

The Effect of Generation Z Workforce Characteristics on The Gig Economy with Work Life Integration As a Mediator

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Abstract. Gig economy provides flexibility and independence of work that is demanded by generation Z. Generation Z is the most dominant generation in Indonesia, so the entry of generation Z in the world of work is expected to influence the gig economy. This is supported by the interest of generation Z with a work life integration approach that can only be obtained in the gig economy. This research aims to know the effect of generation Z workers on the gig economy with work life integration as a mediation. This study uses quantitative methods that were conducted in the city of Bandar Lampung with 273 respondents. The results found that there is significant positive effect of generation Z workforce on the gig economy with work life integration as mediator. This research shows that characteristics of generation Z workforce is one of the factors in improving the gig economy through the work life integration approach.

Keywords: Generation Z Labor Characteristics, Gig Economy, Work Life Integration, Generation, Economics.

1 Introduction

The rapid development of technology has changed the world of work. These changes are in the form of efficiency, the emergence of new types of work, and the opportunity to have several jobs at one time [1]. As a result of the influence of technology on the world of work, it also gives rise to the phenomenon of the gig economy or the development of freelancers and part-time workers [2]. The development of the gig economy phenomenon that occurs in various countries is directly proportional to technological advances [3].

The gig economy is a phenomenon of changes in the structure of employment and economic activities carried out by non-permanent workers, as a result of digital economy products [2]. The year 2019 was a year of gig economy growth in various countries, which was marked by an increase in the number of freelancers, as jobs that are most identical with the gig economy.

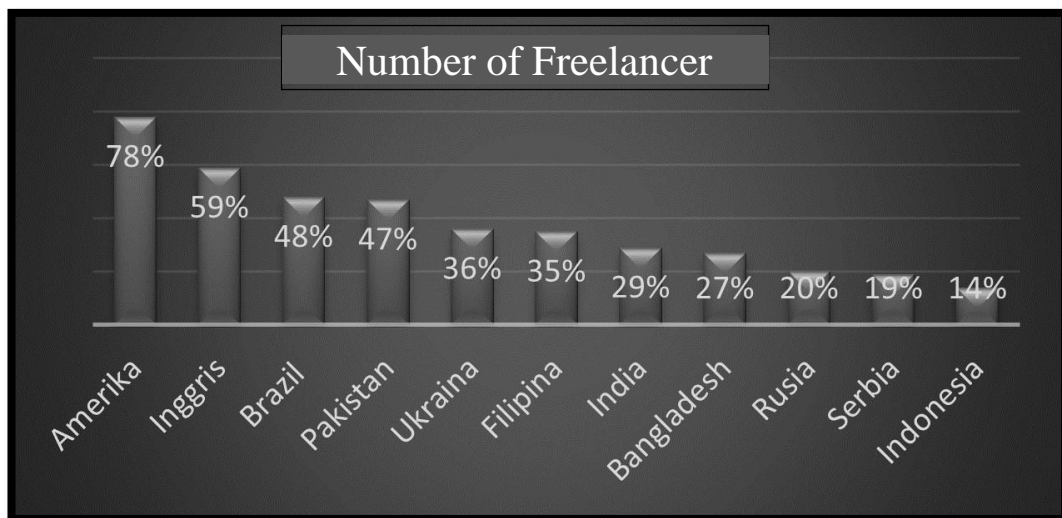


Fig. 1. Percentage of number of freelancer in some countries.

Source: Gig economy index and BPS, 2019.

Based on data released by the Global economy index (2019), states that the number of freelancers in America and the UK has grown by more than half of the types of work available, while other countries have grown above 15% except for Indonesia. Even the Philippines as a neighboring country in the Southeast Asian region is far above Indonesia, which is 35%.

Based on data form Badan Pusat Statistika (BPS) in 2019, the number of Indonesian freelancers was only 14% or 28.42 million of the 197.91 million working age So it can be concluded that the phenomenon of the gig economy in 2019 in Indonesia has not yet been felt. The factors that make it difficult to accept the gig economy are due to job uncertainty and the limited mastery of digital technology in society [5].

The acceleration of digital transformation in Indonesia only started at the end of 2020, as a result of the Covid-19 which caused all activities to be carried out online, including in the world of work [6]. Because of acceleration digital transformation, society is become closer to technology and more open to the gig economy.

