

Flexibility and Social Security in Gig Workers: A Study of Gig Worker Welfare in Bandung City

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ABSTRACT

The development of information and digital technology has brought significant changes in the structure and way of working in various industrial sectors. One phenomenon that has emerged from these changes is the gig economy, which refers to a job market consisting of temporary or short-term contract work, where individuals or workers work as freelancers or as gig workers. This phenomenon is growing rapidly in various parts of the world, including in Indonesia. This study aims to identify the welfare of gig workers in Bandung City in terms of work flexibility and social security, and provide recommendations for policy makers to regulate a more equitable and sustainable gig economy ecosystem. The results show that work flexibility has a significant positive impact on gig workers' welfare, while social security is also important but has less influence than work flexibility. Policies that support work flexibility need to be combined with policies that provide adequate access to social security for gig workers.

INTRODUCTION

The development of information and digital technology has brought significant changes to the structure and way of working in various industrial sectors. One phenomenon that has emerged from these changes is the gig economy, which refers to a job market consisting of temporary or short-term contract work, where individuals or workers work as freelancers. This phenomenon has grown rapidly in various parts of the world, including in Indonesia.

The gig economy phenomenon has developed as a response to an economic environment influenced by Volatility, Uncertainty, Complexity, and Ambiguity (VUCA). VUCA is a concept used to describe economic conditions that are rapidly changing and difficult to predict. Volatility is reflected in price fluctuations, market demand, and rapid technological developments. Uncertainty arises from changes in government policies, global market dynamics, and sudden technological innovations. Complexity highlights the intricate relationships between various economic, social and political factors that influence each other. Ambiguity reflects the lack of clear information about the direction of economic development and its impact on the job market.

Bandung City is the capital of West Java Province with the largest population among other provinces in Indonesia. In 2022, the Central Bureau of Statistics (BPS) of Bandung City conducted an informal survey that revealed the existence of 127,462 people in Bandung City who are members of the informal sector, including gig workers. The survey helped in identifying a significant number of residents engaged in the informal economy, including those who may not have permanent jobs or formal contracts, demonstrating the importance of this sector in the local economic structure.

As of August 2023, 59.11% of workers in Indonesia were in the informal sector, but there was growth in the number of workers in the formal sector. The increase in the number of workers in the formal sector is mainly due to the increase in the number of workers who have the status of a laborer, employee, or clerk. According to the Central Bureau of Statistics (BPS) definition, informal unattached workers or gig workers include those who work as self-employed entrepreneurs, entrepreneurs who are assisted by non-permanent or unpaid laborers, casual workers, and unpaid family workers.

Gig worker has provided a range of significant advantages for individuals and the economy as a whole. The main advantages include increased flexibility in work time and location. Gig workers have greater control over their schedules, allowing them to customize their work based on their own time availability. This is especially beneficial for those with other responsibilities, such as education or family commitments. In addition, gig workers also get the freedom to choose the type of project or job that suits their interests and skills. Therefore, the gig economy is often regarded as a path that facilitates the achievement of work-life balance (Kirven, 2018).

On the other hand, the welfare of gig workers that emerged due to the gig economy is an equally important issue. Although the gig economy offers the opportunity to earn income, many workers face income instability and the absence of sustainable employment benefits such as social security insurance. According to Simanjuntak (in Rachman, 2017), welfare can be achieved if

employees earn a decent income and there is social security to meet the needs of them and their families. This raises questions about the long-term sustainability of this employment model, particularly in the context of worker welfare.

These conditions require an in-depth study to understand the various aspects involved in the gig economy, especially gig workers in Bandung City. This research aims to identify the welfare of gig workers in the aspects of work flexibility and social security, worker welfare is not just an option, but an urgent need (Febrian, Vitriani, et al., 2023). This study also aims to explore how gig workers face the challenges, and provide recommendations for policy makers to regulate a more equitable and sustainable gig economy ecosystem. Through this study, it is hoped that it can provide a more comprehensive picture of the welfare conditions of gig workers and contribute to the formation of more supportive policies for workers in the gig economy.

LITERATURE REVIEW

Gig Economy

Over the past few decades, there has been increasing flexibility in the labor market both globally and domestically. This is reflected in the emergence of various new types and schemes of work, such as short-term contract work, freelancers who are paid per project based on demand, internship programs, outsourcing, online selling, and other forms. This gave birth to the Gig Economy.

The definition of the gig economy is a work system that involves short-term employment contracts, where wages are mutually agreed between the two parties through a digital platform. Therefore, this digital platform acts as a liaison between employers and job seekers online.

According to Wilson (2017), the gig economy is a work arena often associated with short-term contract workers or freelancers. The International Labor Organization (ILO) describes the gig economy phenomenon as a precarious type of work, referring to jobs that are generally low-paying, vulnerable, and less protected, especially in terms of regulation.

