

HIGHER ED

Growth of the gig economy



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IN October last year, Prime Minister Tun Dr Mahathir Mohamad said the gig economy had been identified as a new source of economic growth and would be made part of the 12th Malaysia Plan.

The word "gig" used to be associated with musicians or performing artistes hired to play for specific events or short-term engagements. But this buzzword has trickled its way to almost any kind of employment, particularly on an ad hoc or temporary basis.

It concerns mainly freelancers, project-based workers, independent contractors as well as part-time hires. They are all part of a growing trend called the gig economy.

According to financial planning lecturer Associate Professor Dr Mohamad Fazli Sabri, people have been doing "gigs" for decades.

Mohamad Fazli, who is Universiti Putra Malaysia's Faculty of Human Ecology deputy dean (Graduate Studies and Industry and Community Network) said: "Working part-time and freelancing have been around for ages. These jobs are becoming more pronounced due to the rise of digital platforms such as smart-

phones and the Internet.

"Technological advancements have paved the way for those who are interested in offering services through websites or mobile apps," he said, adding that it is more popular among young people.

"There has been much debate on what comprises a gig economy and how it is different from freelancing. To put it simply, both terms are synonymous. It can also be referred to as a sharing or collaborative economy.

"While we are familiar with food delivery services, professionals are now starting to offer services like legal consultation, journal-

ism and copywriting, among others, under what classifies as gig economy."

Mohamad Fazli said the gig economy has benefited consumers as they are provided with an array of options and services to choose from.

For large organisations, it increases flexibility and efficiency while lowering the cost of doing business.

"Gig workers enjoy flexibility, lucrative pay and the freedom to choose the type of work. No wonder people are turning away from desk jobs to be a part of the gig economy," he said.

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Work anywhere and at your own pace

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When done right, working on gigs come with the perks of independence, peace of mind and good pay.

Mohamad Fazli said that in the United States, gig workers are expected to make up around 40 per cent of its workforce by this year.

"In Malaysia, food delivery services are flourishing. To date, there are 13,000 Foodpanda and 10,000 Grab Food riders in the Klang Valley.

"There are people who undertake side jobs on top of full-time jobs to bolster their income or even to maximise productivity," he said.

PROVIDING OPPORTUNITIES

Freelance-hiring specialist and gig economy platform Workana allows companies to engage talented and qualified freelancers for project-based job opportunities worldwide.

The Latin company, which started in 2012 in Buenos Aires, Argentina, recently set up its Southeast Asia headquarters in Kuala Lumpur.

According to Workana co-founder Tomas O'Farrell, over 100,000 freelancers signed up on the platform since April last year.

"Most talents are Malaysians, with the rest coming from across the region. We now have an excellent pool of talents comprising graphic designers, coders, writers, social media experts and marketing experts. This platform is a way of connecting companies with the talented people they are looking for, and reducing much of the friction of hiring remotely.

"Companies are also posting more jobs on our platform. Workana has over 30,000 job postings each month coming from all over the world.

"Our growth here in Malaysia is amazing. What makes it interesting is that Malaysian freelancers are now able to work for companies anywhere in the world and not limit their talent to geographical boundaries," said O'Farrell.

He added that the workforce has changed in the last decade with Gen X and Gen Y being technology-savvy individuals who prefer to work independently.

"Experienced and professional freelancers cherish their freedom to work at their own pace and commit to projects with less supervision.

"Many companies, especially startup businesses, are looking for top talent. Employing a freelancer is an option that works for growth and return of investment (ROI).

"For example, if a company only needs a person for a limited period to complete a project, hiring a



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TOMAS O'FARRELL
Workana co-founder



Employment issues from the gig economy are mainly on having financial security like Social Security Organisation and Employees Provident Fund savings.



Technological advancements has paved the way for those who are interested in offering services which are found on websites or mobile apps.



Freelancing allows individuals to work for companies anywhere in the world and not limit their talent to geographical boundaries. PIC FROM [HTTPS://WWW.FREEPIK.COM/FREE-PHOTOS-VECTORS/MAN](https://www.free-pik.com/free-photos-vectors/man)

freelancer makes perfect sense."

O'Farrell added that Workana provides opportunities for its freelancers to develop their skills by inviting them to conferences and think-tank sessions.

However, he said, professional skills enhancement needs to be done on an individual basis.

"Since developing a skill is a learning process and needs time and commitment, this means freelancers who are motivated will need to enrol for courses as they deem fit.

"For example, a freelance social media expert who is also proficient in Adobe Photoshop and can use social media tools effectively will be highly sought after on the platform.

"In the end, the gig economy becomes an altogether wider topic. Given the popularity of remote working, technology advancement (emails, live chats, video calls, collaboration software) and mushrooming co-working spaces, hiring freelancers is something which is destined to become a big part of the human resources industry.

"It is definitely here to stay," O'Farrell concluded.

PITFALLS

While the unemployed, students and fresh graduates struggling to land a first job may find the gig economy platform advantageous, there are rising

concerns about worker welfare and a deteriorating safety net.

Mohamad Fazli said: "Many gig workers are from the younger generation. They may not be fully aware of the importance of having Employees Provident Fund (EPF) savings which provides retirement funds and benefits.

"They must be equipped with financial literacy or else they will be financially vulnerable.

"Besides EPF, full-time workers enjoy a certain amount of security in terms of consistent pay and health benefits.

"Those who are working gigs at the low-skill level have little room for career growth and development. There are no opportunities to climb up the ladder and secure promotions.

"Gig workers with higher education backgrounds must think of ways to move towards a professional level befitting their qualifications," he added.

O'Farrell explained that freelancers face common challenges such as irregular workload and getting paid on time by different clients.

"To overcome this, we have a secure way of paying freelancers. We take advance payment from the companies and work as a mediator to ensure that payment is made to the freelancers once the jobs are completed."