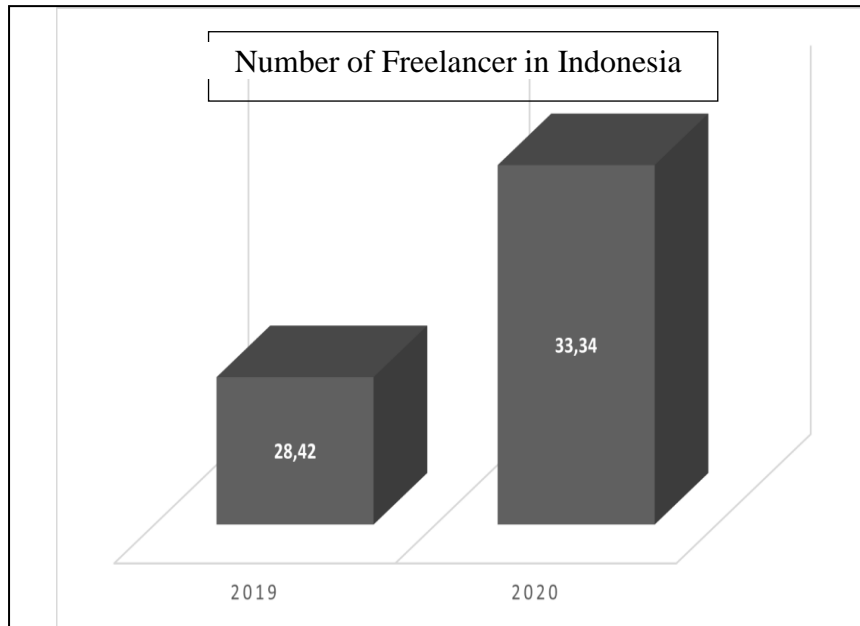


Fig. 2. Percentage of freelancer in Indonesia.

Sources: Badan Pusat Statistika (BPS), 2020.

Based on data from Badan Pusat Statistik (BPS) in August 2020, because the acceleration of digital technology as a result of the pandemic Covid-19 has made the number of freelancers in Indonesia is 33.34 million or increase to five million freelancers in just one year. Then for full-time workers, it actually decreased by 7.95 million workers from the previous year, which means there is a phenomenon of changing work trends in Indonesia for 2020.

The phenomenon of job change in Indonesia, namely an increase in the number of freelancers and decline of full-time workers, one of which is affected by the impact of the Covid-19 pandemic in the world of work, like termination of work rights and salary cuts. So that workers are forced to look for new jobs which ultimately encourage them to become freelancers, because only freelancers and jobs in the gig economy are able to provide job opportunities during the Covid-19 pandemic. Although there is a compulsion to work, not all actors who work as freelancers have the same motive, because there are also workers who are really interested in working as freelancers or workers in the gig economy of their own wishes.

Freelancer is one of the jobs provided by the gig economy, which provides flexibility and independence. Flexibility and independent freedom are two benefits that are in great demand by young workers, especially the generation Z workforce, which is a new generation in the world of work. Generation Z is the generation born after 1995 to 2010, if it is calculated by the length of education from elementary school to undergraduate, then Generation Z is a generation that has only two to three years of entering the workforce until 2021 [8].

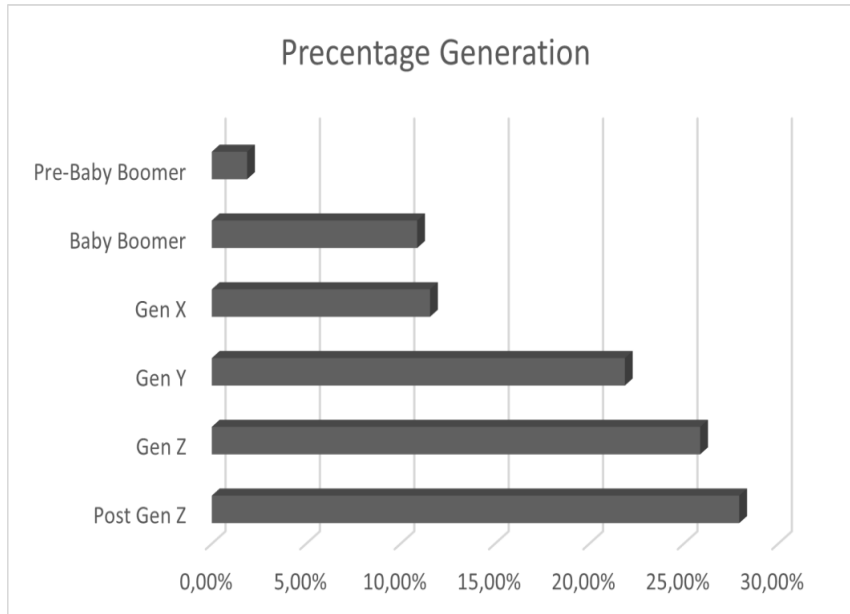


Fig. 3. Percentage number of generation in Indonesia.

