

## The Preparedness of Undergraduate Students to Take on the Gig Economy

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**Abstract:** The goal of this research is to examine the level of preparation of undergraduate students at a Malaysian public university to enter the gig economy. One of the platforms that have evolved with the Industrial Revolution 4.0 is the gig economy, or sharing economy, which students have mostly exploited to fund their study expenses. Characteristics like perceived usefulness, social influence, and perceived risk were used to identify students' willingness to participate in the gig economy. The researchers used Google Forms to administer surveys to our respondents to investigate which traits have the most impact on students' readiness to participate in the gig economy. Non-probability sampling, also known as purposive sampling, was used by the researchers. The sample frame for this study is made up of undergraduate students enrolled in business and management courses. Multiple regression was used to examine the responses of 106 undergraduate students. According to the findings of this study, two hypotheses, perceived utility and social influence, have been supported, whereas one, perceived risk, was rejected. This investigation led to the conclusion that there may be additional factors influencing students' willingness to engage in the gig economy that were not discovered in this study.

**Keywords:** *Gig economy, perceived usefulness, social Influence and perceived risks, undergraduate students.*

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### 1. Introduction

The gig economy is seeing significant expansion and increasing significance within the realm of online platforms, constituting a notable segment of the labor market. The intrinsic properties of technology facilitate seamless international connectivity and communication. The utilization of online platforms in the gig economy is essential due to the prevalent requirement for freelancers to establish an online presence. Many students opt to engage in part-time employment or freelance work as a means of augmenting their financial resources. Examples of popular gig marketplaces include Upwork, Fiverr, and Airbnb.

The emergence of the gig economy in Malaysia has been observed as a trend due to the employment prospects and benefits it offers within this subsector. According to Jaafar (2020), it is projected that gig workers will comprise 40% of the Malaysian workforce and make a contribution of 26% to the country's economic growth within the next five years. According to a study conducted by Harun et al. (2020) in Malaysia, it was found that the age group with the greatest percentage of gig employment was individuals between 25 and 34 years old, accounting for 37.6% of the total. Furthermore, it was observed that 40.8% of gig workers in Malaysia possess a tertiary education. Additionally, gig workers were categorized into three primary areas, including agriculture, industry, and services. The services sector exhibited the largest proportion of gig employees, comprising 97.0 percent of the total. Within this sector, the majority of gig workers were engaged in wholesale and retail trade activities, accounting for 36.8 percent, followed by transportation and storage activities, which accounted for 16.2 percent of the total number of gig workers.

The gig or sharing economy is a platform frequently utilized by students to generate supplementary income for their educational expenses. Recognizing the foundational role of abilities and latent aptitude, skills play a crucial and indispensable role in the gig economy. Students' increasing participation in the freelance economy can be attributed to a mix of factors. In the first place, technology has played a crucial role. Mobile apps and online platforms have made it exceedingly simple for students to gain access to a vast array of gig opportunities, including ridesharing, food delivery, freelance writing, and graphic design. These online

platforms have simplified work, enabling students to become their bosses, establish their schedules, and select gigs that match their skills and interests.

The gig economy is currently subjecting individuals to increased pressure in terms of their capacity to acquire knowledge about the jobs they undertake as well as their respective areas of specialization, hence challenging their competitiveness. In light of the persistent expansion of the gig economy, Ungureanu (2019) asserts that the hiring and recruitment sectors are compelled to devise innovative approaches aimed at dismantling traditional employment frameworks. The adaptation process to the gig economy may pose challenges for students in particular. The gig economy may provide students with financial relief and greater freedom, but it also presents them with a new set of obstacles, particularly in terms of balancing their academic responsibilities. Keeping up with classes, examinations, and projects while also doing gigs can be challenging and exhausting, which may have an impact on both academic achievement and general well-being. As a consequence of this, students are required to have the ability to strike a careful balance between the various jobs they hold and their academic interests.

The research aims of this study are to identify the attributes that contribute to students' preparedness for engaging in the gig economy, as outlined below:

RO1: To determine a relationship between social influence, perceived usefulness perceived risks, and preparedness of students in the gig economy.

## 2. Literature Review

**Perceived Usefulness:** The definition of perceived usefulness is "the degree to which a person believes that using a particular system would enhance his or her job performance." A person's perception of their usefulness is based on the actions they take to achieve a specific goal, claim Lu and Su (2009). A person frequently feels pleased or joyful when engaging in the behavior, in addition to benefiting from output rewards or engaging in the behavior under specific circumstances. Perceived usefulness has a big impact on students' interest in the gig economy (Asih et al., 2019). Students' motivation to participate in the gig economy is likely to grow when they view gig labor to be advantageous and related to their needs and objectives. For instance, students are drawn to the so-called "gig economy" because they see it as earning money quickly and with some degree of flexibility. Students are more likely to regard the gig economy as valuable and, as a result, be more interested in participating in it if they believe that it can assist them in covering tuition fees, living expenses, or payments on student loans. In addition, the enhancement of skills is another crucial element that influences students' decisions to embark on the gig economy. Students can typically find a wide variety of career options in the gig economy, which allows them to develop new skills and experiences. Students have a greater propensity to regard side gig employment as valuable and engaging if they are under the impression that it can contribute to their overall personal and professional growth. Apart from this, the perceived usefulness of the gig economy is enhanced when students acknowledge its seamless integration into their academic timetable. Individuals who hold the belief that gig opportunities can effectively match their class schedules, study sessions, and examination periods are more inclined to perceive gig work as a convenient means of balancing academic pursuits and generating revenue.

