

# Factors Influencing Young Workers Towards Digital Labour Platform

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## ABSTRACT

Technological advancement has transformed the lives of people in every aspect. The disruption can be reflected in the employment relationship between employer and employee in the digital labour platform. Digital labour platforms existed before the COVID-19 pandemic and continue to evolve in the world of work. Due to the flexibility offered in gig economy, it has attracted workers to work in digital labour platforms, predominantly young workers. However, the lack of labour rights and social security protection for workers in digital labour platforms has withdrawn the young workers from the labour market. This study aims to investigate the factors influencing young workers to work in digital labour platforms and the challenges they faced while working on digital labour platform. In this study, a qualitative approach in the form of a semi-structured interview is adopted to reach the objectives of this study. Five young workers between the ages of 18 and 24 years old working on digital labour platforms were interviewed for this research. Thematic analysis is used to analyze the data. Research shows that young persons are attracted to work on digital labour platforms because of flexible working arrangements and high earnings. The findings of this study extend the discussion on gig economy by focusing on digital labour platform. Practically this study provides insight into digital labour platforms, benefiting platform providers on how they can improve their platform and attract more workers to work on their platforms.

**Keywords:** Digital Labour Platform, Young Worker, Flexible Working Arrangement, Income, Social Security Protection

## 1) INTRODUCTION:

Technology's rapid advancement has transformed the way people live, work, and connect, leading in a dynamic online era that permeates modern life. Digital platform represents online technologies or infrastructures that facilitate the exchange of goods, services or information between users [1]. It is an online platform where stakeholders such as customers, suppliers and manufacturers can participate, accomplish transactions, and interoperate with each other. One significant outcome of this transformation is the emergence of digital labor platforms, which have redefined traditional work models by connecting employers and workers through digital means. Digital labor platforms represent a growing trend in the labor market, continuing to expand rapidly in the post-pandemic era [2].

The gig economy in Malaysia expanded by 26% of the country's overall economic growth, and 25.3% of Malaysians now work as freelancers [3]. The convenience and flexibility provided by digital platforms have increasingly attracted individuals, particularly younger generations to work in the digital labour platform. This is because digital labour platforms empower individuals by offering the autonomy to select jobs that align with their preferences and skills [4]. While the benefits of technological advancements are undeniable, they also come with certain drawbacks. Despite the rapid growth of digital labor platforms, the absence of a regulatory framework to mitigate the adverse effects of technology has emerged as a significant concern [5]. For instance, people who work on digital labour platforms are under a contract for service. Therefore, platform workers are disqualified from claiming for labour rights such as overtime payment, sick leave, public holidays and annual leave. This is because, for workers to be eligible for

employment rights protection in Malaysia, they must be under a contract of service. Platform workers find it difficult to claim for their injuries suffered while working on digital labour platform, they are also not qualified for termination benefits and retirement benefits. Between 2018 and May 2022, Malaysia recorded a total of 1,242 road accidents involving delivery drivers. These incidents resulted in 112 fatalities, 82 cases of serious injury, and 1,048 minor injuries [6]. This study aims to investigate the factors influencing young workers to work in digital labour platforms and the challenges they faced while working on digital labour platforms.

## 2) LITERATURE REVIEW

Digital platform is designed to enable seamless interaction and communication between service providers and customers [7]. A digital platform serves as a networked space where information, goods, or services are exchanged between producers and consumers [8]. There are three characteristics of digital platforms: firstly, they are technologically mediated; second, they facilitate contact among user groups; and third, they enable those user groups to do particular tasks [9]. It is widely used in various areas such as in business. Therefore, the digital platform has changed the surroundings in many sectors, including transportation, hospitality and software development [10]. Digital platforms take various forms, depending on the business model they adopt and the specific purpose they aim to fulfill. Examples of digital platforms include social media platforms, knowledge-sharing platforms, media-sharing platforms and service-oriented platforms. Examples of social media platforms include Facebook, Instagram, Twitter and LinkedIn, while knowledge platforms include Quora, StackOverflow and Reddit. Media-sharing platforms feature services like Spotify and YouTube, and service-oriented platforms consist of Airbnb and Uber.