According to Hauben (2020), the gig economy can be considered an unstable form of employment. This is due to the temporary nature of the employment relationship, low wage levels, high work pressure due to demand-driven work, and lack of access to career development or training opportunities.

Gig Worker

Gig worker is a term used to describe a workforce that works on the basis of "gigs" or short-term jobs and temporary projects, rather than through a permanent position or long-term contract with a company. The concept has gained increasing popularity as technology advances and the platform economy grows.

The nature of the gig economy labor market allows companies to maximize profit exploitation by shifting the main risk to workers, thus increasing the inequalities and vulnerabilities they face (Pasquale, 2016) and gig workers become a vulnerable group in the labor market due to chronic

vulnerabilities and structural inequalities caused by the informalization of work.

According to De Stefano (2016), the characteristics of gig workers are as follows:

1. Flexibility: Gig workers usually have the freedom to choose the time, location, and duration of their work. This freedom is one of the main advantages of this type of work.
2. Independence: Gig workers generally organize their own work without direct supervision from an employer. Their tasks include finding gigs, negotiating contracts, and organizing their own work schedules.
3. Income Variability: Gig workers' earnings can fluctuate greatly. This can be an advantage when they land a number of highly-rewarding projects, but it also poses a risk in the absence of job stability and conventional employment benefits such as health insurance or retirement.

Harris and Krueger (2015) state that “gig workers are, in some aspects, similar to individuals employed by companies, such as following quality standards and interacting with clients, and in other aspects similar to independent businesses. For example, they use their own equipment, set their own working hours, determine their own rates, and have autonomy in choosing the projects or tasks they want to take on, giving them greater freedom in managing their work according to personal preferences and abilities.”

Work Flexibility

According to Carlson (2010) Work flexibility is the ability to organize work schedules in a way that allows employees to choose where and when to work, both in formal and informal contexts, making it easier to implement company policies.

Work flexibility is one of the factors that has an important impact on the psychological well-being of employees / workers in addition to other factors such as management support, flexibility at work, and fair performance appraisal (Mesra, 2023).

According to Shagvaliyeva and Yazdanifard (2014), one aspect of work flexibility is the ability of individuals in the organization to control the duration of their working hours with regard to work location (outside the workplace) and the ability to comply with work schedules and agreements set by the organization. Providing work flexibility has benefits for both parties, both for organizations and organizational members. Work flexibility allows individuals to adapt their working hours to diverse work locations, including outside the workplace. In addition, they can adhere to work schedules and agreements that have been set by the organization. The benefits of work flexibility include improved work-personal life balance and productivity, as well as enabling better adaptation to changes in the work environment.

According to Possenried and Plantenga (2011), work flexibility indicators are divided into three main categories:

1. Scheduling Flexibility in scheduling involves the ability to adjust work schedules as needed.

2. Location (telehomeworking) Flexibility in location includes the ability to work from different places such as from home or other places other than the office.
3. Time (part-time) Flexibility in time refers to the ability to work a schedule that is not full-time in terms of the length of time worked and the schedule worked.

According to Lewis and Humbert (2010), flexible working hours have positive benefits on the mental well-being of individual workers in organizations by reducing the level of stress they experience.

Work flexibility can reduce conflicts between work and family, reduce stress at work that can affect workers' individual performance, and ultimately, reduce the desire to quit a job, especially for women, who are more likely to choose to focus on family responsibilities than to stay at work and neglect family commitments (Beham, 2012).

Social Security

According to Hendy (2017) in Edi (2009) Social security is an institutional action planned by both the government and the private sector to provide protection to people from various risks that can come from themselves (such as accidents, illness, or death) or from the surrounding environment (such as termination of employment or social disasters). Social security programs are one of the main forms of social protection run through insurance, savings, or assistance programs. The part of social security that is organized based on the principle of social insurance and the principle of justice, for example, is the Social Security Administration Agency.

The concept of social security is an effort to address problems related to illness, accident, birth, disability, health, death, and job loss, organized through an insurance system.

Worker Welfare

Worker welfare is an indirect reward given by the company to employees, where welfare becomes a right associated with their membership, according to Mathis and Jackson (in Purba, 2019). Meanwhile, according to Hasibuan (in Saputra, 2020), employee welfare involves additional material and non-material rewards, which are given as a policy to maintain and improve the physical and mental well-being of employees with the aim of improving their performance.

According to Riyan (2021), employee welfare should be adjusted to the policies set by the company and not conflict with government regulations. Indicators for assessing employee welfare include several things, such as:

1. Allowances in lieu of income: For example, job allowances or allowances to increase income.
2. Benefits that provide protection: Such as health insurance or allowances for official travel.
3. Benefits that can be considered as opportunities for employees: Such as training programs, credit facilities, inventory facilities for vehicles, or child allowances.