Sumber: Badan Pusat Statistik, (2021).

Generation Z is also the most dominant generation in Indonesia. So that the entry of Generation Z into the world of work can provide drastic changes in structure employment [10]. Generation Z was born in the era of technology, thus making it active in the use of technology [11]. Generation Z is also a generation that likes personal freedom [12]. Generation Z wants work with an approach that does not limit work, family and life, meaning that work and daily activities do not necessarily have to be separated, this is commonly known as work life integration [13].

The characteristics of Generation Z who are so close to technology and the desire to work with work-life integration approach, will further support the reason that the factor for increasing the gigeconomy in Indonesia can also be influenced by the presence of Generation Z in the world of work, not only as a result of the Covid-19. This is because the work life integration can be found in various jobs provided by the gig economy. Therefore, to prove this allegation, research was conducted to prove that the characteristics of the Z generation workforce are able to influence the gig economy, with work life integration as a mediator. This research was conducted in the city of Bandar Lampung, which is a city with a majority population of Generation Z workers, and has good technology and internet access to support the achievement of the gig economy [14]. In addition, the city of Bandar Lampung has also experienced the development of gig economy, such as freelancers, celebrities, and part-time workers, even gig workers in Bandar Lampung together with MSMEs have contributed Rp 471 billion to the economy of Bandar Lampung [15]. Therefore, this research is very relevant to be carried out in the city of Bandar Lampung.

2 Literature Review and Hypothesis

2.1 Characteristics of Generation Z Workforce

Definition workforce based on UU No. 13 year of 2003, the workforce is a population of productive age or working age, it is more than 15 years and less than 65 years, who have the ability to work. The workforce consists of the labor force and not the labor force. Meanwhile, according to Dolot, [10], generation Z is the generation born from 1995 to 2010. According to Bencsik [11], Generation Z has differences from the previous generation of workers, especially in terms of technology, norms, and spirit. In terms of technology, generation Z is the generation closest to technology, so it is very active in the use of technology, especially digital technology. Meanwhile, in terms of norms, this generation prefers things that are in accordance with their wishes and pleasures so that if there are norms that are not in accordance with their wishes, they will be more indifferent. Then in terms of soul, generation Z is a generation that has courage, is communicative, and likes to lead [11]. So based on this explanation, it can be concluded that what is meant by generation Z workers are residents belonging to generation Z or residents who were born from 1995 to 2010 and have entered working age.

According to McCrindle and Fell, generation Z workforce characteristics forming factors consist of digital, global, social, visual development, and high mobility [16]. As for the indicators of generation Z labor characteristics are as follows:

Table 1. Characteristics of generation Z.

No.	Dimension	Indicator
1	Incentive or Motivation	1. Direct Remuneration 2. Freedom Independent 3. Lack of loyalty
2	Performance Evaluation	1. Output Oriented 2. Self limitation unknown
3	Training, learning, and development	1. Based on interest 2. Likes formal learning
4	Conflict Management	1. Conflict trigger 2. Not aggressive in conflict

According to Bencsik, the characteristics of the Z generation workforce consist of direct remuneration, independent freedom, lack of loyalty, results-oriented, self-limitation not being recognized, learning based on interest, informal learning, triggering work conflicts, and not being aggressive in conflict [11].

2.2 Gig Economy Phenomenon

According to Kalleberg and Dunn, gig economy is a collection of labor markets based on skills or performances (gigs) which are then offered to companies or clients to support business processes or the achievement of company goals within a limited time and supported by

incentives or rewards [5]. Meanwhile, according to James, et al, gig economy is an economy where individuals market their skills, either in the unskilled labor market such as Gojek Drivers, or as professional workers, such as business agencies and company researchers with the help of platform digital [17]. The gig economy can also be defined as a phenomenon of changes in the structure of employment and economic activities carried out by non-permanent workers, as a result of digital economy products [2].

