

GIG ECONOMY: What is the Impact on Top Talent Recruitment and Labour Skill Market for Freelance Workers in the Millennial Generation in DKI Jakarta?

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Submitted: 11th Sept 2023/ **Edited:** 30th Dec 2023/ **Issued:** 01st January 2024

Cited on: Hasan, D., Nuraeni, N., Nursyirwan, V. I., Tantri, M., & Kinasih, D. H. P. (2024). GIG ECONOMY: What is the Impact on Top Talent Recruitment and Labour Skill Market for Freelance Workers in the Millennial Generation in DKI Jakarta?.

SCIENTIFIC JOURNAL OF REFLECTION: Economic, Accounting, Management and Business, 7(1), 1-11.

ABSTRACT

The aim of this research is to measure freelance workers' perceptions of the impact of being part of the Gig Economy. This research also aims to find out the perceptions of workers, especially the millennial generation, from various types of freelance work through the Gig Economy, Top Talent Recruitment and Labour Skill Market variables from working in the gig economy sector. This research uses descriptive analysis of respondents with purposive sampling data collection techniques, namely the sample in this study was selected based on the characteristics and objectives of respondents regarding the opportunities and challenges of working freelance as part of the gig economy. Quantitative research method with the data source for this research is the primary data source obtained from distributing questionnaires directly to respondents as well as secondary data, namely from observing documents and research that supports this research. Questionnaires were distributed using a purposive sampling technique to the population of millennial generation freelance workers in the DKI Jakarta area, to determine the research object. The data collection technique used is by distributing questionnaires or questionnaires. The data statistical methods used are descriptive statistics and Partial Least Square (PLS) with the SmartPLS version 3.0 program. The results of this research are that Recruitment Top Talent influences the Labour Skill Market, the Gig Economy is estimated to influence the Labour Skill Market, and the Gig Economy influences Recruitment Top Talent.

Keywords: Gig Economy, Recruitment Top Talent, Labour Skill Market

PROEM

Gig Economy (GE) is a phenomenon that occurs in the HR field due to limited human resources with certain skills, especially in Indonesia, as well as changes in recruitment patterns in organizations. This gig economy phenomenon is actually not surprising (Huang et al., 2020; Hartman & Karriker, 2020). (Hussenot, 2017), a

professor from Université Nice Sophia Antipolis (UNS), once stated that freelancing is the job of the future.

At the beginning of 2020, the prevalence of the coronavirus pandemic in the global world has raised the issue of replacing the existing economy with an alternative economy – the pandemic economy (pandemic + economy), which unlike the traditional economy will reduce environmental risks and losses and will focus on improving general welfare and social equality (Abuselidze & Slobodanyk, 2019).

Gandini, A. (2019), known as Labour process theory and the gig economy, defines the Gig Economy as an economic condition where there is a shift in the status of company workers, who are generally permanent workers, to short-term contract employees.), independent workers, as well as non-permanent employees, and is supported by the research results of Meijerink, J., & Keegan, A., 2019. This system refers to the rise of freelance workers, or staff recruited for short-term projects, or to only when needed.

In Indonesia, the Gig Economy Phenomenon has developed widely in Indonesian society as a new opportunity. The reason is, finding work during the pandemic is quite a challenge. This is also supported by the increasing number of companies opening themselves up to gig workers in Indonesia. The development of the Gig Economy in Indonesia is currently still largely centered on the online transportation industry, or workers with certain skills or expertise (Aristi & Pratama, 2021; Riggs, et al., 2019). (De Stefano & Aloisi, 2018) explained that developments in the world of telecommunications and the use of crowdsourcing have encouraged a number of business sectors to not require many permanent employees. Therefore, they are starting to switch to hiring freelancers instead of permanent employees.

In Indonesia, the Gig Economy phenomenon is also hitting young people, especially millennials and Gen Z (Cyrus Network Survey). In this generation, they prefer to work as freelancers or short-term contract workers (freelancers) rather than permanent employees who have served in a place for decades. This generation from the survey stated that they like career opportunities in the Gig Economy era because it is a source of additional income for them, even though their work is unpredictable.

