

## **The Role of Government Regulation in Increasing Human Resource Productivity in the Gig Economy Sector**

**Maludin Panjaitan<sup>1)</sup>, Yosie Gabriela Panjaitan<sup>2)</sup>, Yosua Permana<sup>3)</sup>, Yosephine Grace<sup>4)</sup>, Maun Jamaludin<sup>5)</sup>**

<sup>1)</sup> Universitas Methodist Indonesia, Medan, Indonesia

<sup>2)</sup> Universitas Methodist Indonesia, Medan, Indonesia

<sup>3)</sup> Universitas Methodist Indonesia, Medan, Indonesia

<sup>4)</sup> Universitas Sumatera Utara, Medan, Indonesia

<sup>5)</sup> Universitas Pasundan, Bandung, Indonesia

**Abstract.** *The gig economy has witnessed rapid growth in recent years, transforming the nature of work and labor markets globally. This paper examines the relationship between government regulation and human resource productivity within the gig economy. It explores the challenges faced by gig workers, including job security, income uncertainty, and the lack of labor protections. The role of government regulation in addressing these challenges and boosting human resource productivity is discussed, with a focus on fair pay, benefits, workplace safety, anti-discrimination laws, and training initiatives. The paper also reviews how productivity is influenced by flexibility and autonomy, and how well-being impacts worker output. Ultimately, the paper argues that well-crafted regulations are essential for enhancing productivity while ensuring fair treatment and opportunities for gig workers.*

**Keywords:** *Gig Economy, Human Resource Productivity, Government Regulation, Job Security, Labor Protections.*

### **1. INTRODUCTION**

The gig economy has emerged as a significant force in the global labor market, offering workers the flexibility to engage in short-term, task-based employment rather than traditional full-time, long-term positions. This shift has been fueled by technological advancements and the rise of online platforms such as Uber, TaskRabbit, Gojek, and Grab. Gig workers, including freelancers, independent contractors, and platform-based workers, are often employed on a project-by-project basis, providing services ranging from transportation to delivery to freelance tasks. However, while the gig economy offers greater autonomy, it also presents unique challenges, particularly around job security, income stability, and access to benefits.<sup>1</sup>

The productivity of human resources in the gig economy is typically measured by the output workers can generate in relation to the time and resources they invest. Unlike

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<sup>1</sup> Tom Montgomery and Simone Baglioni, "Defining the gig economy: platform capitalism and the reinvention of precarious work," *International Journal of Sociology and Social Policy* 41, no. 9/10 (2021): 1012-1025.

traditional employment, where productivity is often defined by long-term metrics, gig workers' productivity is influenced by factors such as the number of tasks completed, earnings per hour, and the efficiency of the platforms they use. With millions of workers globally engaging in gig work, the ability to maintain high productivity levels is critical to sustaining both individual and sector-wide success. In the United States, for example, more than 36% of the workforce is involved in some form of gig work, while in Southeast Asia, platforms like Gojek and Grab have catalyzed the rapid expansion of gig work, further emphasizing the sector's growth and the need for effective regulation.<sup>2,3</sup>

However, the lack of consistent government regulation in the gig economy exacerbates existing challenges and hampers the productivity of workers. Without protections, gig workers face the risk of exploitation, fluctuating income, and inadequate benefits such as healthcare, paid leave, and retirement savings. Additionally, many gig workers are vulnerable to health and safety risks, especially those in delivery or rideshare services who are exposed to traffic accidents or unsafe working environments. The lack of labor protections, such as the right to unionize or access workers' compensation, leaves gig workers at a disadvantage compared to traditional employees, directly impacting their well-being and, ultimately, their productivity.<sup>4,5</sup>

Given the rapid growth and inherent challenges within the gig economy, this research aims to explore the critical role of government regulation in addressing these issues and fostering increased human resource productivity. Specifically, it will examine how regulations related to fair pay, job security, benefits, safety protections, and training initiatives can mitigate the risks faced by gig workers while simultaneously enhancing their overall productivity. This research will also delve into the mechanisms through which regulation can balance flexibility and worker protection, ensuring that the gig economy can continue to thrive without sacrificing workers' welfare.<sup>6,7</sup>

The research question at the heart of this paper is: How can government regulation increase human resource productivity within the gig economy sector while addressing the inherent challenges faced by gig workers? To answer this, the paper will assess existing regulations, compare international perspectives, and provide recommendations for policymakers aiming to create an environment that maximizes both worker well-

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<sup>2</sup> Gerald Friedman, "Workers without employers: shadow corporations and the rise of the gig economy," *Review of Keynesian Economics* 2, no. 2 (2014): 171-188.