According to research by Asih, states that there are two factors that encourage the development of the gig economy including [2]:

1. Perceived Usefulness

Perceived usefulness is a belief from workers that the gig economy system can improve their performance and achievement, thus encouraging self-ability. This is not separated because of the many job options that can be tried and learned by workers.

2. Social Influence

Social usefulness is the influence of the social environment to be part of the gig economy. This is because access and information from the gig economy is very easy to find, for example on social media.

As for the indicators of gig economy are as follows:

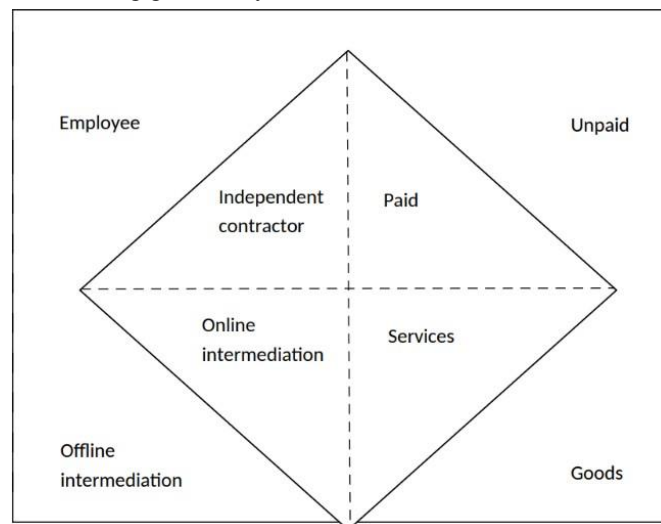


Fig.4. Gig economic indicator.

Sources: Nikos et al, (2019).

The definition of the gig economy is more tailor-made according to a particular platform, so there is very little conceptual agreement regarding the gig economy [18]. According to Nikos et al, the indicators of the gig economy, despite little agreement on the conceptualisation of the gig economy, it is possible to distil four dimensions along which definitions of the gig economy between authors consist of independent contractor, paid, services, and using online intermediation [18].

2.3 Work Life Integration

According to Afif, work life integration is an approach to synergize work, life and family [13]. Work life integration is a new concept by synergizing work and life, where this concept is considered as the future concept of the world of work. One of the advantages of work-life integration is that it creates worker happiness so that it encourages productivity at work, without compromising their daily activities [13]. The concept of work life integration is a concept that was born as a critique of the concept of work life balance [19]. Where in the work life balance it is stated that life must be separated from work, meaning that work assignments should not be carried out outside working hours. The concept may be interesting, but in practice it turns out to be difficult to implement, especially as a result of the existence of technology that allows assignments to be given or obtained outside of working hours, as well as for workers with low level positions it will be difficult to refuse not to do the work, especially for contract workers. Because the concept of work life balance is difficult to apply, then a new concept emerged called work life integration [19].

According to Harrington and Ladge, the factors that drive work life integration consist of generational diversity, global challenge, overwork and stress, technology advancement, and shifting career attitudes and patterns [20]. According to Afif, work-life integration consists of flexible working time, flexible workplace, synergy between work and life, assessment based on performance and results, depending on the internet and technology for anything [13].

2.4 Hypothesis

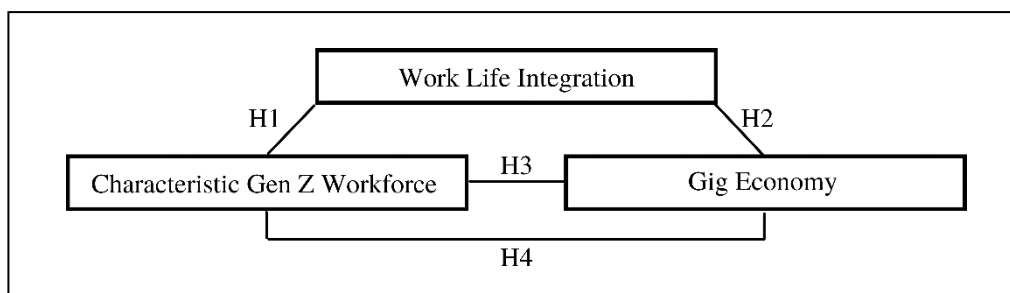


Fig. 5. Framework of hypothesis.

Based on framework created, the following hypothesis are obtained:

H1: It is suspected that there is an effect characteristics of the Z generation workforce (X) on work life integration (Y).

H2: It is suspected that there is an effect of work life integration (Z) on the gig economy (Y).