**H1:** Perceived usefulness has a significant relationship to the preparation of students to take on the gig economy.

**Social Influence:** Social influence is the process by which people modify their behavior to fit social norms. As stated by French et al. (1959), social influence is all about how people might influence another either by another person, a role, a norm, a group, or a part of a group. Conformity, socialization, peer pressure, obedience, leadership, persuasion, sales, and marketing are just a few of their numerous manifestations. The phenomenon of social influence exerts a significant influence on the level of interest exhibited by students towards the gig economy. The influence of peer attitudes, family opinions, and social perceptions is significant in shaping students' perspectives about gig work and their decision to engage in it, Auditianto et al. (2019). For instance, peer pressure may have an impact on students' decisions to participate in the gig economy. By observing their peers participating in the gig economy and experiencing favorable outcomes, such as financial

gains, valuable experiences, and flexible schedules, students may be more inclined to develop an interest and emulate their peers' actions. In addition, educational institutions might also contribute to this factor. If higher education institutions actively incorporate entrepreneurship, freelancing, or gig work into their career development programs, it is plausible that students might have a higher inclination toward exploring gig options. On the other hand, establishments that predominantly prioritize traditional paths to employment may discourage engagement in the gig economy. This statement is also supported by Caza (2020), who highlights some significant contributions of this institutional influence. Since numerous sessional educators are gig workers, they will have current, close experience with gig employment. One could argue that higher education has led the organizational shift toward the gig economy. Institutions and tenure-track faculty can learn from lecturers and temporary university workers. Gig work may also affect lecturers' prestige and worth. Most colleges have employees who know a lot about gig work, but it's unclear if they use that information in the classroom.

**H2:** Social influence has a significant relationship to the preparation of students to take on the gig economy.

**Perceived Risks:** Financial and professional hazards are increasing for gig workers. This happens when a worker's ability to maintain ownership of the tools of his or her trade depends on several external factors. Students' interest in working in the gig economy might be strongly impacted by their perceptions of the risks involved. Students may be less likely to participate in gig work if they have a perception that it is risky. Usually, there are several perceived risks in the gig economy such as inadequate income, personal safety, and deactivation from the platform (Mpofu et al. 2020). As a matter of financial instability, some students perceived that this risk might hinder their venture on this platform. Students may be concerned about the unpredictable income that can accompany gig work. The absence of a consistent salary or benefits such as health insurance and retirement plans can discourage students who seek financial security, particularly if they have substantial financial obligations such as student loans. In addition, job security is another determinant that can be related to perceived risks in the gig economy. The gig economy frequently exhibits a deficiency in job security that is typically offered by traditional types of work. Many students may experience concern regarding possible unexpected discontinuation of employment or encounter challenges in securing alternative opportunities. The presence of insecurity may act as a disincentive, particularly when students place a higher emphasis on long-term stability. Moreover, concerns about the lack of worker rights in the gig economy, such as unemployment and workers' compensation, among students is understandable. Students may be cautious about taking on gig labor due to the lack of these safety nets if they are concerned about their health or future employment.

**H3:** Perceived risks have a significant relationship to the preparation of students to take on the gig economy.

### 3. Methodology

The target population is undergraduate students located at public universities in Malaysia. Based on purposive sampling, 106 respondents were obtained, and these respondents represent all-level business and management students at their universities. The current study comprises four main variables: perceived usefulness, social influence, perceived risks, and the preparation of students to take on the gig economy. The items were adopted from the previous studies, especially those closely related to organizations' contexts, and all the variables were measured using the five-point Likert scale.

### 4. Findings

Cronbach's alpha was carried out, and as shown in Table 1, the alpha value ( $\alpha$ ) for all items was above 0.6. Therefore, it can be concluded that the items applied in this study were valid and reliable. Due to the  $\alpha$  value being close to 1, it can be considered that the variables used have a high level of reliability. Next, Table 2 shows the breakdown of the respondents by gender, age group, semester and types of jobs currently ventured by the students. The majority of respondents were female and mostly they are at age of 22-25 years old with 77.4%. As for the types of jobs in the gig economy, dropship indicated a high percentage at 36.8% followed by personal shopper with 24.5%. In addition, students are also involved in e-hailing and p-hailing services with 20.8% combined value.