<sup>3</sup> Valerio Michele De Stefano, "The rise of the 'just-in-time workforce': on-demand work, crowd work and labour protection in the 'gig-economy'," *Comparative labor law and policy journal* 37, no. 3 (2016): 471-504.

<sup>4</sup> Janine Berg, "Income Security in the On-Demand Economy: Findings and Policy Lessons from a Survey of Crowdworkers," *Comparative Labor Law & Policy Journal* 37, no. 3 (2016).

<sup>5</sup> Tom Montgomery and Simone Baglioni, "Defining the gig economy: platform capitalism and the reinvention of precarious work," *International Journal of Sociology and Social Policy* 41, no. 9/10 (2021): 1012-1025.

<sup>6</sup> Jonathan V. Hall, and Alan B. Krueger, "An analysis of the labor market for Uber's driver-partners in the United States," *IIR Review* 71, no. 3 (2018): 705-732.

<sup>7</sup> Yanning Li, Shi Xu, Yitong Yu, and Robert Meadows, "The well-being of gig workers in the sharing economy during COVID-19," *International Journal of Contemporary Hospitality Management* 35, no. 4 (2023): 1470-1489.

being and productivity.<sup>8,9</sup>

This study is relevant because the gig economy continues to grow and shape labor markets, with substantial implications for both workers and the broader economy. By understanding the relationship between government regulation and human resource productivity, this research aims to contribute to the ongoing conversation about how best to manage the complexities of the gig economy while ensuring fair treatment and sustained economic growth. The ultimate objective is to provide insights into how regulatory frameworks can be designed to improve the productivity of gig workers, protect their rights, and foster a more equitable and efficient labor market in the future.

## 2. METHOD

This study employs a qualitative research approach, focusing on a conceptual legal analysis to examine the role of government regulation in the gig economy. The primary aim is to explore how various government regulations impact human resource productivity within the gig economy, particularly in Indonesia, and to compare the regulatory frameworks of other countries to identify potential best practices and areas for improvement. A conceptual legal approach is utilized to critically analyze and interpret legal frameworks, policies, and regulations related to the gig economy in both Indonesia and other countries. This involves reviewing existing labor laws, government policies, and sector-specific regulations that directly or indirectly affect gig workers' rights, productivity, and welfare. The comparative analysis allows for a better understanding of how different regulatory approaches impact the productivity and well-being of gig workers. Data for this study is collected from secondary sources, including legal texts, government reports, academic papers, and case studies. The data is then analyzed using a descriptive and qualitative method. Descriptive analysis is applied to summarize the key aspects of the regulations and their impact on gig workers. Meanwhile, qualitative analysis is used to interpret and compare the effectiveness of these regulations in addressing the challenges faced by gig workers and enhancing their productivity.

## 3. RESULTS AND DISCUSSION

### 3.1. Importance of Human Resource Productivity in the Gig Economy

In the gig economy, human resource productivity is defined not only by the amount of output but also by the efficiency with which workers complete their tasks. Gig workers often enjoy the flexibility to choose when and how much they work, which allows for greater autonomy and a better work-life balance. This flexibility is one of the key factors that can enhance productivity, as it enables workers to align their work schedules with their personal preferences and peak energy times. For example, a delivery driver can choose to work during high-demand hours, such as during lunch or

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<sup>8</sup> Penny Williams, Paula McDonald, and Robyn Mayes, "The Growing "Gig Economy" Implications for the Health and Safety of Digital Platform Workers," In *Handbook on Management and Employment Practices*, pp. 769-785. Cham: Springer International Publishing, 2022.