H3: It is suspected that there is an effect of the characteristics of the Z generation workforce (X) on the gig economy phenomenon (Y).

H4: It is suspected that there is an effect of the characteristics of the Generation Z workforce (X) on the gig economy (Y) with work life integration as a mediation (Z).

3 Methods

The research used quantitative methods. While sampling technique in this research uses non-probability sampling type purposive sampling. The data collection method uses a survey method with a questionnaire as a tool. Then, the analysis method used description analysis and hypothesis test with instrument and assumption classic test before. The research location is the city of Bandar Lampung with a population of Generation Z aged 15-24 years or has entered working age. The population in this study amounted to 200,160 people, with the age category of 15-19 years as many as 95,798 people and ages 20-24 as many as 104,362 people [21]. The number of samples in this study were 270 respondents. This number is in accordance with the Isaac and Morgan tables which state that for a population above 200,000 with an error rate of 10%, so 270 respondents can be determined [22].

4 Result and Discussions

4.1 Description of Respondents

Based on the results of the questionnaire, there were still 12 respondents who did not know about the gig economy, while 273 respondents who knew about the gig economy mostly got information from social media, this proves the suitability of the characteristics of Generation Z who are very close to social media [5]. In addition, from the questionnaire data distributed, the majority of respondents were women. Then for the age category, the majority of respondents are 19-21 years old, which is the age of a student and this is in accordance with data from *Dinas Tenaga Kerja* Bandar Lampung 2020 states that the majority of Bandar Lampung's working age are students [21].

4.2 Description of Respondents Answers

Based on the results of the questionnaire, it can be seen that the respondents' answers for each variable. The variable characteristic of the Z generation workforce has the highest average value for the direct remuneration indicator, with the statement "I want a salary payment system that is paid immediately after the work is completed" while the lowest average value is found in the indicator of lack of loyalty with the statement "I can't maintain a job for a long time." The variable gig economy has the highest average value obtained for the work flexibility indicator with the statement "The job I want is a job that is not rigid and not too regulated" while the lowest average value is found in the indicator, workers have special skills, with the statement "I will work to the best of my ability." Variable work life integration has the highest average

value found in the indicator, depending on the internet with the statement "I always use the internet in various activities" while the lowest average value is found in the time flexibility indicator with the statement "I want a job that does not limit my time work and also does not limit my time to rest".

4.3 The Effect of the Z Generation Workforce Characteristics on Work Life Integration

In the first hypothesis test, it is done to find out the truth of the hypothesis of an independent variable in this case, namely the characteristics of generation Z labor to the mediation variable in this case, namely work life integration. In testing this hypothesis obtained the following results:

Table 2. The result of the first hypothesis test.

Generation workforce characteristics (X) on work life integration (Z)		
Model	t	Significance
Generation workforce characteristics (X)	6.809	0.000
Coefficient Determination	R Square (R²)	Adjusted R Squared (Adj. R²)
Generation workforce characteristics (X)	0,146	0,143

The results showed that the characteristics of the Z generation workforce had a significant positive effect on work life integration. This is shown based on the T test with a value of 6.809 > 1.96 with a coefficient of determination or magnitude of influence of 14.6%.

The results of the tests carried out are in accordance with the research conducted by Smith et al, which states that the influence of technological capabilities brought by Generation Z will be able to affect work-life integration [23]. The results of this test are also in accordance with research by Afif, which states that the system of work-life integration is a system that is influenced by the development of a young workforce, especially millennials and generation Z, this is due to the nature of young workers who want a flexibility, so that it will encourage generation Z to choose a work life integration, this is because work life integration provides a flexible time and flexible workplace [13].

Based on the respondents' answers from nine statements for the variable characteristics of the Z generation workforce, it is known that the direct remuneration indicator with the statement "I want a salary payment system that is paid directly after the work is completed" gets the highest score, this shows that Generation Z wants a direct employee benefit payment system. after the work is completed. Therefore, the work-life integration is very suitable for Generation Z because the approach focuses on results not processes, so that an assessment and payment of rewards is given after the work is completed and is adjusted according to the quality of the results that have been done.

4.4 The Effect of Work Life Integration on Phenomenon Gig Economy

In the second hypothesis test, it is done to find out the truth of the hypothesis of the effect of worklife integration on the phenomenon of gig economy. In testing this hypothesis obtained the following results:

Table 3. The result of the second hypothesis test.