Employee welfare is also a necessity that must be carried out, no longer an option (Febrian W. D., 2023).

Hypothesis Result:

1. H1: Relationship between Job Flexibility and Gig Worker Wellbeing
2. H2: Relationship between Not Having Social Security and Gig Workers' Wellbeing
3. H3: Effect of Job Flexibility on Gig Workers' Wellbeing compared to Social Security
4. H4: Effect of Social Security on Gig Workers' Wellbeing compared to Job Flexibility

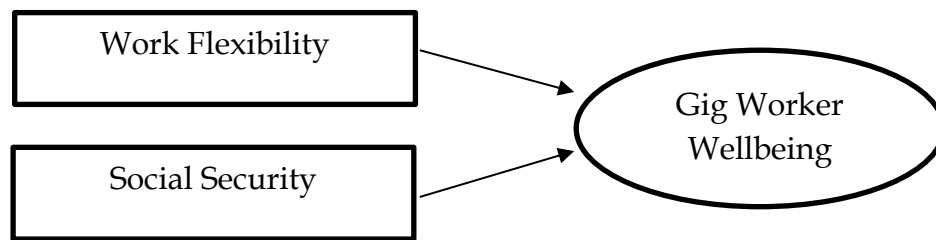


Figure 1. Conceptual Framework

METHODOLOGY

This research uses a descriptive quantitative approach. Data is collected through a survey distributed to a sample of gig workers in Bandung City. The sample will be randomly selected from various sectors of gig work in Bandung City. The sample will include gig workers with varying levels of experience and fields of work. A survey instrument will be developed to measure work flexibility, social security, on gig workers' welfare. The instrument will consist of structured questions and a Likert rating scale. The survey will be distributed through online platforms such as Google Forms to 100 respondents selected to streamline the research time.

Data will be collected within a specific time span according to the needs of the sample. The collected data will be analyzed using descriptive statistical techniques such as mean, median, and frequency analysis. In addition, comparative analysis between variables will also be conducted to identify the relationship between work flexibility, social security, and gig workers' welfare. This study takes into account the ethical principles of research, including anonymity, data confidentiality, and compliance with applicable regulations. The research was planned to take four to three months, including the planning stage, data collection, analysis, and writing of the final report. This study has several limitations, including limitations in the sample, time limitations, and limitations in the measurement of certain variables such as work flexibility and well-being.

RESEARCH RESULT

Work flexibility has been shown to have a positive impact on gig workers' well-being. This is in line with Carlson's (2010) and Mesra's (2023) view that

work flexibility allows workers to organize work schedules according to personal needs, thereby reducing stress and improving work-life balance. De Stefano (2016) also mentioned that this flexibility gives gig workers the freedom to choose projects that suit their interests and skills, which in turn increases job satisfaction.

Social security, despite having a significant influence, was found to be less impactful than work flexibility. However, the importance of social security cannot be ignored. Hauben (2020) and Pasquale (2016) state that gig workers are often vulnerable to income uncertainty and employment risks in the absence of social protection. Hendy (2017) emphasized the importance of social security to provide protection against risks such as illness, accidents, and job loss, which are essential for the long-term well-being of gig workers.

Gig work provides a range of important benefits to individuals and the economy as a whole. The main advantages include increased flexibility in terms of working time and location. Gig workers have greater control over their schedules, which allows them to customize work according to their own time availability. This is especially beneficial for those who have other responsibilities, such as education or family commitments. In addition, gig workers also have the freedom to choose projects or jobs that suit their interests and skills. Therefore, the gig economy is often considered as a means that helps achieve work-life balance, according to research conducted by Kirven in 2018

The prosperity that comes with flexibility and freedom also provides opportunities for additional income for those who need income outside of their regular jobs. For many individuals, working in the gig economy can also be the first step to building a diverse and rich portfolio of work, which can enhance future career opportunities. Furthermore, for companies, gig workers can be an efficient solution for short-term labor needs or special projects, thereby increasing productivity and operational efficiency.

Workers who do work outside the employment relationship and freelancers such as gig workers are at risk of accidents, illness, pregnancy, childbirth, and death. Therefore, they need to be protected through the employment social security program. Given the special characteristics of out-of-work workers, it is necessary to have a ministerial regulation governing the implementation of the program for them (Adillah, 2015).

These findings highlight the importance of a balance between work flexibility and social protection in improving the welfare of gig workers. Policies that support work flexibility should be combined with policies that provide gig workers with access to adequate social security. Thus, gig workers can enjoy the benefits of both aspects and better face the challenges of an uncertain economy.