<sup>9</sup> Cristina Inversi, Tony Dundon, and Lucy-Ann Buckley, "Work in the gig-economy: The role of the state and non-state actors ceding and seizing regulatory space," *Work, Employment and Society* 37, no. 5 (2023): 1279-1298.

dinner rushes, maximizing earnings and efficiency. Similarly, freelancers can adjust their work hours to coincide with moments of peak concentration and creativity.<sup>10</sup> However, this flexibility also presents challenges, as income can fluctuate depending on demand, platform algorithmic changes, and the availability of tasks, leading to periods of reduced earnings and financial instability. This uncertainty in income can be a significant barrier to sustained productivity, as workers may feel compelled to work excessive hours during busy periods, leading to burnout and diminishing returns.<sup>11</sup>

The relationship between flexibility and productivity is complex, as it depends on a delicate balance between job satisfaction and income uncertainty. While having control over one's work schedule can lead to increased job satisfaction, it can also introduce variability in earnings that may cause stress and reduce long-term motivation. The lack of guaranteed income and benefits in the gig economy means that workers must constantly seek out new opportunities to maintain stable earnings, which can erode the positive impacts of flexibility on productivity.<sup>12,13</sup>

Autonomy is another essential factor that influences productivity. Gig workers value the freedom to choose their tasks, whether it's selecting which clients to work with or determining the types of jobs they wish to accept. This sense of control over one's work is a key motivator, as it empowers workers to align their tasks with their skills, interests, and strengths. For instance, a freelance graphic designer may choose only projects that match their skill set, allowing them to complete the work more efficiently and with higher quality. Autonomy allows workers to build a portfolio of tasks that suit their personal preferences, which can lead to higher motivation and, by extension, higher productivity. However, autonomy can be limited by platform algorithms, which often determine the availability and type of work offered to gig workers. As a result, while autonomy can positively impact productivity, the reliance on platform rules and restrictions can restrict workers' freedom and affect their overall efficiency.<sup>14</sup>

Technology plays a critical role in enabling gig workers to optimize their productivity. Online platforms equipped with advanced algorithms and user-friendly apps help workers find jobs more efficiently and streamline the task completion process. For example, rideshare platforms like Uber and Grab utilize geolocation and routing algorithms to match drivers with nearby passengers and optimize travel routes, reducing idle time and maximizing earnings per hour. Similarly, task-oriented platforms like TaskRabbit enable workers to select assignments based on location, skills, and time availability, helping them efficiently manage their time. The convenience and effectiveness of these technologies contribute to increased productivity by allowing gig

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<sup>10</sup> Gerald Friedman, "Workers without employers: shadow corporations and the rise of the gig economy," *Review of Keynesian Economics* 2, no. 2 (2014): 171-188.

<sup>11</sup> Orly Lobel, "The gig economy & the future of employment and labor law," *USFL Rev.* 51 (2017): 51.

<sup>12</sup> Janine Berg, "Income Security in the On-Demand Economy: Findings and Policy Lessons from a Survey of Crowdworkers," *Comparative Labor Law & Policy Journal* 37, no. 3 (2016): 21.

<sup>13</sup> Valerio Michele De Stefano, "The rise of the 'just-in-time workforce': on-demand work, crowd work and labour protection in the 'gig-economy'," *Comparative labor law and policy journal* 37, no. 3 (2016): 471-504.

<sup>14</sup> Tom Montgomery and Simone Baglioni, "Defining the gig economy: platform capitalism and the reinvention of precarious work," *International Journal of Sociology and Social Policy* 41, no. 9/10 (2021): 1012-1025.

workers to work smarter, not harder. However, while technology can enhance efficiency, it also introduces new challenges, such as platform dependence, algorithmic bias, and concerns over worker surveillance, all of which can negatively affect productivity and job satisfaction.<sup>15,16</sup>

One of the most significant factors that influence gig workers' productivity is their overall well-being. A direct correlation exists between worker well-being and productivity, where access to fair pay, benefits, and a healthy work-life balance positively influences performance. Workers who are adequately compensated for their efforts, and who have access to benefits such as healthcare, paid leave, and retirement savings, tend to be more productive. This is because they experience lower levels of stress, have a greater sense of financial security, and are better able to focus on their tasks. When workers are healthy and have access to essential benefits, they are more likely to be motivated, efficient, and able to maintain a consistent work schedule.<sup>17</sup>