Digital labour platforms are online marketplaces that utilize digital technology to connect workers in a variety of jobs or services with employers [11]. These platforms are closely associated with the gig economy and work as intermediaries, utilising algorithms to efficiently match gig workers with job opportunities [12]. The "gig economy", defined in terms of short-term, flexible work, gains from the ability of platforms to offer a wide range of tasks, from traditional freelance work to non-routine services [13]. Digital labour platforms highlight the benefits of flexibility by allowing workers to choose when and where they work, facilitating the ability to work on multiple tasks at once or switch tasks easily. In Malaysia, Grab is the leading service-oriented platform for e-hailing, while Grab Food dominates the p-hailing sector, followed by FoodPanda [14]. E-hailing refers to transportation services in which passengers book a vehicle via apps. In contrast, p-hailing involves delivery of parcels and food ordered by customers via apps [15]. Despite digital labour platforms having increased the availability and flexibility of work, there are still concerns about job security, labour rights and potential exploitation, prompting ongoing discussions about regulations and their impact on traditional employment models.

Young workers in the context of this study are defined as those between the ages of 15 and 24 years. This definition is according to the definition of young workers as outlined under the International Labour Organisation [16]. Young workers are also defined as people who work either part-time while studying as students or full-time [17]. Most of the young workers are from generation Z. Generation Z is a group of individuals who place a strong emphasis on staying connected, relying extensively on advanced technology, tech-driven lifestyles, and social media [18]. In recent years, the demand for flexible working hours has been steadily increasing, with flexible working time arrangements emerging as a popular choice [19]. The practice of flexible working hours allows employees to adjust their working times within specified parameters set by the employer [20]. The flexibility extends beyond working hours and locations, comprising arrangements like job-sharing, providing reduced work hours while tapping into diverse skills [21]. Flexible working hours offer advantages such as improved work-life balance, reduced stress, and enhanced general health. However, challenges include scheduling and communication difficulties, as divergent schedules may hinder teamwork and coordination, potentially slowing decision-making and reducing communication efficiency. Digital labour platforms offered unparalleled flexibility and revolutionized the structure of work. The digital labour platforms give individuals the freedom to choose where and when they work and to cater to different lifestyles. The remote nature of these opportunities allows workers to work from virtually any location, facilitating the decentralisation of the workforce [22]. Task-based assignments and freelance models have replaced traditional employment structures, empowering individuals to choose projects that match their skills and interests [23].

The global surge in digital labour platforms reflects a growing trend where individuals seek primary or supplementary income through informal and non-standard employment. This shift has profound implications for the intricate relationship between income and subjective well-being, a topic extensively debated in scholarly circles [24]. Digital labour platforms offer flexible income mechanisms, enabling workers to earn income anywhere and providing

employment pathways for those who might otherwise face unemployment. This adaptability caters to diverse preferences, accommodating individuals seeking full-time, part-time, or supplementary sources of income. Beyond conventional job marketplaces, the flexibility of digital labour platform work addresses the needs of workers with varied skill sets and availability, contributing to the evolving landscape of contemporary employment. Gig workers are paid more compared to their previous jobs, and some of them even mentioned that gig workers are similar paid as much as traditional jobs. It is the reason that these individuals will choose to be part of the platform job market, which is precisely because the platform work provides them with a more appropriate arrangement.

Self-employment, often synonymous with freelance work, holds various forms, including business owners, independent contractors, freelancers, and temporary employees. According to the Department of Statistics Malaysia, a self-employed individual is defined as someone who runs their own business or trade without employing any workers [25]. This mode of work offers advantages such as flexible working hours, potential work-life balance, and significant income potential. Digital labour platforms are recognized as valuable sources of work information for the self-employed [26]. However, regulatory challenges arise, as seen in cases like Uber, where the employment status is contested. While the majority of young workers on digital labour platforms are deemed self-employed, some may fall under a contract of service [27]. In contract for service, the relationship is between employer and independent contractor. This is different if compared to contract of service as the employment relationship is between employer and employee [28]. It defines the parameters of the relationship, including the level of control, the ability to replace employees, profit-sharing, and other benefits or liabilities. It outlines the terms of the relationship, such as the degree of control, the capacity to hire new staff, profit-sharing, and any other benefits or obligations [29]. When platform workers are classified under a contract for service, they experience heightened autonomy but face challenges such as the absence of traditional employment benefits and limited legal protections. Enjoying flexibility in work arrangements and entrepreneurial opportunities, they must manage their taxes independently. However, this classification brings increased risk and liability, with limited job security and potential impacts on pricing due to market competition. While providing negotiation power, the evolving gig economy landscape calls for a nuanced understanding of worker rights and fair treatment, prompting ongoing discussions about the proper classification and regulation of platform work.