**Table 1: Reliability Analysis**

| Variable  | Number of Items | Cronbach's Alpha |
|---|-----------------|------------------|
| Perceived usefulness                            | 6               | 0.867            |
| Social influence                                | 5               | 0.699            |
| Perceived risks                                 | 5               | 0.732            |
| Preparation of students to take the gig economy | 5               | 0.656            |

**Table 2: Respondents Profile**

| Criteria      | Category         | Number | Percentage |
|---------------|------------------|--------|------------|
| Gender        | Male             | 23     | 21.7       |
|               | Female           | 83     | 78.3       |
| Age Group     | 18-21            | 21     | 19.8       |
|               | 22-25            | 82     | 77.4       |
|               | 26-29            | 3      | 2.8        |
| Semester      | Semester 1       | 8      | 7.5        |
|               | Semester 2       | 22     | 20.8       |
|               | Semester 3       | 12     | 11.3       |
|               | Semester 4       | 32     | 30.2       |
|               | Final Semester   | 32     | 30.2       |
| Types of jobs | E-hailing        | 9      | 8.5        |
|               | Dropships        | 39     | 36.8       |
|               | P-hailing        | 13     | 12.3       |
|               | Coaching         | 4      | 3.8        |
|               | Tutoring         | 12     | 11.3       |
|               | Personal Shopper | 26     | 24.5       |
|               | Others           | 3      | 2.8        |

**Table 3: Result of Multiple Regression**

| Dependent variable: Preparation of students to take the gig economy |                                 |       |
|---|---------------------------------|-------|
| Independent variables   | Standardized Coefficient (BETA) | Sig.  |
| (Constant)  |                                 |       |
| Perceived usefulness  | 0.317                           | 0.001 |
| Social influence  | 0.223                           | 0.017 |
| Perceived risks   | 0.144                           | 0.114 |
| F value   | 11.953                          |       |
| R square  | 0.260                           |       |

## 5. Conclusion and Discussion

Based on Table 3 above, the only variable with an insignificant relationship is perceived risks, whose significant value is 0.114 as it is greater than 0.05. This finding is consistent with Asih et al. (2019), whose findings found that perceived risks are among the insignificant determinants that influence people's interest in the online gig economy. Moreover, the result specifies the positive relationship between the perceived usefulness, social influence, and preparation of students to take on the gig economy, with significant values of 0.001 and 0.017, respectively. In addition, comparing the two significant predictors, perceived usefulness is the main dominating factor that influences the preparation of students to take on the gig economy, as this predictor has a higher beta value (0.317) compared to other predictors.

Students may be motivated to actively participate in the gig economy, seek out opportunities that are in line with their goals, and develop relevant skills because of the perception that the gig economy is useful. In addition to this, it can give them the ability to successfully juggle their academic and professional duties while also encouraging an entrepreneurial spirit and increasing their level of financial independence. In the end, a

student's overall experiences and outcomes in the realm of gig employment can be significantly influenced by how valuable they believe the gig economy to be. Students are more inclined to engage in the gig economy if they have a positive impression of it and see its potential for financial gain. They might be driven to look for possibilities, sign up for platforms that host gigs, and actively pursue gigs to make money and develop experience. Another implication might be seen in skill development among students resulting from the gig economy. Students may deliberately seek out gigs that offer the opportunity to acquire and perfect valuable abilities since they are aware of the benefits that students can derive from working gigs for skill development. They may see the gig economy as a viable option to improve their employability and obtain experience in the real world. Last but not least, the implications from the perspective of networking opportunities. Students may interact actively with clients, customers, and fellow gig employees in recognition of the networking and relationship-building benefits of gig work. This can lead to beneficial connections for future careers. Despite the increasing popularity of gig-based work, the majority of universities have not yet made substantial adjustments to their curricula to accommodate this new trend. This means that many students will graduate without the skills necessary for advancement, as their future careers will entail a greater variety of jobs, especially in the gig economy sector (Radic et al., 2022). Therefore, it is imperative to urge all institutions of higher education to undertake curriculum reviews to address these changes and trends, mirroring the proactive approach taken by universities in implementing entrepreneurship programs that enable students to generate income while pursuing their studies and enhance their prospects for employment (Ghazali, 2021).

Future studies would want to think about including questions about potential changes for the gig economy to support long-term development to strengthen the specificity of their conclusions and the relevance of their findings about students' preparedness for the gig economy. This would help to enhance the specificity of the conclusions and increase their relevance. In addition, individuals who plan to carry out studies on the degree to which students are prepared for the gig economy will find that various sectors have room for additional development. Increased respondent numbers, a wider range of demographics, and other factors could broaden the study's scope. For instance, future researchers might consider how the gig economy might impact students' mental health, worker protection, technological competence, and socioeconomic background and influence their participation in the gig economy.

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