Conversely, the stress that arises from income uncertainty, lack of labor protections, and job insecurity can have a detrimental effect on productivity. Gig workers are often left without the safety net of unemployment benefits or workers' compensation, leaving them vulnerable to financial hardships in times of illness or injury. The pressure to constantly secure work in an unpredictable market can also lead to mental health issues, such as anxiety and burnout, which can reduce overall productivity. When workers are stressed or overwhelmed by these concerns, their efficiency and performance tend to suffer. The absence of stable income and benefits creates an environment where workers may push themselves too hard, taking on excessive workloads in order to meet financial goals, which can ultimately result in physical and mental fatigue.<sup>18</sup>

Moreover, the lack of proper labor protections and the absence of work-related benefits exacerbate feelings of instability among gig workers, further reducing their productivity. Gig workers often face uncertainty regarding job tenure, the availability of work, and the rights and protections that traditional employees enjoy. This insecurity can lead to reduced motivation, lower quality of work, and a diminished sense of long-term career prospects. This showed that the productivity of gig workers is heavily influenced by factors such as flexibility, autonomy, and the technology platforms they use, as well as their well-being. While flexibility and autonomy offer significant advantages, they also bring challenges related to income instability and work-life balance. The role of technology in optimizing efficiency is crucial, but it is not without its downsides, including dependence on platform algorithms and the risks of worker surveillance. Worker well-being, particularly access to fair pay, benefits, and protections, plays a vital role in sustaining productivity. Ensuring that gig workers have

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<sup>15</sup> Alex Rosenblat, *Uberland: How algorithms are rewriting the rules of work*, (Univ of California Press, 2018).

<sup>16</sup> Cristina Inversi, Tony Dundon, and Lucy-Ann Buckley, "Work in the gig-economy: The role of the state and non-state actors ceding and seizing regulatory space," *Work, Employment and Society* 37, no. 5 (2023): 1279-1298.

<sup>17</sup> Harits Hafiid, and Yasin Sugiarto, "Analisis Pengembangan Sumber Daya Manusia Dalam Upaya Meningkatkan Kualitas Kerja Untuk Menghadapi Persaingan Tenaga Kerja Asing," *Public Administration Journal (PAJ)* 4, no. 1 (2020): 43-53.

<sup>18</sup> Khotim Fadhli and Mukhibatul Khusnia, *Manajemen sumber daya manusia (produktivitas kerja)*, (Guepedia, 2021).

the necessary resources and protections to thrive is essential for enhancing their productivity in the gig economy.

### **3.2. Legal Protections and Challenges for Gig Economy Workers in Indonesia**

In Indonesia, gig economy workers such as ride-hailing workers or online transportation drivers, such as Gojek and Grab drivers, find themselves in a somewhat different situation compared to workers in the formal sector. While they make a significant contribution to the digital economy, their legal status and protections remain an ongoing issue that requires further attention. The existing legal system has not yet fully provided adequate protection for these workers, presenting several challenges that need to be addressed to ensure their well-being and productivity. These challenges include unclear labor classifications, the lack of social security benefits, and insufficient mechanisms for resolving disputes, which often leave gig economy workers vulnerable to exploitation. Additionally, as businesses in the gig economy seek to increase efficiency and productivity, there is a growing need to explore strategies that balance human resource management practices with the need to protect the rights and welfare of workers, ensuring that both employee satisfaction and productivity are improved in this rapidly evolving sector.<sup>19</sup>

One key aspect of regulating ride-hailing workers is their employment status. Ride-hailing drivers are typically classified as independent or freelance workers, meaning they do not have the same legal status as employees in traditional companies. As independent workers, they are not entitled to the same legal protections, such as social security, minimum wage, or other worker rights afforded to formal employees. This situation creates uncertainty and inequality in the employment relationship, leaving drivers feeling excluded from the basic protections offered by labor law.

