



The Gig Economy, Redefining the Workforce

A Joint Collaboration White Paper
between Quantum Steppe Advisory & Enroute Consulting

EXECUTIVE SUMMARY

Convenience, flexibility and independence are the three words most associated with the Gig Economy. Generally, this concept has been in place for many years but the Pandemic of 2020 has now catapulted it to the forefront. A semblance of the Gig Economy has been simmering since the financial crisis of 2008 and over the past decade or so, it has not only gathered in strength, but the ground swell has been even more intense.

From the jobs including ride shares or food delivery people, the Gig jobs have now transcended into more wide ranging and cross geography work. Advent of new technologies, the acceptance of such technologies in the work place, the changing business environment, the upheavals to business operating models and a more versatile workforce has led to the Gig Economy enjoying unparalleled growth rates and the speed of his growth doesn't look like ebbing anytime soon. From the US to Australia, from Eastern Europe to India and Asia Pacific, including Malaysia, the world over has witnessed growth in the number of gig related transactions, the number of gig workers alike as well as an overwhelming CAGR rate of 18%.

Whilst the employer gets the flexibility to manage a leaner and scalable workforce which not only helps in defraying cost saving, but also provides access to the global talent pool. The gigger gets flexibility in choosing the role, fees, and preferred sector to work in. This also results in the multiple sources of income for the gigger.

There are a variety of reasons that have encouraged the upliftment of the Gig Economy and some of them include:

- a) The emergence of global platforms that have encouraged and supported the growth of gig work;
- b) The flexibility and autonomy for workers to do the things they want to do, in the way they want to do it;
- c) The ability to seamlessly integrate the professional and personal lives through gig work;
- d) Driving of income security vs job security;
- e) Enhancing a supplemental source of income.

From an employee's perspective, the driving factors include

- a) The ability to view the world from an entrepreneurial lens and a frame of mind;
- b) The opportunity to work with a preferred employer within a preferred sector;
- c) The enhancement of skills sets;
- d) The ability to contribute to a diverse and recognized workforce.

What is equally exciting is that Southeast Asia now stands out from the rest of the world in terms of the women participation in the Gig workforce.

There is much we can learn from the "Great Resignation" and its impact on the world of the Giggers. Working relationships have changed as have expectations of the employees of their employers. The need for a very different mental model is firmly at play.

This Paper focuses on the various points of view as conceptualized and crafted by **Quantum Steppe Advisory (QSA)** and **Enroute Consulting** respectively. This joint collaboration has led to this White Paper.

1. THE EMERGENCE OF THE GIG ECONOMY

The term “Gig Economy” has been in the air for quite some time now,

albeit in other more popular jargons - such as freelance, contractual, temporary workers (temps), Independent contractors and others.

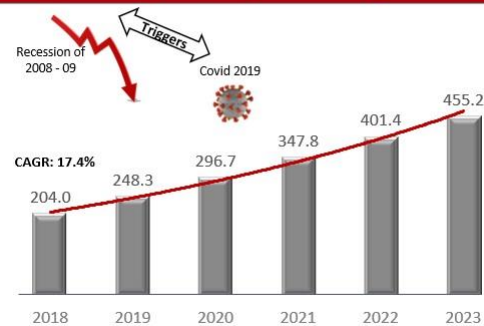
Being valued at an estimate of USD347 billion in 2021 and being forecasted to grow exponentially over the coming year to USD455 billion, with CAGR of 17%¹, one cannot but start to feel overwhelmed by the significant impact that the Gig Economy is making on the world around us as well as the way we are now working as individuals.

Contractual workers have long since been common whether in the agricultural sector, construction, manufacturing and even the arts industry. The concept came to prominence post the 2008-09 financial crisis – primarily since the unforeseen economical alterations caused and justified the mindset shift. Organizations reeling under the economic pressure to stay afloat justified the need for a leaner workforce on their payrolls and filled in the gaps with a floating and a flexible workforce.

While the demand for contractual workers always existed, such economic events offered the impetus required to push it into the wider space as well as making it more acceptable as a possible consideration. Organizations are also

fundamentally driven by better bottom lines and cost savings in general and this raises the possible reduction in fixed salaries, rental of office spaces as well as investing in longer term trainings or providing employee benefits. Moreover, the strategic benefits of taking on temporary workers also allows for a diversity of knowledge, and different perspectives and experiences to permeate throughout the organization.

Estimated Gross Volume of the Gig Economy to be \$455Bn by 2023



Triggers like the 2008-09 Global Financial Crisis and more recently the 2020 Covid-19 induced Pandemic as examples, have coerced business leaders to revisit and reframe not only the way of working but also how they view at the environment that they operate in. And this in turn supports the Gig Economy phenomenon by making it more of a reality then merely a concept.