DISCUSSION

The Relationship between Job Flexibility and Gig Worker Wellbeing: The results showed a significant positive relationship between work flexibility and the well-being of gig workers in Bandung City. Work flexibility allows gig workers to determine their own work time, location, and duration, which in turn improves their well-being. Gig workers who have more control over their

work schedules tend to experience lower stress and better work-life balance. This finding is consistent with Carlson's (2010) and Shagvaliyeva and Yazdanifard's (2014) research that work flexibility can improve work-life balance and productivity, and reduce stress. Thus, work flexibility plays an important role in improving the well-being of gig workers.

The Relationship between Not Having Social Security and Gig Workers' Wellbeing: This study also found a significant negative relationship between the absence of social security and gig workers' well-being. Gig workers who do not have access to social security such as health insurance, pension, and accident protection tend to have lower levels of well-being. Income uncertainty and lack of protection against occupational risks cause gig workers to experience financial instability and higher anxiety. Hauben (2020) and Pasquale (2016) identified that unstable working conditions and low access to social security make gig workers vulnerable to various risks that can reduce their well-being. Therefore, social security is an important factor affecting the well-being of gig workers.

The Effect of Job Flexibility on Gig Workers' Wellbeing compared to Social Security: The analysis shows that work flexibility has a greater influence on gig workers' well-being compared to social security. Flexibility in choosing the time and place of work has a direct impact on reducing stress and increasing job satisfaction. Flexibility allows gig workers to balance work with other personal responsibilities, such as family and education, which contributes to their overall well-being. While social security is important, in the context of this study, work flexibility showed a stronger impact on gig workers' well-being. This finding reinforces the view that job flexibility is a key aspect in improving gig workers' well-being, as outlined by Lewis and Humbert (2010).

The Effect of Social Security on Gig Worker Wellbeing compared to Job Flexibility: Although work flexibility shows a greater influence, social security still has a significant influence on gig workers' well-being. Social security provides a sense of security and protection against risks that can disrupt the financial stability and health of gig workers. Hendy (2017) explains that social security plays an important role in providing protection against risks such as illness, accidents, and job loss, which are essential for long-term well-being. However, in this study, the effect of social security on gig workers' well-being is not as great as the effect of work flexibility. This suggests that while social security is important, work flexibility is still a more dominant factor in determining gig workers' well-being.

These hypotheses are based on literature that suggests that work flexibility can improve workers' psychological well-being (Carlson, 2010; Mesra, 2023) and that social security is important to protect workers from occupational risks (Hendy, 2017). In addition, access to training and skills development was mentioned as an important factor for improving gig workers' job satisfaction (Hauben, 2020), and flexibility was considered important in achieving a better work-life balance (Beham, 2012). Lack of social security was identified as a major cause of economic instability and vulnerability of gig workers (Pasquale, 2016; ILO).

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

This study found that work flexibility is a more dominant factor than social security in influencing the welfare of gig workers in Bandung City. Nevertheless, social security is still an important thing to strive for.

Work flexibility has a positive impact on gig workers' welfare. Flexibility in determining the time and place of work allows gig workers to balance work with their personal lives, thereby reducing stress and increasing job satisfaction.

Social security also has a positive impact on gig workers' well-being. Income uncertainty and lack of protection against occupational risks cause gig workers to experience financial instability and higher anxiety. Although work flexibility has a greater influence, social security is still necessary to ensure gig workers' long-term security.

Recommendations

1. The government, online platforms, and relevant organizations need to work together to develop an appropriate and inclusive social security scheme for gig workers. This social security scheme should be tailored to the flexible and irregular nature of gig work.
2. Consider providing specialized training and skills development programs for gig workers. This can improve their skills and open up better employment opportunities.
3. Further research can be conducted to more deeply analyze other factors that affect the welfare of gig workers, such as income, access to training, and legal protection.

By implementing these recommendations, it is hoped that the welfare of gig workers in Indonesia can be improved. Gig workers can work more productively and have a more secure future.

ADVANCED RESEARCH

This study has several limitations that need to be considered. First, the sample is relatively small and may not represent the entire population of gig workers in Bandung City. Secondly, this study only focuses on two aspects of gig workers' welfare, namely work flexibility and social security. Other aspects of gig workers' well-being, such as income and working conditions, were not analyzed in depth.

Future research could address these limitations and explore other aspects of the gig economy and gig workers' well-being in more depth. Here are some suggestions for future research:

- Conduct research with a larger and more representative sample of the gig worker population in Bandung City.
- Analyzing other aspects of gig workers' welfare, such as income and working conditions.
- Conduct comparative research to compare the welfare of gig workers in Bandung City with gig workers in other cities in Indonesia.

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Syabani, Siloianita, Widodo, Rubiyanti

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