Fatin, 30, used to work in the corporate communications department of a private corporation, creating press releases, strategic communication materials, handling the company's social media engagement and promoting its latest products and services. After years of enhancing her skills and reaping the efficiency exposure that comes with a corporate role, Fatin threw the towel in and moved on to become her own boss.

Now she works from home and does the same tasks for multiple clients on a project basis, as a freelancer or with a retainer arrangement, without technically being employed full-time by any organisation.

Fatin's career move makes her a gig worker, or 'gigger', part of the labour market called the gig economy. It's also defined as 'platform economy', 'on-demand economy' and 'sharing economy', all referring to the demand and supply of short-term or task-based working activities. This includes business concepts such as Airbnbs and Grab.

The flexibility and low commitment the gig economy offers combined with the recent increase in talent downsizing and power of globalization that allows for remote working, has made it an attractive solution to workers and employers. In the United States, there are over 60 million gig workers and in Malaysia the number was approximately four million in 2018 and has continued to grow especially since the COVID-19 pandemic.

Despite these numbers, it is difficult to accurately measure the size of the gig economy, mostly because of the lack of a universal definition of the term.

The term 'gig' has existed since 1915 when jazz musicians coined the term to describe non-contractual performance arrangements. Comparing the gig economy to likes of a musician's gig at a specific venue, with no guarantee of a follow-up request of service may seem concerning but with the emergence of the internet and platforms such as Craigslist and Upwork, connecting requesters with giggers is becoming more convenient each year.

Even before COVID-19, a study by Zurich Insurance showed that 38% of full-time employees in Malaysia are considering to venture into the gig economy in the next 12 months, higher than the global average of 20%.

However, since the effects of the COVID-19 pandemic hit the world in March, the gig economy has become a more popular option and for some, a reluctant choice due to factors such as child care. In Malaysia, as the government ordered schools to shift entirely online, some parents who could not afford additional help have had to become part time giggers instead of full-time employees, to buy them the time to support their children.
On the other hand, there are full-time employees who leverage the benefits of the gig economy to earn a side income, especially given the job instability that has swept across the nation since the pandemic.

Participation in the gig economy has grown rapidly over the past few years, and expanded exponentially since the onset of the coronavirus pandemic, due in part to the increased reliance on gig workers to home-deliver necessities to consumers.

The crisis has upended the traditional 9-5 working world and caused many blue- and white-collar employees to pursue gig work for additional – or even primary – income during these unprecedented times.

While the gig economy has been reshaping the working experience for an increasingly larger group of people, its effect on employment has arguments from both sides of the coin. The belief that the gig economy mindset breaks free from the traditional notion of having a stable, dependable, full-time job is also met with arguments from the other side.

This freedom from traditional forms of work also has the potential to create larger societal problems in the future. Social security—whether to cover sickness, retirement, or maternity/paternity—is connected to the “standard employment contract” in various ways. The short-term flexibility of the gig economy has brought some benefits to people working the gig economy, as well as to those who now rely on externalizing the costs of overwork in various ways. However, given the lack of social provisions for people in the gig economy, the social costs of their work will be borne predominantly by private individuals.

At Aisling, we have seen a reduction in direct hires by 40% whilst an increase of a gig workforce by 50% across the last year. Some of the work is designed to accommodate a work-from-home (WFH) possibility. Hence, despite the arguments against the gig economy, we were curious to understand its allure that caused it to increase in size and this is what they found:

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**BENEFITS OF THE GIG ECONOMY**

**FOR EMPLOYEES**

1. **Entrepreneurial mindset**

   While the convenience and flexibility are the obvious benefits of the gig economy, the rise of the trend is also fueling an entrepreneurship mindset among giggers. Despite not being contracted long-term on any one project, the act and process of sourcing for gigs has forced many giggers to reflect on their USP and their personal branding. Especially because the COVID-19 pandemic has increased the competition for available gigs.

   Additionally, if the entrepreneurial mindset leads workers to start their own businesses, the risk of failing is cushioned by the availability of gig work.

2. **Opportunity for wider skillset growth**

   Working on multiple projects from different companies can help workers identify complementary skill sets that may give them an edge in the market and simultaneously expose workers to more opportunities. As completing up-skilling courses over the internet is easier now than ever, gig economy workers arguably have the most flexibility to leverage on such avenues with a direct reason to drive them.

3. **Multiple sources of income**

   Although the total monthly or weekly income of a gigger each is never consistent, they have a higher chance of earning more than an employee with a fixed income and no side-hustles. Especially when a gigger dedicates time and resources to enhance their skills and subsequently the quality of their service, allowing them to charge potential clients more.
1. Flexibility to hire expensive but value experts, only when needed

Companies that rely on outsourced agencies to execute several projects are seeing the value in hiring one-off consultants or skilled professionals to execute instead. Aside from saving on expensive retainer costs, using one or several giggers for a one-off projects also gives them the flexibility not having to re-engage with a gigger should their delivery be of low quality.

2. Reduced employee benefits cost

One of the more obvious benefits for corporations are the reduced costs in providing benefits they would otherwise have to for full-time employees. These include medical benefits, paid vacation days and Employee's Provident Fund (EPF) contribution.

3. Agility to upscale and downscale based on business needs

Companies that can take the risk rely heavily on gig workers for their business operations are afforded the agility to upscale or downscale according to their business needs without having to worry about as many legal contracts. 84% of hiring managers in Asia Pacific outsource to freelancers as a means to save cost, stimulate innovation and keep a competitive advantage.

GOVERNMENT SUPPORT IN MALAYSIA

In June 2020, the government announced that it was allocating RM75 million to promote the gig economy and provide a social safety net for workers in the informal sector. Specifically, the government provided a matching grant of up to RM50 million for gig economy platforms which contribute towards the Social Security Organisation’s (SOCSO) employment injury scheme and the EPF i-Saraan contribution while The Malaysia Digital Economy Corporation (MDEC) will be provided with RM25 million for the Global Online Workforce (Glow) programme.

However, in July, Finance Minister Tengku Datuk Seri Zafrul Tengku Abdul Aziz said that according to SOCSO from January 2020 until July 2020, only 28,425 (7%) gig economy workers out of their target of 400,000 workers are registered with SOCSO.

This could be a result of the lack of understanding on what constitutes a gig economy worker, causing unawareness among the cohort on potential avenues available to them. A broad and clear definition from the federal government could be a solution to this.

GLOW on the other hand, is a national programme designed to Malaysians to become part of the online global workforce and earn income independently with the objective to Empower Malaysians to export professional and high value services globally.

However, more interestingly, the groups of people the GLOW programme includes as its target community (graduates, professionals, experienced workers, unemployed individuals, persons with disabilities, retirees, retrenched workers and housewives) should be the benchmark for inclusivity when it comes to efforts to enhance the gig economy.
Aisling Consulting has extensive experience in managing the gig workforce by providing contingent workforce as contractors, freelancers or part timers. We provide the full spectrum of HR from recruitment to off-boarding, ensuring that compliance and employee engagement is a priority. By outsourcing HR functions or specific workforce categories, organizations will be able to focus on their core business expertise whilst gaining from our experience in managing their contingent workforce.

If you would like to know more, please reach out to us at

**ADDRESS:** SO 7-2, 7-3 & 7-3A, Menara 1, KL Eco City, No 3, Jalan Bangsar, 59000, Kuala Lumpur, Malaysia

**EMAIL ADDRESS:** enquiry@aislingconsulting.com