¹ <https://brodmin.com/case-studies/gig-economy-case-study/>

Despite its application over recent years, there is still the absence of a well-accepted definition of what a Gigger truly is. This term has been widely used to include all possibilities of the contingent workforce all the way from individuals working for a fixed duration over a project to as narrow as temporary workers facilitated by an online platform or a technology application.

For the purposes of this White Paper, we include all types of temporary workers as falling within the definition of being a “Gig worker” or a “Gigger” or contributing to the “Gig Economy.” And this will include independent workers/ contractors, temporary agency workers, directly sourced temporary workers, statement-of-work consultants, and of course *human cloud* workers, who all have one thing in common i.e., being driven by a prescribed work arrangement that is principally either project, time bound based or nature of work based.

The workforce today is undergoing a massive transformation as business owners and team leads alike slowly get accustomed to assigning responsibilities to “anyone” simply on the basis of the individual being “able to do the job well” within the preset parameters. With a leaner workforce at play, organizations are recalibrating jobs into those of multiple tasks/ projects and in accordance with the complexity of roles. These redefined jobs are then floated to online platforms seeking participation from a cloud-based workforce.

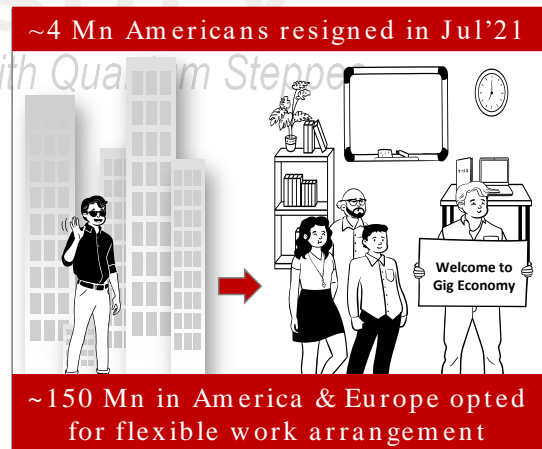
² <https://hbr.org/2021/09/who-is-driving-the-great-resignation>

While organizations get access to a list of possible candidates for the jobs at hand without having to consciously increase the size of their workforce, Giggers in turn get access to those jobs that they prefer to do, at a fee quote that they will subsequently negotiate. This then leads to a win-win situation for both the parties involved.

2. FACTORS CONTRIBUTING TO THE SUCCESS OF THE GIG ECONOMY

The Covid-19 Pandemic has led to many workers having to reflect and reevaluate their relationships with their employers,

their work colleagues and with their work itself. Arising from this is the “Great Resignation”², a voluntary turnover of the workforce in the US that has continued to spike over the past several months.



According to the US Bureau of Labour Statistics, four million Americans resigned from their jobs in the month of July 2021 alone. Resignations have

been extremely high ending with a record breaking close to eleven million open jobs at the end of July 2021.

What was fascinating from the analysis of data is that

- a) Resignation rates were the highest amongst mid-career employees, specifically for those between the 30- to 45-year-old.
- b) Resignations were the highest in the tech and health care sectors. Not only were these fields experiencing significant surge of demand for sound talent, but the burnout rates and increased workloads for these sectors were excessively high as well.

The Great Resignation in addition to the prevailing Hybrid Work Approach that is being inculcated in many an organisation has also contributed to the new ways of viewing work and the relationship with the organisation. This has in turn further supported the concept of Gig work. Other factors include but are not limited to the following:

- a) Flexibility and autonomy for workers to do things the way they want to do it
- b) A seamless integration between the professional & personal lives
- c) Supplemental income from a variety of sources
- d) Income security, vs job security
- e) Improved usage of skillsets

³ "The Future of Professions – How Technology will transform the work of Human Experts," Richard Susskind & Daniel Susskind, Oxford University Press, 2017

- f) Redefined sense of employee engagement
- g) Regulatory norms / cultural biases against full time immigrant workers

What are those sectors that have and will continue to benefit from the Gig Economy? Whilst many believe that the lower order thinking jobs which are repeatable, requiring lower skills, which are standardized and easier to comprehend & deliver, easily measurable & controllable are the ones that fit best. To this end, sectors like Transportation, Food & Beverage and Hospitality come immediately to mind. This also includes ride share drivers, home cooked cuisine, and distribution of the same, as well as Air B&B based apartment owners, to name a few.

There is also the contrarian view that any job now has the distinct possibility of becoming a Gig based job and this includes the providers of professional services as well³. In the article, *Gig Economy – The Economic Backbone of the Future?* Kris Broda mentions that globally, the Gig Economy saw a prosperous upswing in the Design & Tech Sectors too. It is estimated that approximately 59% of Giggers belong to this Sector⁴. It is interesting to note that over the past decade, the value that the Giggers have brought to these Sectors have been consistently increasing.

