

# CHAPTER 9

## GIG ECONOMY: THE RISE OF FREELANCERS & ITS IMPACT ON HUMAN RESOURCE (HR)

*Fadillah Ismail<sup>1</sup>, Adibah Abdul Kadir<sup>2</sup>, Nur Amalina Mohd Rosli<sup>3</sup>,  
Norasmihah Mohd Noor<sup>4</sup>*

<sup>1,2,3,4</sup>Faculty of Technology Management Business, University of Tun  
Hussien Onn Malaysia

[fadillah@uthm.edu.my](mailto:fadillah@uthm.edu.my)<sup>1</sup>  
[adibah\\_kadir@yahoo.com](mailto:adibah_kadir@yahoo.com)<sup>2</sup>  
[menarosli@gmail.com](mailto:menarosli@gmail.com)<sup>3</sup>

### 9.0 CONCEPT OF GIG ECONOMY

The platform labour economy has produced opportunities for flexible work and business innovation, yet it has likewise made critical monetary, social, and personal challenges for labourers. Gig work is problematic, which means usually low paid, brief, gives no well-being, preparing, or retirement advantages, and moves a greater amount of the danger of working together from the business to the contractual worker. Precarious work is related with well-being and social disparities (OECD, 2015; PEPSO, 2013), and certain defenceless gatherings have all the earmarks of being over represented in the gig economy – for example youngsters (millennial) and individuals on lower salaries (see: Balaram, Warden, & Wallace-Stephens, 2017; Block & Hennessy, 2017). This strain among need and opportunity (or push and force) is reflected in the wording used to depict gig work. For example, reporters concentrated on the advantages to firms and the perfect conceivable outcomes allude to this wonder as the "sharing," "synergistic," or "imaginative" economy (Botsman, 2013; Kuek et al., 2015; Schor, 2014), while others concentrated on the possibly negative consequences for laborers' prosperity have named it the "gig," "1099," or "chip away at interest" economy, notwithstanding describing specialists as the "precariat" (Block & Hennessy, 2017; Kalamar, 2013; Kenney & Zysman, 2016; Schor, 2016).

Gig economies are those economies where people showcase their abilities, regardless of whether in incompetent work markets, for example, Grab drivers, or as gifted experts, for example, coders who offer out their administrations on destinations, for example, Upwork. Somewhere in the range of 2005 and 2013, 85% of business development rose up out of the gig economy. In any case, numerous labourers are constrained into this gig economy and not by decision (Friedman, 2014). Utilizing gig economy organizations, specialists "[piece] together a job from a scope of exercises" (Huws & Joyce, 2016). Along these lines, outsourcing enables organizations to every one of a particular need while removing exorbitant enlisting forms—this enables organizations to hold monies for use on extra ventures (Ricker, 2017). Furthermore, this gig economy gives consultants the chance to settle on way of life decisions that a customary activity would not permit them. Gig economy specialists might most likely pick when and where they need to fill in just as the amount they charge for their administrations.

Regardless of the developing significance of the gig economy – and across the board media inclusion of explicit stage organizations like Grab – there is almost no thought about these labourers' inspirations, characteristics, and encounters. This report presents discoveries from a perusing audit of the friend inspected and dark written works so as to evaluate the condition of information on labourers' interest and involvement in the gig economy all around, and recommends headings for future research. It likewise describes the gig economy, the primary performers engaged with it, the sorts of vulnerabilities gig specialists face, and a few reactions by governments, the private area, and labourers themselves.

Specialists' encounters of the gig economy are critical to comprehend on the grounds that the stage work showcase has a few highlights that recognize it from other work:

1. The stage show muddies the conventional boss worker relationship by arranging workers as self-employed entities while exposing them to uncertain standards and criteria for progress.
2. Stage organizations disaggregate employments into micro tasks.
3. Stage organizations disaggregate the workforce, both topographically and socially.

These three disturbances have real ramifications for the prosperity of labourers in Malaysia and around the globe, which requires forward-looking reactions from policy producers, specialist co-ops, businesses, and labourers. Since gig specialists share a significant number of the equivalent powerlessly as different unstable labourers, arrangements around retirement arranging, benefits access, vocation and abilities advancement, and labourer and purchaser security, are fundamental to ensuring Malaysian specialists and the well-being of the Malaysian economy.

The writing checked on demonstrates that gig labourers are prevalent white, urban, male, and youthful (under 35), kid free, and single, with instruction levels higher than the national normal. This profile is changing; for example, more ladies and more established specialists are taking part, with critical cooperation contrasts relying upon locales and the sorts of work. Most labourers partake low maintenance – consolidating gig work with other pay streams and working through numerous stage organizations – and turnover is high, particularly for youngsters.

The fundamental reason labourers give for taking an interest in the gig economy is additional salary. An optional intention in the writing is adaptability and self-rule. Inspirations can be isolated into "push" (joblessness, under employment) and "draw" (adaptability, salary) factors. For specialists in Low-and Middle-pay Countries, one key reason referred to is higher salary compensation, since stage organizations can possibly associate specialists whose abilities might be underutilized in their neighbourhood work markets to worldwide chances. There was a general positive impression of gig work; however creators addressed how well these inspirational desires are really figured it out.