The definition of young workers under the Children and Young Persons (Employment) Act 1966 in Malaysia covers individuals aged 15 to 18, contrary from the International Labour Organization's (ILO) broader definition, considering youth as individuals aged 15 to 24. Malaysia's Employment Act 1955 distinguishes between a contract of service and a contract for service, with the former establishing an employer-employee relationship and the latter signifying an arrangement between a company and a self-employed person. Case laws such as *Ready Mixed Concrete Ltd v Minister of Pensions (1968)* and *Bata Shoe Company (Malaya) Ltd v. EPF (1967)* set precedents emphasizing the distinction between employees and independent contractors [30]. As a summary, the principles in these cases emphasise the importance of the employer's control and supervision in determining a contract of service. Young workers under a contract for service are not qualified to claim for insurance coverage from employers because of their status as gig workers. It is important for the government to recognize platform workers as employees under the Employment Act of 1955 to improve their labour rights on the digital labour platforms. Based on the above literature review, it can be observed that despite various studies have been conducted on the gig workers working in the digital labour platform, however, no studies yet that have been conducted on the factors that influence young workers to participate on digital labour platform and how to improve protection for this vulnerable group of workers.

### 3) METHODOLOGY:

Qualitative research method was chosen as the method of this study. In this study, the respondents are young workers who works in location-based platform in Johor Bahru, Malaysia. Specifically, it is focused to p-hailing and e-hailing platforms as it is the largest numbers of gig workers in Malaysia. Table 1 describes the type of work, and the coding used for the purpose of this discussion. Semi-structured interview method was used to collect data from respondents. Semi-structured interviews are done by asking a standardized set of questions to interviewees, but this method can also be considered as a conversation constructed on the basis of new information gained as the interview discussion unfolds [30]. Questions can be open-ended, which means that no response criteria are provided, and data is obtained directly from the respondent. There are 11 questions asked to respondents. The data obtained is analyzed using thematic analysis. Thematic analysis is one of the flexible methods that allow researchers to focus on data in a number of different ways [31]. Thematic analysis method is considered suitable for interview method, as such analysis helps

to achieve the objective of the study and guides respondents well during semi-structured interviews. This research also employed content analysis. Content analysis is a type of research method used to establish the presence or absence of specific words, themes, or concepts in particular qualitative data [32]. Content analysis is used to analyse the article journal, government statistics and parliamentary statutes. In this study, five young workers were interviewed. The respondents were chosen based on the age and the type of platform used by the respondents to perform work.

**Table 1**  
Respondent's Background

<b>Respondent(s)</b>	<b>Age</b>	<b>Type of Work</b>	<b>Working Experience</b>
Respondent 1	24 years old	P-hailing	2 years
Respondent 2	23 years old	E-hailing	3 months
Respondent 3	24 years old	E-hailing	3 months
Respondent 4	23 years old	E-hailing	6 months
Respondent 5	22 years old	E-hailing	1 year

#### 4) RESULTS AND DISCUSSION

##### **Income Opportunities**

Income is one of the factors that influence young people to work on digital labour platforms. Many youths seek additional income to support themselves during their study period. This can be seen in the following feedback from the respondents:

*"In my opinion, working on digital platform is the most profitable. During my semester break, I could earn up to RM4200 a month".* (Respondent 1)

The earnings depends on how many job they perform using the platform. According to respondents:

*"I can earn around RM400 per month."* (Respondent 2)

*"I can earn at least RM100 per month. But if I concentrate on it, I might earn around RM300 or more than that."* (Respondent 3)

*"Roughly, I would say I earn around RM400 per month."* (Respondent 4)

*"Usually around RM500 to RM800 depending on how many hours I work during the month".* (Respondent 5)

Respondents 2,3,4 and 5 are satisfied with their current income from working on digital labour platform except for Respondent 1 who is not satisfied with his current earnings from working on digital labour platform.