Continuing, Kris opines that, oversaturation of skills against less or stagnant demand has led to pay

⁴ <https://brodmin.com/case-studies/gig-economy-case-study/>

rates declining over the period. Thereby making the once lucrative sectors now slowdown in their pace of growth.

The ever-increasing demands of jobs, the competencies of those in these jobs and the limited number of people with the skills and experiences required for these jobs, have further led to the increasing popularity of the Gig Economy. Examples of these would be the area of AI, the Block Chain, Crypto based platform and Technology Security specialists and programmers to name a few.

In the same research paper mentioned above, Kris goes on to state that, although hourly rates differ from country to country and from region to region, an average pay rate could be anything from USD10 - USD30. The more higher order thinking jobs such as project management, multimedia production, sales, programming, marketing, finance, and IT would experience hourly pay rates at the USD20-USD30 range. Whilst the more transaction or activity driven based roles such as customer support, simple content writing and administrative support usually are in the lower pay brackets, of USD10 - USD15.

In addition to skillsets, the hourly pay rates are also influenced by the seniority and experiential base of the workers. It is interesting to observe the younger generation of workers appear to be in the lower pay brackets, while more experienced and seasoned workers are able to command a higher pay rate.



3. UNDERSTANDING THE NUMBERS

As we speak about the demand side giving that all important nudge and a push to the concept of the Gig Economy, equally the supply side has become comfortable with this concept as well. Certain obvious benefits associated with being a Gigger has steered the workforce, leading to the state that it is in today. Job flexibility, both in terms of type of job and the potential flexibility of hours, coupled with income security considerations have become that much more appealing for the Gigger.

Participation in the Gig Economy has seen an astoundingly positive response over the years. Globally, its forecasted that the number is set at a

double-digit annual growth for the industry over the next five years or so⁵.

Growing at a CAGR of ~18%, the Gig Economy is clearly becoming more than just a simple fad. Amongst the various “hooks” that are playing out, strong penetration, acceptance and availability of digital processes have been a formidable force behind its stupendous growth. Technology has always challenged labor dynamics – bringing in radical transformations in a variety of Sectors. The Gig Economy as we see it today is just an outcome of this radicalization that is now gaining momentum.

Kris Broda continues to mention in his research paper, *Gig Economy – The Economic Backbone of the Future?* in 2018, the global Gig Economy generated revenue of approximately USD 204Bn with ridesharing being the highest contributor at 58%. In 2021, it is envisaged that this number will touched an estimated USD347Bn. Its further prophesied that Gig Workers are estimated to be 35-40% of the workforce by 2025, surging ahead by 20-25 percentage points since 2019. This number is set to increase to USD455Bn⁶ as the Gig Economy firmly takes root over the coming 5 to 10 years with an overarching acceptance of the workforce

⁵ <https://brodmin.com/case-studies/gig-economy-case-study/>

⁶ <https://brodmin.com/case-studies/gig-economy-case-study/>

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<https://www.forbes.com/sites/forbesbusinesscouncil/2021/08/12/will-the-gig-economy-become-the-new-working-class-norm/?sh=2ad3951daee6>

shifting from being “permanent” to “fleetingly temporary” and an ad-hoc base in nature.

In the US specifically, the percentage of gig workers rose from approximately 18% in 2014 to 35% of the total workforce in 2020, as per the Forbes article, *Will the Gig Economy Become the New Working-Class Norm?*⁷. An average of fifty-seven million workers in the US are currently engaged in some type of Gig work. Revenue wise, this number is estimated to be contributing over USD 1 Trillion to the US economy annually⁸. As the Gig Economy continues to gain further traction, these figures are only expected to grow exponentially. Some experts project the numbers to go beyond the 50% mark by 2023⁹.

The Rest of the World (ROW) paints a similar picture as that of the US. The growth in the Gig Economy is buoyed by a need for an increasingly flexible workforce, the acceptance and growing application of online collaborative and work platforms as well as the rise of the Hybrid Model of working that has been firmly institutionalized by the Global Pandemic that has beset the world over the past 2 years.

In Philippines, the estimated number of the freelance community is estimated to be around 1.5 million, or just over 3.5% of the total labour

⁸ <https://www.cnbc.com/2020/09/15/a-snapshot-of-the-1point2-trillion-freelance-economy-in-the-us-in-2020.html>

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<https://www.forbes.com/sites/rebeccahenderson/2020/12/10/how-covid-19-has-transformed-the-gig-economy/?sh=7f549b296c99>

force.¹⁰ Experts believe that the ‘emergence of millennials’ are set to introduce a new reality to the workforce, freelancing being a major content of this revolution. With the burgeoning acceptance & transformation of traditional business models that are ongoing today, 1 in every 5, will be working as a freelancer in Philippines.¹¹ In recent years, Malaysia too has witnessed a surge in Gig employment. About 25.3% of the Malaysian workforce were identified as freelancers in 2018, with evidence to justify a continuous rise to this number, as highlighted in the article entitled, “*Safety Nets for the Gig Economy in Malaysia*”.¹²