Existing regulations, such as Law No. 22 of 2009 on Traffic and Road Transport, provide a legal framework for public transportation, including ride-hailing services. However, this law does not fully address the protection of ride-hailing workers' rights in detail, leaving drivers without essential guarantees. Regulation of the Minister of Transportation No. 12 of 2019 provides a legal foundation for ride-hailing platforms but still lacks sufficient provisions for the welfare and protection of drivers.

A major issue is the social and health protection for drivers. Most ride-hailing drivers do not have access to social security benefits such as pension schemes, health insurance, or workplace accident insurance like formal sector workers. Some platforms, such as Gojek and Grab, have offered certain forms of protection, like accident insurance or health insurance, but these programs are not widespread and remain limited. Efforts to integrate ride-hailing drivers into the BPJS Employment System began in 2016, but participation is voluntary and not universally applied. This means many drivers remain unprotected in terms of social insurance.<sup>20</sup>

Another significant issue is drivers' income and wages, which are entirely dependent on

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<sup>19</sup> Yeni Nuraeni, "Analisis terhadap Undang-Undang ketenagakerjaan Indonesia dalam menghadapi tantangan revolusi industri 4.0," *Jurnal Ketenagakerjaan* 15, no. 1 (2020): 1-12.

<sup>20</sup> Akhdan Adityo Latri, Rajwa Khaicirinu Riyanto, Muhammad Bintang Firdaus, and Muhammad Gaung Syah Arjuna, "Hak Pekerja di Era Gig Economy: Perlindungan Hukum Bagi Pekerja Lepas dan Kontrak," *Media Hukum Indonesia (MHI)* 2, no. 2 (2024): 32.

the number of trips completed. Drivers do not receive a fixed salary, leading to income instability. Their earnings fluctuate based on demand, location, and time of day, creating uncertainty. This lack of consistent income puts pressure on drivers to work longer hours in order to earn enough to meet their financial needs. This has led to calls for the government to establish minimum rates or regulations that more clearly define the profit-sharing arrangements between drivers and platform companies.<sup>21</sup>

The lack of worker protections also creates disputes and inequalities between drivers and platforms. As independent workers, drivers do not enjoy protections from Collective Labor Agreements (PKB) or Labor Unions. When issues arise, such as unfair termination, performance evaluations, or commission deductions, drivers often do not have clear channels to resolve disputes. Some driver organizations, like the Indonesian Online Drivers Association, have worked to advocate for their rights, but stronger legal protections are still needed to give workers a sense of security.

On a positive note, the Indonesian government is becoming increasingly aware of the need for protections for ride-hailing workers and is currently discussing more comprehensive regulations. Some of these regulations aim to improve social security and ensure economic fairness for ride-hailing drivers, as well as to regulate pricing in a more transparent and equitable manner. These steps are a positive development, and they are expected to reduce the uncertainty faced by drivers and improve their welfare.<sup>22</sup>

Overall, although there have been some efforts to protect ride-hailing drivers, legal frameworks in Indonesia still require significant improvement. There are challenges related to workers' legal status, social protection, income instability, and labor rights that need to be addressed. Therefore, it is important for the government and related stakeholders to continue working towards creating more comprehensive regulations that not only support the sustainability of the ride-hailing sector but also provide fair protection for its workers.

### **3.3. Government Regulation and Human Resource Productivity Within the Gig Economy**

The research question at the core of this paper is: How can government regulation increase human resource productivity within the gig economy sector while addressing the inherent challenges faced by gig workers? To answer this question, it is crucial to explore the relationship between government regulations and gig worker productivity, specifically focusing on Indonesia while comparing global perspectives to identify best practices and areas for improvement.<sup>23</sup>

In the context of the gig economy, productivity is often measured by the output of

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<sup>21</sup> Nabiyla Risfa Izzati, "Eksistensi Yuridis dan Empiris Hubungan Kerja Non-Standar Dalam Hukum Ketenagakerjaan Indonesia," *Masalah-Masalah Hukum* 50, no. 3 (2021): 290-303.