The gig economy has a positive impact on the development of human resources (Youssef & Sikdar, 2020; Tan, et al., 2021). From the worker side, one of the positive

impacts of the gig economy is that these workers can take on many projects at once. Some people like to take on multiple jobs in order to meet their own standard of living. The gig economy can also increase a person's experience and skills in doing work (Marsden & Ryan, 2019). On the other hand, the gig economy provides an opportunity for companies to find the best workers because the turnover is very fast. Apart from that, companies also don't need to commit themselves to many permanent employees. For economic development in Indonesia, the Gig economy has proven to be able to reduce unemployment and bring benefits to millennials. However, there is a negative impact of the gig economy that is of concern, namely the difficulty of workers maintaining a good career path. Companies prefer to hire freelancers. Therefore, opportunities for permanent workers to develop also become increasingly difficult.

THEORETIC

Gig Economy (GE) is a phenomenon that occurs in the HR field due to limited human resources with certain skills, especially in Indonesia, as well as changes in recruitment patterns in organizations. This gig economy phenomenon is actually not surprising (Huang et al., 2020). (Hussenot, 2017), a professor from Université Nice Sophia Antipolis (UNS), once stated that freelancing is the job of the future.

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Gandini, A. (2019), known as Labour process theory and the gig economy, defines the Gig Economy as an economic condition where there is a shift in the status of company workers, who are generally permanent workers, to short-term contract employees.), independent workers, as well as non-permanent employees, and is supported by the research results of Meijerink, J., & Keegan, A., 2019. This system refers to the rise of freelance workers, or staff recruited for short-term projects, or to only when needed. Unconsciously, the Gig Economy has developed in Indonesia, but most of it currently only focuses on the online transportation industry, or workers with certain skills or expertise (Aristi, N. M., & Pratama 2021).

(De Stefano & Aloisi, 2018) explained that developments in the world of telecommunications and the use of crowdsourcing have encouraged a number of business sectors to not require many permanent employees. Therefore, they are starting to switch to hiring freelancers rather than permanent employees (Ugrin & Honn, 2018).

Behind the rise of the Gig Economy, other terms that support this phenomenon have also emerged, namely on-demand workers, workers who are "willing to work" only when needed or required (Huang et al., 2020). Apart from being profitable from a financial perspective, companies that employ freelancers also benefit from an innovation perspective. (Brülle et al., 2019) Looking from the worker's perspective, the Gig Economy phenomenon also has a negative impact on those who are not good at adapting and exploring. For a skilled freelancer, they can easily work anywhere flexibly and earn good income. However, for those who do not have sufficient skills, they will find it very difficult to find work. Nevertheless, this kind of system is considered to be able to reduce inequality that occurs in the labour market (Kässi & Lehdonvirta, 2018). Some examples of common jobs for the Gig Economy are accountants, teachers, marketing lecturers, sales, game engineers, IT and others (Vasey, 2017).

Companies such as middle class creative industries, startups and even large class companies currently tend to prefer or implement the gig economy. The reason is that this can benefit a company from a financial perspective where they do not need to pay for health insurance, holiday allowances, and some of the things they should spend on permanent employees. And usually, freelancers or gig workers tend to be more innovative (have fresh and new ideas that are out of the box). Meanwhile for freelancers or gig workers the benefits they get include flexibility (time, opportunities, priorities, interests), The idealism of work that is more 'meaningful', better salary or income and can improve abilities or skills so that they can compete in today's increasingly competitive era (Veen, et al., 2020).

The impact on human resources can be seen in the freelance marketplace, which plays a role in marketing the services of Indonesian gig workers to international markets and tends to be used by more experienced service providers. (Aristi & Pratama, 2021). From data from gig economy actors in the field of buying and selling professional services who use freelance marketplaces and social media, it is known that there are differences between the two platforms in their role in facilitating gig economy activities.

