organizational governance, and technology regulation for the future [3]. The coevolution of a platform economy and algorithmic management raises fundamental social questions and challenges contemporary norms, challenges that cut across national, regional, and organizational boundaries [4]. Drawing on policy documents, legislative proposals, and academic material, this section surveys three distinct platform-offering markets: mobile transportation, cleaning, and task generalist for shifts in these dimensions. The three markets differ qualitatively in their nature of offering yet exhibit striking similarities in platform governance and macro-issues that influence well-being [4]. Platform worker status, asymmetrical cooperation, technological transparency, algorithmic monitoring, and a myriad of other structural and governance choices taken by platform owners across these markets converge on fundamental public-sphere issues of community, power, and resilience. Non-existent in the regulation of mental well-being for traditional occupational sectors, welfare-legislation

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provisions long regarded as “public good” or primarily technical issues for platform ownership have emerged at the forefront of public discourse for the regulation of platform-offering markets [5].

#### Gaps in Knowledge and Future Research Directions

The burgeoning literature on platform labor and algorithmic management has yet to address numerous gaps. Despite the rich array of recent studies, much of the existing knowledge comes primarily from concentration on well-being, unions, and regulation [2]. Exploration of platform work across the social sciences remains relatively nascent [3]. Key interrelated research domains, including organization, employment relations, and applied economics, have received less systematic attention. Academic engagement is not commensurate with the breadth and scale of the body of evidence on social media, platforms, and digital work; continued efforts are required to explore algorithmic management and platform work with the same depth of analysis devoted to such topics. Research remains in its infancy in accounting for the social and economic manifestations of algorithmic management across actors located within and beyond Europe, neglecting storefronts, advertising, manufacturing, transport, and delivery even in high-income settings [4]. Further investigations are also needed regarding the implications of extensive European legislative initiatives extending rights and protections to platform workers. These initiatives may bolster unions, platforms, and governments to pursue longer-term strategic modification of algorithmic management practices and associated technologies rather than monitoring compliance or extending support. The study of platform work is constitutionally interdisciplinary. Scholars from multiple fields and subfields have engaged with platforms in construction, entertainment, finance, labor, logistics, media, and other sectors; coordinated cross-disciplinary collaboration has yet to emerge [5].

#### CONCLUSION

Platform labor represents a paradigmatic shift in employment relations, redefining work, governance, and economic participation in the digital age. Algorithmic management has reshaped both operational and supervisory practices, offering efficiency and flexibility while introducing opacity, precarity, and risks to worker well-being. Despite challenges, empirical evidence highlights that platform work can provide opportunities for income diversification and autonomy, contingent upon platform design, governance, and regulatory oversight. Collective representation and unionization remain limited but essential mechanisms for addressing exploitation and advocating for worker rights. Regulatory interventions at national and supranational levels, coupled with robust policy frameworks, are critical to ensuring algorithmic transparency, equitable labor conditions, and sustainable well-being outcomes. Future research must bridge disciplinary divides, deepen understanding of social and economic dynamics of platform work, and evaluate the efficacy of regulatory and governance strategies in protecting workers while fostering innovation in the digital economy.

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