##### **Flexible Working Arrangement**

Flexible working arrangement offered by the digital labour platform is also a factor in attracting young workers to digital labor platforms. Respondents indicated that they chose to work on digital labour platforms because they can choose when and how long to perform work.

*"The platform is ideal for students due to its flexible hours."* (Respondent 2)

*"I choose to work on because it's easy and flexible. I can work around my class schedule."* (Respondent 4)

*"I like to work using the apps due to the flexible hours."* (Respondent 5)

*"The time to send and pick up a customer is 20 minutes, including delays and traffic for at least 1 trip."* (Respondent 3)

Unlike traditional employment, digital labour platforms empower individuals with the freedom to choose when, where, and how they work. This flexibility aligns perfectly with the priorities of youth who often seek a better work-life balance, especially when juggling academic responsibilities, personal commitments, or other part-time jobs. According to respondents, most of them are university students, they perform platform work in average for four hours a day.

*"I usually work three or four hours a day".* (Respondent 2)

*"I usually work about 4 hours per day but may work longer if I don't have a class that day".* (Respondent 4)

*"It depends on my mood. I usually work around 3-4 hours per day, or when I reach my minimum goal".* (Respondent 5)

*"Usually, I work around 10 to 12 hours a day. Before that, during the semester break, I worked the whole day. Sometimes I work once a week, but usually I work every day."* (Respondent 1)

### **Challenges and Recommendations**

Respondents stated that they encountered variety of challenges while working on digital labour platform.

*"The challenges I face as a driver include accidents, inconsistent weather and changes in company policies. The salary paid by the company is always changing. The salary is different between one company and to another. In one company the salary is calculated daily while in another company the salary is calculated on a weekly basis."* (Respondent 1)

*"First challenge is in term of competition. There are also many drivers out there, so the competition is very high. Second, on the customer's behaviour, for example, when the customer is late."* (Respondent 2)

*"It's all about money. Need to prepare savings for an emergency, in case the car breaks down. Needs to have money to pay for the internet connection."* (Respondent 3)

*"It can be a tiring job and you always have to look at your phone".* (Respondent 4)

*"Based on my experience, the challenge I face is that without realizing it I tend to work overtime and more than my own ability and unconsciously I spend a lot of time working when I have assignments and project work that need to be completed in the near future."* (Respondent 5)

The primary factors influencing young workers to engage in digital labour platforms are flexible working arrangement and income opportunities. They appreciate the ability to choose when to work, which is particularly beneficial for students who make up the majority of participants. Income is another significant factor, with earnings linked to hours worked. Most respondents, engaged in gig work, find satisfaction in their current income levels, averaging around RM300 per month. Overall, digital labour platforms offer an appealing alternative for young student workers seeking flexibility and income without committing to permanent roles. Young workers were attracted to the flexibility offered by working in digital labour platforms [33]. Findings show that minimum wage rule is not applied to digital labour platform workers. Young people working digital labour platform are exposed to accidents and injuries without having the chance to claim for compensation.

## **5) CONCLUSION**

In conclusion, the study sheds light on the growing trend of young workers engaging in digital labour platforms as an alternative to traditional employment. Despite the preference for such platforms, the research underscores the lack of social protection and labour rights for these individuals. The factors influencing this choice, including flexible working arrangement and high income. The study advocates for the establishment of a legal framework to address the unique needs of young workers in the digital labour platform sector. By employing a qualitative approach which is semi-structured interviews with five respondents, the research contributes valuable insights into this evolving aspect of the labour market. In addition, it is encouraged that future researchers expand the scope of the study to include respondents from all types of digital platforms in addition to location-based digital platforms. In addition, investigating additional factors like skill development, diverse opportunities, or other influences on young workers in digital labor platforms, and increasing the number of respondents, could enhance the robustness of the study. For policymakers, recommendations relate to the creation of a legal framework specifically for young workers in the field of digital labour platforms. Recognise their human rights and ensure that social protection is aligned with existing



employment laws. In addition, despite the flexibility of working arrangement for digital labour platform workers, it is recommended that a minimum wage be set for them to ensure fair remuneration and economic security [34]. Together, these measures aim to promote the empowerment and well-being of young workers in the digital sphere. The findings emphasize the importance of ensuring the well-being and rights of young workers navigating the digital landscape.

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