Freelance marketplace is a type of online gig economy platform that specializes in connecting service providers and parties in need in buying and selling professional services. In practice, buying and selling professional services is also carried out on social media, which works differently from freelance marketplaces.

The gig economy finally gave birth to the term on demand workers, namely workers who want to work and can be needed at any time. It should be noted that the main driver of the gig economy is the millennial generation. For example, a large company, Samsung, is looking for freelancers in the IT field, designers and content writers through platforms such as Upwork and PeoplePerHour. They use this method to save on expensive worker recruitment.

In the Gig Economy, Recruitment plays a central role during digital transformation as companies in many industries need to hire employees who have IT-related knowledge, skills and abilities to digitize their products, services and processes (Gilch & Sieweke, 2021). In research (Cattermole, 2019) The best strategies to understand the employee life cycle and how to use tactics to retain top talent in an organization. Top Talent Recruitment will play a strategic role in the company's business. The right recruitment strategy will produce human resources that suit the company's business needs. The accuracy of the recruitment method will have a positive impact on the company and business performance. Adeola and Adebisi (2015) saw that there was an influence of recruitment activities on employee performance and motivation.

Meanwhile, the labour market is considered to be in the midst of a dramatic transformation, where standard jobs are increasingly supplemented or replaced by temporary jobs mediated by online platforms. But the scale and scope of these changes are difficult to assess, as conventional labour market statistics and economic indicators are not suitable for measuring these "online gig jobs".

In research, (Kässi & Lehtdonvirta, 2018) measured the utilization of online labour across countries and occupations by tracking the number of projects and tasks posted on major online performance platforms in almost real time. According to (Graham et al., 2017) economic development strategies to bring jobs to places that need them, it is important to better understand how this can affect workers' livelihoods as more and

more policymakers, governments and organizations turn to Gig. Economy and digital workforce.

Furthermore, in (Gandini, 2019) there are characteristics of work in the Gig Economy, namely regarding the ideas of 'points of production', emotional labour, and control in the Gig Economy to argue that labour process theory offers a unique set of tools to expand our understanding of how power works. will come to be transformed into a commodity in a context where the interface between job supply and demand is mediated by digital platforms, and where feedback, rating and rating systems serve the purposes of managerialization and monitoring of workers.

In other research, the work being done has changed fundamentally in recent decades, with more and more people working independently, outside organizations with work styles that are very different from those assumed by many theories of organizational behavior (Ashford et al., 2018) , in this research individual work behavior and the abilities that enable them must also adapt to this new world of work, which is called the "Gig Economy". Likewise, this opinion is supported by (Buchan et al., 2018)

METHOD

This research is an associative quantitative research, where the author tries to determine the influence between three variables, namely Top Talent Recruitment (X1), Gig Economy (X2), and Labour Skill Market (Y).

The respondents in this research are Millennial generation freelance workers who live in the DKI Jakarta area. The data sources used are primary data and secondary data. Primary data is questionnaire data which is directly obtained from respondents, while secondary data is in the form of literature, articles, journals and sites on the internet relating to the research carried out.

The sampling technique in this research is an online data instrument that is distributed via social media, with a sampling technique, namely purposive sampling, which is a collection technique based on specified criteria. Data collection was carried out using a questionnaire, namely Google Form, by distributing the Google Form link via social media in the form of WhatsApp which was distributed to Millennial

Generation Freelance Workers. The number of respondents who filled out the online questionnaire was 156 respondents and 156 people met the criteria.

Then processed using data analysis techniques using Structural Equation Modeling (SEM) Amos 25.0. Minto, (2016) stated that the results of the model construct test can be seen from the results of the output data on the estimated critical value (CR) parameters, if the CR is greater than 1.96 ($CR > 1.96$) then the hypothesis is accepted, if it is less than this value it is rejected. The higher the CR value, the more significant the influence, or vice versa.