No matter where the Gig Economy is playing out, the need for Government intervention and support, specifically towards formally acknowledging the presence of Giggers and their contribution to the National Economy and thus effectively protecting them as a class of workers is indeed a conversation that is building up strength. Already in some states within the US, there is moved to effectively protect Giggers and their rights and in so doing, attempt to grant some basic benefits to them. In Malaysia, for example, not only has substantive funds been put aside to support the development of the local Gig Economy, but a social safety net was also set up for those workers who may be injured during their gig employment. In February 2021, the Malaysian Digital Blueprint¹³

was launch by the Prime Minister of Malaysia and amongst its key objectives is to set Malaysia on the path of becoming a high value-added economy and a net exporter of home-grown technologies and digital solutions.

This objective is pillared on three key foundations:

- a) making Malaysia a digital inclusive society;
- b) supporting of businesses with their operating models, products, and services; and finally,
- c) driving the digitalization of the Government machinery to improve public service delivery. Key emphasis on the first pillar relates specifically to the rise and support of the Giggers and their positive impact on the Malaysian economy.

The Plan went on further to state that in 2020, it was estimated that 4 in 10 Malaysians were joining the Gig Economy after leaving their full-time jobs and the digital economy is expected to comprise close to 23% of the GDP of Malaysia and is estimated to create close to half a million new jobs in 2025.¹⁴

¹⁰ <https://www.aseantoday.com/2019/11/the-gig-economy-capitalism-at-its-most-brutal/>

¹¹ <https://newsroom.apac.paypal-corp.com/gig-economy-is-a-boon-for-ph-millennialspaypal-categoryId-merchant>

¹² <https://www.biji-biji.com/safety-nets-for-the-gig-economy-in-malaysia/>

¹³

<https://www.epu.gov.my/sites/default/files/2021-02/malaysia-digital-economy-blueprint.pdf>

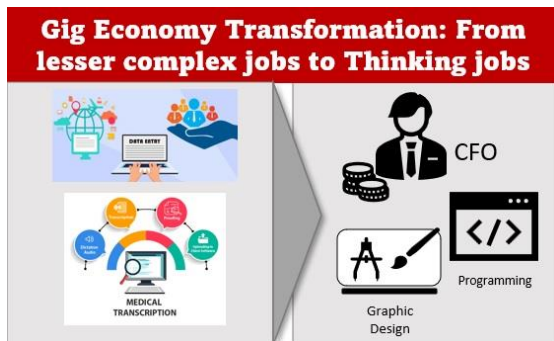
¹⁴

<https://www.theedgemarkets.com/article/malaysia-a-digital-economy-blueprint-mydigital-blueprint-drive-malysias-highincome-nation>



4. ITS ALL ABOUT SKILLS AND NOT MERELY THE ROLES

Spanning across various industries, the Gig Economy has had a tremendous impact on a variety of organizations whether they be the start-ups or the Fortune 500 companies alike.



Critical questions to be asked include:

a) what is the need, the purpose, and the significance for the organization to participate in this nature of work?

- b) can the work indeed be “gigified” in the first instance, considering the use of technologies, changing processes, and changing organizational policies and procedures where required?
- c) is there the in-house capability present to support Gig related work and the utilization of Giggers?

Answering these three questions will have defined the strategy relating to the application of Giggers within the organization’s workforce.

When considering the strategy of work including Giggers as part of the organizational workforce, several pertinent factors must be taken into account.

From the perspective of the employer:

1. **The flexibility to hire valued, but potentially costly experts on a real time, and “on an as required” basis:** There will always be the need for subject matter experts and highly skilled professionals to participate in the conceptualization of strategies or the execution of implementation plans. To this end, aside from saving on costly monthly fixed wages and other related employee benefits like medical, social security payment and paid vacations, the organisation is now able to manage the costs more effectively, almost akin to a “pay per use” approach.

2. **A leaner and scalable workforce:** Organizations can focus on retaining the essential members of the workforce who are imperative for the

smooth operation of the company. This also means that if there is upward surge in demand for resources, it can be easily fulfilled without the added longer term fix costs that comes with this.

3. An easier to manage workforce: With a smaller and leaner workforce, organizations will find it much easier to manage the workforce. Training and development, skill upgrade, performance management, conflict management and other elements related to a larger workforce are now significantly streamlined.

4. Reduced employee benefits costs: The fact that employees are no longer on the pay role as fixed based resources means that there is a direct correlation to the reduced ancillary costs, namely retirement benefits, paid vacations, sick leave entitlement, medical and hospitalization costs, and the like. And this in turn translates into longer term savings and subsequently, an improved bottom line.