<sup>22</sup> Sahata Panjaitan, and Raja Ritonga, "Analisis Perlindungan Hukum Bagi Pekerja Informal Dalam Perspektif Hukum Ketenagakerjaan," *Doktrin: Jurnal Dunia Ilmu Hukum dan Politik* 2, no. 3 (2024): 250-262.

<sup>23</sup> Windy Amanda Amanda, Wina Wulandari Wulandari, Nadira Nadira, Imran Ilyas Ilyas, and Risnawati Risnawati, "Implementasi Strategi Sumber Daya Manusia pada Dinas Pertanian, Pangan dan Perikanan Kota Tanjungpinang," *Seminalu* 1, no. 1 (2023): 581-588.

workers in relation to the time and resources they invest. While gig workers enjoy flexibility and autonomy, these benefits are accompanied by challenges that can undermine their productivity, such as income instability, lack of social security, and unsafe working conditions. Government regulations are vital for addressing these challenges and creating an environment that not only protects gig workers' rights but also encourages efficient and sustainable work practices.

The role of government regulation in the gig economy primarily revolves around ensuring fair compensation, providing safety standards, and offering social protections. In countries like Spain and Italy, government regulations are more stringent, mandating minimum wages and benefits like health insurance or retirement plans for gig workers. These regulations ensure that workers are paid fairly for their labor, motivating them to work efficiently and remain engaged in the sector for the long term. In contrast, countries like the U.S. and Southeast Asia (including Indonesia and Thailand) have less rigorous regulatory frameworks, with a greater emphasis on self-regulation by companies within the gig economy. This difference in regulatory approaches highlights a critical point: while some regulatory frameworks promote fairness and security for gig workers, others rely on the market to regulate itself, which often leads to a lack of protections and diminished productivity.<sup>24</sup>

From a comparative perspective, countries with comprehensive regulations that offer minimum wage laws, health benefits, and job security for gig workers have seen better outcomes in terms of worker productivity and job satisfaction. For example, the implementation of paid sick leave, health insurance, and retirement benefits ensures that workers do not have to prioritize short-term financial gain over their long-term well-being. This allows workers to remain focused and productive without the constant stress of financial insecurity or the risk of ill health affecting their ability to work. In these countries, such regulations have been linked to lower turnover rates and higher levels of worker retention, which ultimately increases overall productivity in the gig economy.<sup>25,26</sup>

On the other hand, countries like the U.S., where gig workers are primarily classified as independent contractors, often lack the same protections. In these contexts, workers face greater income volatility and have less access to benefits like health insurance and paid leave. Without the support structures provided by government regulations, workers in these regions are more likely to experience burnout, which decreases their overall productivity. Moreover, the absence of safety standards or insurance policies leads to higher accident rates, causing downtime and further reducing productivity. Thus, the lack of regulation in some regions can significantly hinder the productivity of gig workers, as it prevents them from maintaining a healthy work-life balance and accessing the necessary resources to do their jobs effectively.

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<sup>24</sup> Alex Rosenblat, *Uberland: How algorithms are rewriting the rules of work*, (Univ of California Press, 2018).

<sup>25</sup> Kristine M. Kuhn, Jeroen Meijerink, and Anne Keegan, "Human resource management and the gig economy: Challenges and opportunities at the intersection between organizational HR decision-makers and digital labor platforms," *Research in personnel and human resources management* 39 (2021): 1-46.

<sup>26</sup> Djamiah Silawane, M. A. Rahawarin, and Hendry Selanno, "Analisis Strategi Kebijakan Peningkatan Kualitas Sumber Daya Manusia Pada Dinas Ketahanan Pangan Kabupaten Maluku Tengah," *Innovative: Journal Of Social Science Research* 4, no. 2 (2024): 7090-7104.