RESULT

Data collection was carried out from October to November 2023. The respondents of this study were diverse, both women and men, different ages, and different levels of education and income. Based on the criteria, respondents who are entitled to fill in are Millennial Generation Freelance Worker respondents who live in DKI Jakarta. Data collection was carried out using a questionnaire, namely Google Form, by distributing the Google Form link via social media in the form of Whatsapp which was distributed among the Millennial Generation freelance worker community. The total number of respondents who filled out the online questionnaire was 156 respondents. These characteristics can be described in the table below.

Table 1. Respondent Characteristics

No	Profile	Description	Amount	%
1	Gender and Age	Man	76	49%
		Woman	80	51%
		Amount	156	100%
		20 - 24 Years	32	21%
		25 - 29 Years	35	22%
		30 - 34 Years	37	24%
		35 - 39 Years	52	33%
		Amount	156	100%
3	Level of education	high school	42	27%
		Diploma	32	21%
		Masters	36	23%
		Magister	46	29%
		Amount	156	100%
4	Marital status	Not married yet	60	39%
		Marry	93	60%
		Divorced	3	1%

No	Profile	Description	Amount	%
		Amount	156	100%
5	Length of Work	< 1 th	48	31%
		1 < 2 th	42	27%
		2 < 5 th	38	24%
		Above 5 years	28	18%
		Amount	156	100%

Source: Data processed, 2023

The research data was processed using SmartPLS 3.0 with the following chart:

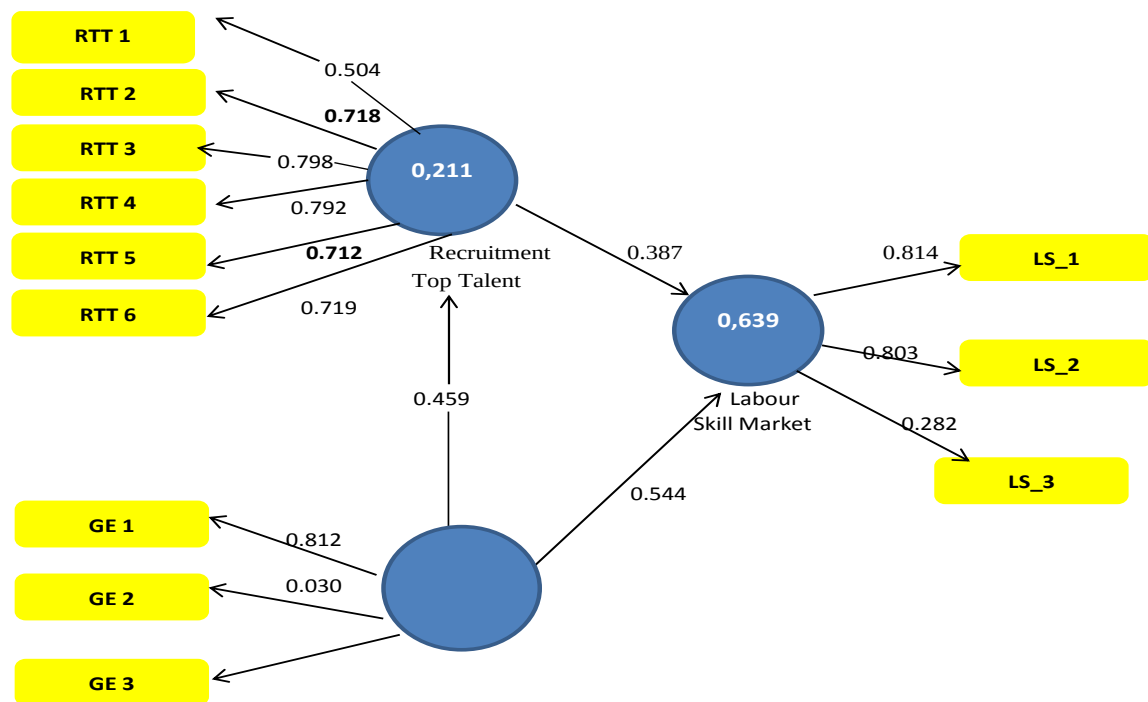


Figure 1. Data Processing Results

Research Hypothesis

Hypothesis 1 : Top Talent Recruitment can influence the Labour Skill Market, with data obtained of 0.387. (Héder et al., 2018) explains that Top Talent Recruitment has a major impact on the skilled labour market, and is confirmed by (Ambrosius, 2018) and research results (Keller & Meaney, 2017).