5. Accessibility to a global talent base: With the introduction of the Gig workforce, organizations can immediately gain access to talent from around the globe. The potential diversity that Giggers bring to the table are immense and they could be anyone from the Baby Boomers, the i-Generation to individuals of various sages with different abilities and skills.

6. 24 / 7 / 365 availability: With access to global talent, organizations are no longer restricted to closing times, public holidays, or mandatory time off. Instead, the all-year-round access,

which are strategically located around the world, effectively supports in keeping track of the progress of the various tasks at any time of the day over the course of the project duration.

7. The fine balancing act: The Gig economy has started off on a positive note and is gaining much popularity over the years. However, with it comes the duality of whether organisation needs to have a “core” talent pool that is managed very differently from the Giggers that come in “on-as-required” basis from “outside.” This then raises the question of how best to manage two very distinct forms of the workforce. Given the organizational policies and procedures at needs to be at play.

And together with this comes the area of data security and integrity. After all there is now the innate consideration of how data security is maintained with information that is provided to Giggers for them to work on. And critically on whose laptops, computers and servers are such information stored on and applied. This area is rather nebulous, as it stands today.

8. Talent, how best to manage it? The demands of succession planning, career pathing and pivotal role identification suddenly takes a different track with the introduction of Giggers into the mix. The professional development of staff also becomes an interesting question simply because, who is now responsible for training and development, is it the organisation or the Giggers themselves? As Zohrab Chong, a noted Malaysian practitioner-cum-commentator whose focus has been in within the Gig space,

eloquently asked the question, “Given all that is playing out today with the Giggers and the way they are being managed, is talent management, the way it was, dead?”¹⁵

And like wise there are a variety of perspectives when viewed from the eyes of the Gigger:

1. Driving of an entrepreneurial frame of

thinking: The fact that the nature of the work relationship has changed between the Gigger and the Employer, brand positioning, personal profiling and the sourcing of projects have led to a total revamp of the USP that Giggers bring to the table. There is now the need for a very different mindset for survival and sustainability.

This is in addition to the fact that the Pandemic has increased competition for available work. And in turn this drives the hunger for success, the speed to achieve, the agility to adapt and of course, the need for impact.

2. Preferred work type: Gig workers have the opportunity to choose the type of work they would like to execute in tandem in line with not only their existing skillsets, but also the areas they would like to consider in future.

3. Preferred organization or sector: Giggers now can specifically focus on those organizations and/or sectors that they have significant interest in. This would also be in line with the profiling and the USP that they provide to potential employers

4. Opportunity to enhance their skillset growth:

The whole concept around the Gig economy is premised on the ability to work on a multitude of projects within different organizations spanning a range of sectors. This in turn supports the Giggers in providing them with complementary skills that would in turn give them an edge in the space that they play in.

In addition to this, the ability to consistently enhance skill sets via a plethora of sound, on-line education programs whether they be from Coursera, Udemy or HarvardX and the like, have made it that much more convenient and cost effective for skills upliftment to take place.

5. Multiple sources of income:

The concept that is now at play is “income security” vs job security. The potential of earning more than a fixed wage employee is significantly higher, although admittedly the income is not consistent by any means. But the fact that the ancillary costs relating to benefits and the like are no longer provided for, these savings to the company are in turned being passed to the Gigger as potentially enhanced fees.

6. A more actively diverse workforce:

With more women now actively participating in the Gig Economy, the diversity of the workforce is truly taking shape. Their contributions from a level of perspectives, thoughts and critically, experiences bring such wide-ranging insights

15 ELEPHANT IN THE ROOM, hosted by Taranjeet Singh and Koh Mui Han, “FUTURE OF TALENT MGMT: SHAZMI ALI, VERTICKA KOHLI & ZOHRAB CHONG (25 JUNE 2020)”,

[https://www.youtube.com/watch?v=JlKYae_oy0c&ab_channel=ELEPHANTINTHEROOM,](https://www.youtube.com/watch?v=JlKYae_oy0c&ab_channel=ELEPHANTINTHEROOM)

that would not have been possible but for the versatility of the Gig Economy.

5. THE “WESTERN” PERSPECTIVE

Much of the Gig related data that we have today

is principally US centric. And this is fundamentally due to the general acceptability of US firms to consider a variety of segments of workers, including the Giggers.

An astounding number of 150 million people across US & western Europe volunteered for a flexible work arrangement abandoning their fixed and secured corporate jobs. The article, *40 Gig Economy Statistics You Must Learn: 2022 Market Share & Data Analysis*, estimates that an average of sixty-eight million workers currently work freelance in the us, with an estimated ninety million to be venturing into the gig space over a 7-YEAR time horizon¹⁶.