## **9.1 IMPACT TO HR: CHALLENGES AND OPPORTUNITIES**

The effect of any pattern is regularly dark, with interlacing difficulties and openings. It isn't any unique with the gig economy. Despite the fact that this is a developing pattern, it right now envelops a little bit of world's enrolment showcase. In any case, this is set to change as the gig economy is figure to be valued at roughly \$63 billion by year 2020, as indicated by Pricewaterhouse Coopers(PwC). It will be a rising test for HR as it is one of the principal divisions in an

organization to manage provisional labourers. A test that is best managed right off the bat.

PwC found that fewer than 30% of managers are strategizing their future ability acquisitions dependent on the rise of the gig economy, interestingly with up to 46% of HR experts anticipating that their workforce should be comprised of in any event 20% contractors by 2020. Disparaging the interest for contract-based occupations hampers HR experts' premonition in sourcing for gifts. Employment searchers with the right, or many more than sufficient abilities might be neglected by enrolment specialists essentially in light of the fact that there is a hole in legally binding – all day work desires. This thus, backs off enlisting, which could conceivably bring down profitability, also in a roundabout way denying an organization of good abilities.

The gig economy isn't the main pattern that is developing; worker commitment, working environment culture, and work adaptability/versatility are likewise on the ascent. The weight will be on HR to consolidate them to make a superior work environment for representatives.

Being provisional labourers, they are probably to see little requirement for whatever else but to complete their work. All things considered, the subsequent absence of adherence to work environment culture would upset the unpredictable parity in the work environment and this could cause uneasiness level to ascend among lasting staff. HR experts should be nimbler and increasingly proactive with regards to overseeing contractors.

The nearness of provisional labourers emphasizes the dimension of work adaptability/versatility inside the work environment. This will unavoidably unsettle the happiness of some perpetual staff, bringing up issues, for example, "how am I unique in relation to him/her?", "for what reason wouldn't i be able to have greater adaptability as well?". The apparent imbalance is one-sided regardless, so HR experts will have a challenging situation to deal with; to make mindfulness among lasting staff over the upsides and downsides of being an authoritative labourer.

Regardless of the difficulties, there are additionally openings that HR experts can abuse. Contractors are moderately more cost proficient in light of the fact that in the long haul, organizations save money on use identified with employing lasting staff. Making a database of provisional labourers that can meet the prerequisites of the organization regarding work quality and cost will improve the scan for

abilities. Over this, HR experts who are proactive will be on the steady post for abilities who can give their organizations a decent incentive. In this sense, HR stands to enhance the organization.

One can expect the ranges of abilities of contractors to be consistently advancing to take into account their interest for adaptability in vocations. In that capacity, a contractor in the coming years might be multi-gifted. Over this, there is the additional component of expanded expansion in worker profile. This is the place HR experts can climb the esteem tie by taking up increasingly vital jobs in distinguishing, overseeing and tapping onto the pool of accessible contractors. A different ability pool that is multi-gifted and requires impromptu acquirement will require the assistance of innovation to appropriately oversee. On the off chance that there isn't as of now motivation to push for HR the board frameworks or information expository, this is the best time to do as such.

The rise of different patterns in the work advertises is unavoidable and bring much difficulty. Similarly as with any pattern, the maintainability of the gig economy isn't sure. HR experts can generally overlook it as another prevailing fashion. However, the inquiry isn't whether the gig economy is a prevailing fashion. The inquiry is, consider the possibility that it isn't. How HR experts react to rising difficulties will demonstrate basic to ability parched organizations and employment searchers alike.

## **9.2 CONCLUSION**

The ascent and development of the gig economy brings up the issue of to what degree this work is new or distinctive contrasted with customary work. Organizations and governments see openings when shoppers and organizations find better approaches for giving administrations and when inactive limit is being used. This, for instance, incorporates sustenance conveyance, traveller transport, and expert and local administrations, (for example, cleaning) through stages. In the gig economy, free market activity is united all the more effectively with inventive innovation by moderately youthful organizations. In the meantime, various inquiries emerge with respect to what the gig economy is actually; how huge the wonder is or can possibly progress toward becoming; and to what degree this involves new types of working. It isn't in every case clear how the work ought to be characterized regarding work law, government managed savings law, or duty law.

While some may contend that the ascent of the Gig Economy is only a business prevailing fashion, there is no denying that there has been a significant increment in independent work in the recent years. This pattern will cause for a significantly increasingly mixed workforce and extra difficulties for HR and Business pioneers. Thus, it significant for associations to get ready for this worldwide move in the ability scene so as to be deliberately very much situated for future development.

Macroeconomic powers will decide how the HR work, similar to every single corporate capacity, will develop after some time. In 10 years, low birth rates, relative high-talented work request crosswise over both rising and propelled economies, and innovation democratization will quicken the foundation of the worldwide gig economy. Asian organizations are as yet customary in nature, particularly in Asian author drove combinations where the general population at the best will in general be original pioneers, and seeking after their kids to assume control over the rudder. However, the children and little girls of these entrepreneurs will in general be taught in the West at Ivy League schools where they find out about the festival of the individual, so this is making a sandwich age in Asia. With respect to the gig economy, the more youthful pioneers, who will take over enormous organizations crosswise over Asia, realize that it is coming. These second-or third-age pioneers will have the dominant part say, in time.

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the seeds of your reputation.”