Hypothesis 2: The Gig Economy can influence the Labour Skill Market, with data obtained of 0.544. Kässä, O., & Lehdonvirta, V. (2018) explained that the Gig Economy has a major impact on the skilled labour market, and is confirmed by (Graham et al., 2017) and (Gandini, 2019).

Hypothesis 3: The Gig Economy can influence Top Talent Recruitment, the data obtained is 0.459 (Gleim et al., 2019) explains that the Gig Economy is related to the

recruitment of skilled workers. This argument is strengthened by research results (Buchan et al., 2018)(Ashford et al., 2018) which also explains that the Gig Economy is related to recruitment, because individual expertise influences recruitment on the Gig Economy phenomenon.

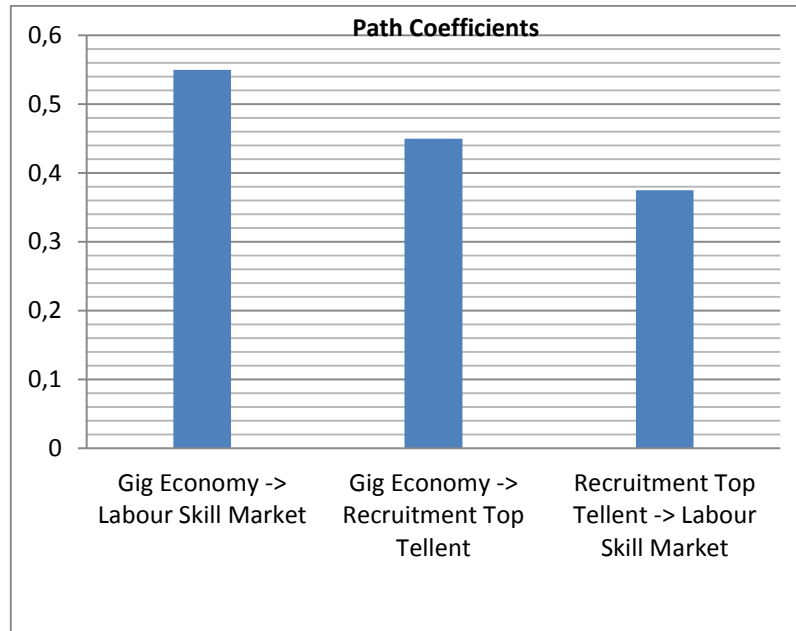


Figure 2. Path Coefficients

Based on data results *Path Coefficients* obtained from a questionnaire to the public, that the three work systems above dominate the Gig Economy -> Labour Skill Market work system with the amount of data obtained being 0.595.

In second place, the work system with the second highest results is the Gig Economy -> Recruitment Top Tellent work system with the amount of data obtained as much as 0.45.

Based on the results of public data, the top recruitment list -> Labour Skill Market, in the table above is ranked last because according to them, work is to improve and develop one's own skills. Meanwhile, job requirements always prioritize skills in prospective employees.

CONCLUSION

The conclusion of this research is Top Talent Recruitment influences the Labour Skill Market, the Gig Economy is estimated to influence the Labour Skill Market, and the Gig Economy influences Top Talent Recruitment. Which means that the DKI

Jakarta Freelance Worker Community Population prefers the Gig economy work system. Even though it is contractual, they can take advantage of their contract period. By developing their skills, they can extend their work contracts and it all comes back to their individual wishes.

The limitation of the current research lies in the variables that only include 3 variables, namely *Recruitment Top Talent*, *Gig Economy* and *Labour Skill Market*. Apart from that, the sample for this research is still limited to only 156 respondents from the Millennial Generation. Therefore, it is recommended that further research add variables and samples to allow different results to occur.

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