In Europe, particularly France, Germany and the United Kingdom, the workers participating in the gig economy rose exceedingly in the last few years. As per the article referred to above, the European Commission has estimated that some twenty-eight million people on the continent are self-employed on digital platforms, and this will rise to forty-three million by 2025.¹⁷

¹⁶ <https://financesonline.com/gig-economy-statistics/>



6. THE SOUTHEAST ASIAN PERSPECTIVE

As the Western world quickly adapts itself to the transforming workforce scenario, their Asian counterparts are not too far behind either.

The emerging economies of the East are borrowing heavily from the experiences those of the US & Europe – one to mitigate the risk of having to manage the high operating costs of employees and second, to leverage off the growing base of talented people across the globe. The perks of having the tasks completed and outcomes delivered beyond the usual “closing time” cannot be easily overlooked.

Additionally, organizations across the globe are relishing the prospects of recruiting talent with the right type of knowledge & skillsets and that too at

¹⁷ <https://apnews.com/article/technology-business-europe-economy-european-union-8e88b69ca6085b99e34e385e4cac1942>

competitive prices. Organizations can simply breakdown the tasks based on the talent sought and align accordingly, leveraging off the working and commonly applied digitized platforms.

Another plausible cause behind the upswing is the increasing access to the internet and the improved state of the digitized platforms that create marketplaces at scale. Earlier concerns of limited payment systems, restricted financial access, high commissions, and the like had caused workers to consciously steer away from such platforms.

While PayPal, traditional domestic bank transfers and now crypto fund transfers are easily available and accessible to all with a mobile device, we have witnessed an impetus in the participation of giggers within the workplace. The maturation of financial service providers like Payoneer in 2005 and Merchantrade within Malaysia in the 1990s have indeed contributed to the promotion of the region's gig economy.

The one area that SEA stands out from the ROW is the participation of women within the Gig workforce. In SEA, the number rests between 58-60% of the total pool of freelance workers, with 38% of them in macro tasks. Indonesia came through with 25-30% women in the transportation services.

These numbers are proof enough that such digitized platforms are increasingly becoming a safer and trustworthy space for seeking opportunities for work. These digitized platforms help complement the household income while

assuring freedom & flexibility within the work environment.

With the now hassle-free technological revolution, a multitude of opportunities are opening daily for workers to participate in projects across the globe, thereby overcoming the cultural, geographical and language barriers that commonly prevail.

7. FOR A DEEPER DIVE INTO MALAYSIA SPECIFICALLY

The rise of the Gig Economy has caused significant challenges to the status quo that has long existed between the employer and its staff. The employment contract is being redefined at its very core. And this is becoming even more apparent in Malaysia than before.

Besides all those factors that have been raised in the various Sections above, there are several pertinent areas that are now impacting the Giggers in Malaysia and of course, those in the neighboring nations as well.

The "Great Resignation" that has impacted the US and Europe over recent months, have seen waves of people quitting their jobs in search of, amongst other things, more flexibility at the workplace, better compensation, and a better quality of life, amongst other things. The number of resignations in the US, estimated at 4.4 million in the month of

September¹⁸ are increasing at an alarming rate such that this had led to a talent crunch that is being felt by many.



Closer to home within the SEA region, there are studies to show that 1 in 2 employees in Singapore are “exhausted” and wish to continue with the flexible remote working arrangements that the Pandemic offered them. In a recent Study, the noted global recruiter Michael Page has commented that more than 56% of Singaporean workers see themselves as searching for new jobs¹⁹.

In Malaysia, it is estimated that 1 in 3 employees are Giggers in some form or other²⁰. With the impact of the Pandemic, this number is rising with every passing day. Interestingly, whilst there are a whole host of terms that are now floating in the market as to whether it ought to be called the

“Great Resignation”, or the “Great Alignment” or the “The Realisation”, it is our view that the themes that we see playing out are no different to what we have always witnessed over the past several years, namely:

- A desire to be in better control of one’s time;
- An innate demand to be better recognized financially for the effort that one puts into work;
- The need for the employer to be better engaged with them as an employee base; and
- The desire to be in better control of the future career pathing.