In Indonesia, the regulatory environment is still evolving, with government measures to protect gig workers being limited but gradually increasing. The Indonesian government has made efforts to include ride-hailing drivers in social security schemes like BPJS Ketenagakerjaan, but participation is voluntary, and coverage remains uneven. As such, while there are some initiatives to improve gig workers' access to social protections, the current lack of comprehensive and mandatory regulations leaves workers vulnerable to income instability, poor working conditions, and inadequate healthcare. This impacts their productivity, as workers may have to work longer hours or take on more tasks to compensate for the lack of security. Furthermore, without laws that regulate fair pay, gig workers may not receive adequate compensation for their work, resulting in decreased motivation and productivity.<sup>27</sup>

Additionally, the absence of regulations ensuring worker safety in sectors like delivery services can lead to high rates of accidents and injuries, which further disrupt work efficiency. For example, delivery drivers working for platforms like Gojek or Grab in Indonesia face significant health and safety risks due to traffic conditions and the physical demands of their work. The lack of mandatory health and safety regulations increases the likelihood of accidents, leading to lost work hours and reduced worker productivity.<sup>28</sup>

In light of these challenges, this paper argues that government regulation can increase human resource productivity in the gig economy by ensuring fair wages, providing adequate safety standards, and offering essential benefits such as healthcare and paid leave. Additionally, promoting inclusive regulations that address discrimination and ensure equal pay can foster a more diverse and productive workforce. Providing training programs for gig workers, such as those funded by the government, also plays a vital role in enhancing their skills and boosting their productivity. In conclusion, while the gig economy offers flexibility and autonomy, these benefits come with significant challenges that hinder worker productivity. Government regulations that provide fair compensation, social protection, and safety standards can help mitigate these challenges, leading to a more productive workforce. A closer examination of global regulatory approaches, especially in countries with stronger protections for gig workers, provides valuable insights for Indonesian policymakers. By adopting and adapting best practices from other nations, Indonesia can create a regulatory environment that improves worker well-being and increases human resource productivity in the gig economy.<sup>29,30</sup>

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<sup>27</sup> Nikos Koutsimpogiorgos, Jaap Van Slageren, Andrea M. Herrmann, and Koen Frenken, "Conceptualizing the gig economy and its regulatory problems," *Policy & Internet* 12, no. 4 (2020): 525-545.

<sup>28</sup> Harits Hafiid, and Yasin Sugiarto, "Analisis Pengembangan Sumber Daya Manusia Dalam Upaya Meningkatkan Kualitas Kerja Untuk Menghadapi Persaingan Tenaga Kerja Asing," *Public Administration Journal (PAJ)* 4, no. 1 (2020): 43-53.

<sup>29</sup> Gerald Friedman, "Workers without employers: shadow corporations and the rise of the gig economy," *Review of Keynesian Economics* 2, no. 2 (2014): 171-188.

<sup>30</sup> Tom Montgomery and Simone Baglioni, "Defining the gig economy: platform capitalism and the reinvention of precarious work," *International Journal of Sociology and Social Policy* 41, no. 9/10 (2021): 1012-1025.

## 4. CONCLUSION

This research explored how government regulation can enhance human resource productivity in the gig economy, with a particular focus on Indonesia, while addressing the challenges faced by gig workers. Specifically, the study investigated the role of legal frameworks in improving worker well-being, reducing income instability, and promoting productivity. The key findings indicate that the gig economy offers flexibility and autonomy, but these advantages are often offset by significant challenges, such as income uncertainty, lack of legal protections, and unsafe working conditions. In Indonesia, gig workers, especially ride-hailing drivers, are classified as independent contractors, leaving them without essential social security benefits or protections. The current regulatory environment, although evolving, does not adequately address these issues, and comprehensive legal reforms are necessary to ensure fair compensation, social security, and job stability. The study emphasizes that government regulation plays a crucial role in improving productivity by ensuring fair wages, safety standards, and access to social benefits such as health insurance and paid leave. Countries with robust regulations have seen better outcomes in terms of worker satisfaction and productivity. For Indonesia, adopting best practices from countries with stronger protections could help improve both worker welfare and overall productivity in the gig economy. A limitation of this study is its reliance on secondary sources and its focus on Indonesia, which may not fully capture the global diversity of the gig economy. Future research could explore the long-term impact of regulatory changes in Indonesia, as well as the role of technology in shaping labor conditions. In conclusion, government regulation is essential for enhancing human resource productivity in the gig economy. By providing fair compensation, social protection, and safety standards, regulations can foster a more productive, sustainable workforce, benefiting both gig workers and the broader economy.

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