
The Gig Economy in Indonesia: Dynamics and Challenges of Competency Development among Freelance Online Drivers in Pemalang

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Abstract

The gig economy in Indonesia, particularly in the online transportation sector such as motorcycle taxi drivers, has experienced rapid growth in recent years. Digital transformation and the increasing demand for application-based services have driven a significant rise in the number of freelance workers. However, despite this growth, platform companies rarely provide formal training and competency development programs for their workers. The absence of structured training support causes workers' skills to develop autonomously, which can lead to a competency gap between job demands, service standards, and the actual abilities possessed by freelance workers. This situation presents new challenges for human resource management (HRM) practices, especially in designing competency development strategies within a non-traditional, flexible, and project-based work model. This study aims to explore in depth the dynamics and challenges of competency development among freelance online motorcycle taxi drivers in Pemalang, while also examining how HRM practices can support competency development within the gig economy ecosystem. Employing a qualitative approach through in-depth interviews with drivers and relevant stakeholders, this research seeks to provide a comprehensive understanding of the current conditions of competency development among freelance workers. The findings of this study are expected not only to offer theoretical insights but also to deliver strategic recommendations relevant for platform companies, policymakers, and training institutions to strengthen the capacity and professionalism of freelance workers. In doing so, this research contributes to improving the quality of the workforce in an increasingly competitive and dynamic gig economy.

Keywords: Gig economy, competency development, work dynamics.

1. Introduction

The development of the gig economy in Indonesia, characterized by freelance and platform-based work, has shown significant growth alongside the increasing adoption of digital technologies and online platforms (Kässi & Lehdonvirta, 2018). This phenomenon has created new forms of employment that are flexible, non-permanent, and project-based. One of the most dominant sectors in this ecosystem is online transportation, such as Gojek and Grab, which provides economic opportunities for low- and middle-income communities. According to Friedman (2014), workers in the gig economy operate under conditions known as 'shadow corporations,' which are employment

relationships without adequate legal protection or social security. This situation is also experienced by online motorcycle taxi drivers in semi-urban areas like Pemalang, where the job serves as an alternative source of income but is not accompanied by formal training programs.

The lack of structured training causes competency development to occur independently, often through field experience and peer-to-peer communication. This may lead to a gap between service quality expectations and actual abilities in the field (Kraemer-Mbula, Wunsch-Vincent, & Pérez-Gómez, 2020). Therefore, it is important to examine how human resource management (HRM) practices can be adapted to support competency development in non-traditional work contexts such as the gig economy.

2. Research method

This study employed a qualitative approach using in-depth interviews to understand the phenomenon contextually (Miles & Huberman, 1994). The research subjects consisted of 10 active online motorcycle taxi drivers in Pemalang and 2 representatives from local driver communities. Data were collected through semi-structured interviews, field observations, and documentation of training policies from both communities and platforms. Data analysis followed the Miles and Huberman model, including data reduction, data presentation, and drawing conclusions. The validity of the findings was ensured through source and method triangulation.

3. Results and Discussion

3.1. Work Dynamics in the Gig Economy Ecosystem

The study found that flexibility in working hours and autonomy were the main attractions for online motorcycle taxi drivers in Pemalang. However, such flexibility also brings high income uncertainty, as application algorithms determine daily order quantities and earnings (Burtch, Carnahan, & Greenwood, 2018). Most respondents reported that their daily income fluctuates significantly depending on demand.

This phenomenon reflects what Tassinari and Maccarrone (2020) refer to as 'algorithmic control,' a form of digital oversight that regulates freelance workers' behavior through technology. Such mechanisms transform the employment relationship into a digitally-mediated system that is difficult to negotiate, weakening drivers' bargaining power with platforms.

3.2. Competency Development Challenges

Most drivers stated that they had never received formal training from platform companies. Their skills developed informally through work experience, peer communication, and information from local communities. Consequently, there is a competency gap between service standards and actual abilities, especially in service ethics, effective communication, and safety management (Kraemer-Mbula et al., 2020). From an HRM perspective, this indicates the need for new learning and development approaches that do not rely solely on formal employment relationships (Friedman, 2014).

3.3. HRM Practice Adaptation

Conventional HRM approaches are not suitable for freelance work. Platform companies could develop app-based microlearning programs, collaborative training with local governments, and competency certification for freelancers (Kässi & Lehdonvirta, 2018). Furthermore, creating learning communities among drivers can effectively enhance skills, as suggested by Kraemer-Mbula et al. (2020) in their research on informal digital economy skill development. The local motorcycle taxi driver community in Pemalang plays a key role in social learning, sharing experiences related to service strategy, safety, and time management.

3.4. Socioeconomic Implications

The gig economy provides significant economic opportunities for the Pemalang community, but also creates social vulnerabilities due to the absence of labor protection and social security (Friedman, 2014). Therefore, local government involvement is essential in designing regulations and training policies to ensure that the gig economy becomes a sustainable and inclusive sector.

4. Conclusion and Recommendations

The gig economy in Pemalang has grown rapidly but is not yet supported by formal competency development systems. Workers develop skills informally, leading to a gap between service standards and actual abilities. HRM practices need to be adapted to become more flexible and collaborative. Platform companies should implement digital competency-based training, governments should facilitate certification and social protection, and driver communities should serve as collective learning platforms. Future research should evaluate the effectiveness of training models and their impact on the well-being of gig workers in semi-urban areas.

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