In Malaysia, the focus that is playing out right now relates to, but is not limited to, the following²¹:

- A general confusion as to the terminology of the term the Gig Economy.* There is a general misconception that anything to do with the Gig Economy is related to food delivery riders and ride share drivers. This misconstrued and limiting concept has been further exacerbated by the mass media and policy makers alike.
- This then leads on to the next point relating to the *types of policies that are put into place to support Giggers.* Clearly if the scope of Giggers is limited to these two fields, then naturally the policies that will be implemented will be catering for this specific type of Giggers and given our understanding of the nature of the

¹⁸ <https://www.statista.com/chart/26186/number-of-people-quitting-their-jobs-in-the-united-states/>

¹⁹ <https://www.businesstimes.com.sg/leadership-management/from-the-great-resignation-to-the-great-realignment>

²⁰ <https://www.paulhypepage.my/the-gig-economy-in-malaysia/>

²¹ Points raised through detail discussions with Shahryn Azmi, the Co-Founder of MakeTimePay.com

work that Giggers are doing right now, this is surely wrong.

c) Contentious discussions now prevail as to *what are the basic rights of Giggers?* And critically, who should provide for their wellbeing? The working hours, diversity in the workforce as well as other wellbeing matters like health insurance and medical benefits all have significant impact on the working relationship with Giggers. Should a body be set up to cater specifically for the Giggers, akin to the Office of the Ombudsman in other Commonwealth nations, or should the Giggers be left to fend for themselves? The Malaysian Labour Law as it stands today does not effectively provide for the same, although there are plans afoot to change the National Employment Act to include the same. But it will be some time before this comes to pass.

d) This leads on to the discussion around *how the Giggers should be paid?* Ought they only to be paid vide the national currency, in the case of Malaysia, the Malaysian Ringgit or is there a possibility for them to be paid via digital currency and other forms of crypto, seeing that its now a willing buyer / willing seller concept at play? And *what rates ought they to be paid at?* Who determines what is fair market value?

This is especially poignant given the fact that many, if not all, of the traditional annual rewards surveys are specifically conducted on permanent positions that are measured and evaluated against job reference levels. This then drives the comparison for rewards between

various job levels and various sectors. Now if you take these permanent positions away and replace them with Gig position, what do the salary benchmarks and pay points look like then?

e) This then leads on to the exciting area of *how the Tax Office is to treat income earned on Gig related work?* This is especially so given that the work is very fractional in nature and thus there is a distinct possibility for individuals to be concurrently working with several companies over the same time duration. What impact will this have on their tax liability and obligations to the taxman? What reliefs can be provided to allow for the facilitation and encouragement of Gig work?

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8. COVID 19 AND THE RISE OF PLATFORMS

Over the course of the past 24 months, Covid 19 experiences and total lockdowns have gone hand-in-hand.

Workers the world over have needed to adapt themselves to, firstly a 'working from home' model and now a hybrid approach.

As more and more employees are re-evaluating the options that are available to them, "fractional employment" now seems to be on the cards. As described by Shahryn Azmi, the Co-Founder of MakeTimePay²², an individual could be employed by an entirely different organization each day of the week and thus, work for a separate company every day. This goes on to support the concept of "income security" vs "job security."

With the closure of businesses and as numbers of laid-off skilled workers continue to grow exponentially; one now sees the rise of platforms. Before the Pandemic, platforms such as GitLab were far and few between. *GitLab*, a collaborative platform offers software professionals / web developers the ability to not only show case their work but also collaborate and subsequently, enter commercial opportunities with each other. With the phenomenal success of GitLab, and add the Pandemic into the mix, and suddenly we have sectors that were previously perceived as

²² <https://maketimepay.com/>

impervious to remote working are now breaking barriers. Within the human capital space, the likes of *Noble House Consulting* in India are certainly taking is taking the lead from a platform management perspective.

Fiverr and *Upwork* are other global platforms where the fees of assignments can be as low as USD5 to as high as USD1500 depending on the complexity of work to be engaged in. Closer to home other gig-based platforms in Malaysia include *Rtist*, *TheKedua*, *Moola*, *JomPaw* and *TeachMe*²³ to name a few. It is clear that Giggers are not only holding their own, but on all accounts consciously expanding the fields that they are playing in. As more organizations revamp their operating model and re-structure their traditional 'way of doing things' to a more efficient and refined approach which is on the back of technology, the Gig Economy is all set to flourish even more.

9. IN THE WORLD OF HR

As the Giggers gain further traction and the concept of the Gig becomes more acceptable, there are significant implications on the Future of Work as we see it.

Exclusions from social security benefits, inconsistent pay points and conditions of work, and the lack of a regulatory framework to effectively manage the relationship between the employer and the potential Gigger are only some of the

²³ <https://vulcanpost.com/687464/gig-economy-jobs-malaysia/>

critical factors at play. As organizations meander down this path of uncertainty as to how best to manage Giggers, the Human Capital Managers must now re-frame & re-engineer their workforce strategies and plans so as to make the best out of the situation at hand:

1. *Small, dedicated teams for Gigger related*

searches: Specific recruitment teams can be solely aligned to the search for gig workers. This will aid in the specific team to eventually grow a better understanding of the availability of a specific type of talent, terms & conditions of work as well as familiarize themselves with the dynamics of this constantly evolving environment.

2. *Fair terms & conditions:*

The Human Capital Management (HCM) function of an organisation can play a positive role in ensuring that fair contractual terms are in place that not only creates a positive image of the organization but also assures a safe place for the Gigger to work in. These will include absolute transparency, accountability & fairness in all transactions – whether recruitment, rewards and recognition or exit of the workers.