Work Life Integration (Z) on Phenomenon Gig Economy (X)		
Model	t	Significance
Work life integration (Z)	6.839	0.000
Coefficient Determination	R Square (R²)	Adjusted R Squared (Adj. R²)
Work life integration (Z)	0,147	0,144

The results showed that work life integration had a significant positive effect on the gig economy. This is evidenced by the T test with a value of $6.839 > 1.96$ with a coefficient of determination or magnitude of influence of 14.7%.

The test results are in accordance with research from Munjal, which found that work-life integration can only be obtained in flexible work, where flexible work itself can be obtained in the gig economy [24]. This means that the development of the gig economy can be influenced by the increasing desire to choose a work life integration approach.

Beside that, obtained for the internet dependency indicator with the statement "I always use the internet in various activities", this shows that generation Z cannot be separated from the internet in their lives, especially at work. Therefore, generation Z is not suitable for working in companies whose activities are carried out manually or have not used technology, especially digital technology. The better the company is in using technology and providing the internet, the generation Z workforce will be more interested in working there. The gig economy as a concept that was born from the development of digital technology will certainly be in accordance with the habits of Generation Z who are very dependent on the internet.

4.5 The Effect of Generation Z Characteristics Workers on the Gig Economy

In the third hypothesis test, it is done to find out the truth of the hypothesis the of effect of generation Z characteristics on the phenomenon of gig economy. In testing this hypothesis obtained the following results:

Table 4. The result of the third hypothesis test.

Generation workforce characteristics (X) on Gig Economy (Y)		
Model	t	Significance
Generation workforce characteristics (X)	7.136	0.000
Coefficient Determination	R Square (R²)	Adjusted R Squared (Adj. R²)
Generation workforce characteristics (X)	0,158	0,155

The results showed that the Z generation workers had a positive and significant effect on the gig economy. This is evidenced by the T test with a value of $7.136 > 1.96$ with a coefficient of determination or magnitude of influence of 15.8%.

The results of the test are in line with the researchers assumptions, which are based on research conducted by Kalleberg and Dunn, who found that the gig economy is able to give worker control over content, time and terms of work [5]. In addition, according to research conducted by Anwar dan Graham, the gig economy is able to provide higher individual freedom than collective freedom [1]. While generation Z also has characteristics, namely liking flexibility and work independence, based on findings about the gig economy and conformity to the characteristics of the gig economy, it can be concluded that there is an influence between generation Z and the gig economy.

Based on respondent answers from seven statements for the gig economy, the highest average value was obtained for the work flexibility indicator. This shows that Generation Z wants a job that is flexible and not rigid in carrying out their work. Therefore, the gig economy is very relevant for Generation Z because the various jobs provided in the gig economy offer work flexibility. As for jobs that provide work flexibility in the gig economy, such as freelancers, YouTubers, celebrities, and other freelance and part-time jobs.

4.6 The Effect of Work Life Integration as a Mediation

In the fourth hypothesis test, it is done to find out the truth of the hypothesis the effect of work lifeintegration as a mediator. In testing this hypothesis, the formula used is the sobel test with the following results:

Table 5. Sobel test result.

Components		Result	
a	0,301	Sobel Test Statistic	3,82
b	0,348		
Sa	0,042	P-Value	0,00009
Sb	0,075		

The mediation test of this research uses the Sobel test method. The test results show that there is a positive and significant effect for the work life integration variable as a mediating variable. This is evidenced by the t value more than 1,98, which means it can be concluded that the work life integration meets the mediation criteria.

This result is also in accordance with research by Afif, which states that work-lifeintegration is very suitable for workers who want integration between work and life such as generation Z [13]. Then work-life integration will also be able to affect the gig economy due to work-life integration. can only be found in flexible work, where flexible work itself can be found in the gig economy [24]. This can also be explained from the highest score in the statement "I always use the internet in various activities" which shows that the importance of the internet and technology for Generation Z, and this statement will also encourage agreement on the gig economy, which is all digital in its application with the use of the internet in it. Therefore, work

life integration is able to become a link for the two variables, namely the characteristics of the Z generation workforce and the gig economy.

5 Conclusion

Based on the results of the research that has been carried out, it can be concluded that the characteristics of the Z generation workforce have a significant positive effect on work life integration, work life integration has a significant positive effect on the gig economy, the characteristics of the Z generation workforce have a significant positive effect on the gig economy, and work life integration has a significant positive effect in mediating.

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