3. *Extremely simple onboarding processes:*

Due to the fact that tenure of Giggers is innately short, from several weeks to several months, the onboarding of potential Giggers must be equally compact yet holistic in nature as well. In so doing, not only are Giggers brought into the organisation quickly, but they also become productive adding value to the team in record time. The speed of connectivity of these Giggers to other team members is also critical for success of projects and to this must certainly be

considered within the on boarding process in totality.

4. *Performance management:*

Due to the very nature of the work, Gig workers must be evaluated on very different criteria of success. To this end, the HCM Team will need to craft metrics that are quantifiable, shorter termed, relevant, and more critically, outcomes based.

5. *Targeted employee benefits:*

In times where deliverables surpass expectations, HR might offer targeted Gigger benefits in the form of financial incentives / improved ratings/ special mentions on the platforms where the Giggers are located on. This not only profiles the Giggers for future work but lends credibility and soundness to the work that they do.

6. *Fair payment terms:*

The HCM team can also play a role in determining the payment terms that assures fairness and equity in tandem to the skills & capabilities of the Gigger.

7. *Attraction & Retention:*

Being the face of the organization, HCM can adopt a more refined strategy in terms of attracting good talent and working towards retaining them. Although the supply base for Giggers is on the rise, working with familiar talent is always a boon, as they behave akin to permanent workers of the organization. Hence, while attracting them to the organization is essential, HCM should also work towards building a path for the talented workforce as they return to the fold as Giggers.

8. *Talent Experiential Journey rather than Talent*

Management: With limited touchpoints, HCM can work towards offering a wholesome

‘journey experience’ for the Gig workers as against working towards ‘talent management’ which now becomes outdated simply due to the shorter tenure of the Giggers and the differing thoughts on the longer-term play relating to talent within the organization.

9. Address Diversity Equity and Inclusiveness (DEI) explicitly: In the wake of the increasing demand of a more representative workforce, HCM can consciously create opportunities towards accessing under-represented talent groups as the case may be.

10. CONCLUDING THOUGHTS – A QSA-ENROUTE PERSPECTIVE

From our in-depth study, the research as well as the various rich conversations and deep discussions that we have had with a variety of commentators

concerning the Gig Economy and its different facets – the opportunities, the challenges, the regulatory norms et al leads us to believe that organizations are indeed re-adjusting their workforce strategies in the wake of the changing scenario across the globe and specifically within Southeast Asia. Just viewing the numbers of the burgeoning segment of *Giggers* is evidence enough to make one sit back and take notice.

Whilst all looks great on the face of it, staying abreast with the realities of how the Gig Economy plays out on the ground and having a sound handle on the various grey areas is what will help the organisation sustain itself over the coming years.

The reality before us is as follows:

1. The Gig Economy is more than just a technological buzz phrase. Instead, it offers far reaching implications to those sitting on either side of the fence, be it on the “demand” or the “supply” side. Notwithstanding the fact that Gig Economy is complex while being beneficial, offers both fantastic opportunities, as well as emerging challenges for those keen to try it. With the number of Giggers increasing on a daily basis, ramifications of it going astray, if not effectively managed, are equally high.

2. Will the Gig Economy take over traditional work? We do not believe this to be the case. Although tasks can indeed be ‘gigified,’ this will only be possible to a certain extent as well as for certain jobs, requiring particular skills. It is unlikely that the entire economy will transcend to one which is purely Gig based. While the number of Giggers are estimated to increase over time, the work would primarily be centered around to either viewing them as “side hustles” or supplemental income, at least for the shorter term.

3. The Gig Economy appears to be more friendly towards businesses than the workers. With lesser responsibility placed on the shoulders of employers, organizations are getting a rather ‘sweet’ deal by employing Giggers. However, this is only due to the significantly low appreciation or understanding that the policy makers have of fractal employment as it stands today. It is more than merely ride shares and food deliveries.

4. Is the Gig Economy is surviving due to the availability of low skilled jobs? We do not believe this to be the case. What is playing out is the fragmentation and the depolarization of the work force as well as a reframing of the employment relationship between the employer and the Gigger. And if viewed holistically, it is merely an evolution of what we see as the Future of Work to be.

5. Technology will continue to drive the economy.

From the beginning of time, the constant upgrades to an improved life and lifestyle have been the primary force behind the revolutionary alterations and the dynamism with which the world lives by. The impact of automation in relation to simple uncomplicated processes, the effect of artificial intelligence, when it comes to analysis and decision making and the implication of robots in the workplace, will have significant impact on the Gig Economy. Already semblances of this are playing out in the work today.

However, an in-depth study of this may will be the focus of yet another White Paper.



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