



3RD INDONESIA
INDUSTRIAL RELATIONS
CONFERENCE
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PT. PUSAT STUDI APINDO
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Digital Era and Rejuvenation of Labor Law

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Shangri La Hotel Surabaya, 8 - 10 November 2016

What Digital Really Means

- Creating value at new frontiers and understanding where the new, high value **opportunities** are.
- Understanding how **customer** behaviors and expectations are developing inside and outside your industry.
- Using **new** capabilities to improve how customers are served.
- Building foundational **digital** capabilities.

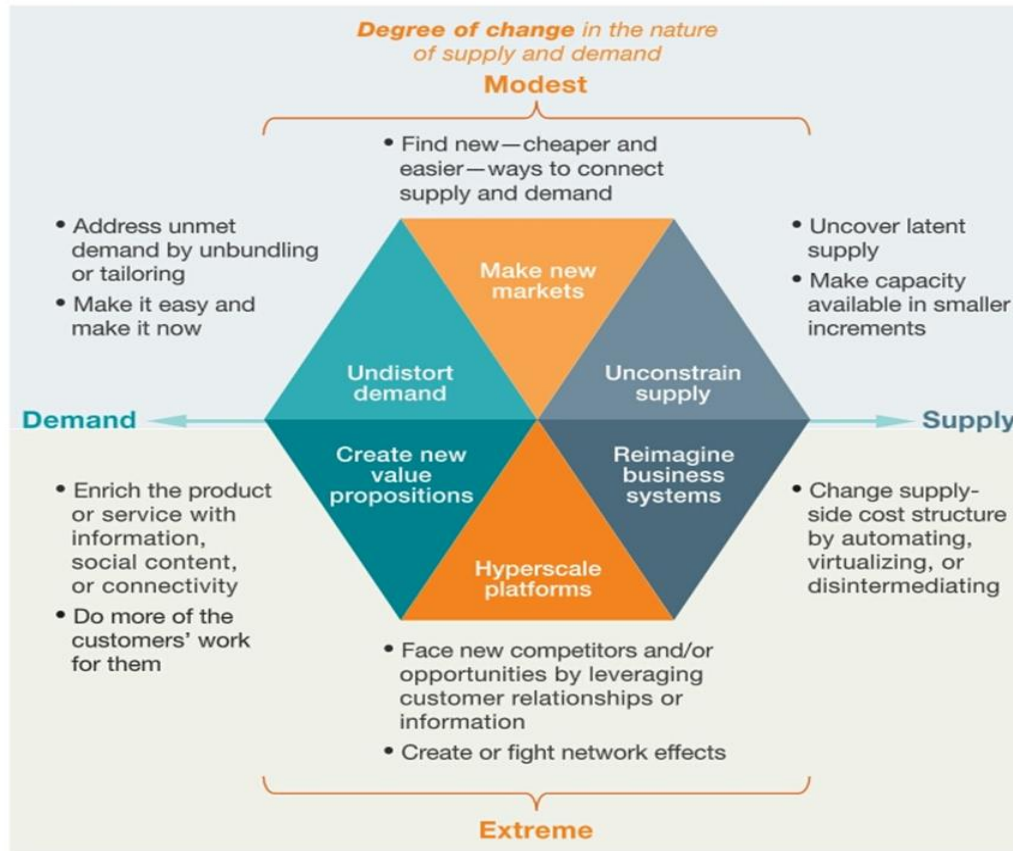
What Digital Really Means

- **New Capabilities Are ...**
 1. **Intelligent decision making** that is personalized and relevant to the customer.
 2. **Contextual interactivity** to improve the customer experience.
 3. **Real-time automation** to deliver consistent customer journeys.
 4. **Journey-focused innovation** to increase the value of the customer-brand relationship.

What Digital Really Means

- **Foundational Digital Capabilities Are ...**
 1. **Digital mind-set** that institutionalizes cross-functional collaboration, flattens hierarchies, and builds environments to encourage the generation of new ideas.
 2. **System and data architecture** to build networks that connect devices, objects, and people.

The Economics of Digital

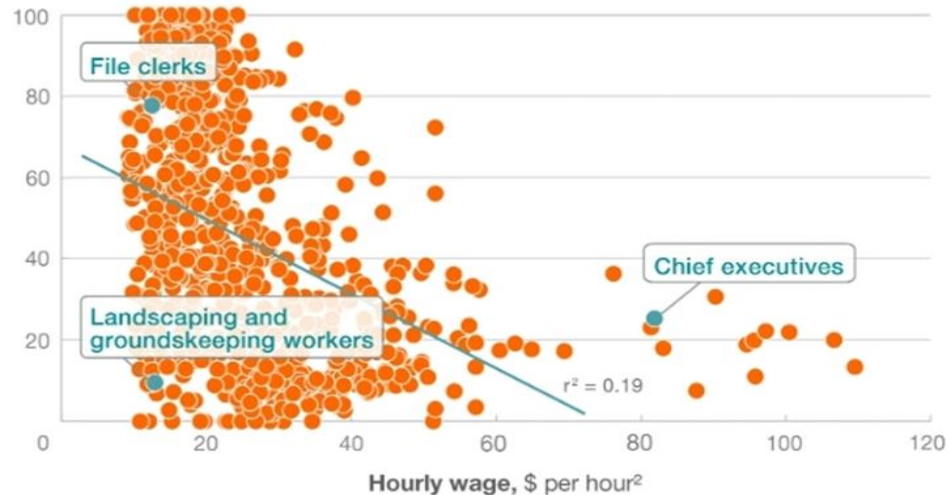


McKinsey&Company

Digital Impact : Automation

Comparison of wages and automation potential for US jobs

Ability to automate, % of time spent on activities¹ that can be automated by adapting currently demonstrated technology



¹Our analysis used “detailed work activities,” as defined by O*NET, a program sponsored by the US Department of Labor, Employment and Training Administration.

²Using a linear model, we find the correlation between wages and automatability in the US economy to be significant (p-value < 0.01), but with a high degree of variability ($r^2 = 0.19$).

Source: O*NET 2014 database; McKinsey analysis

McKinsey & Company

Digital Impact : Automation



Independent workers generally fit into four segments.

Share of working-age population engaged in independent work

	Primary income	Supplemental income
Preferred choice	Free agents 30% 49 million	Casual earners 40% 64 million
Out of necessity	Reluctants 14% 23 million	Financially strapped 16% 26 million

Source: 2016 McKinsey Global Institute survey of ~8,000 US and European respondents

McKinsey&Company

Digital: A Tale of LetsGO

- From detik.com

Taksi-taksi liar atau taksi berpelat nomer hitam di Bandara Internasional Soekarno-Hatta (Soetta), Tangerang dinilai mengganggu kenyamanan pengguna jasa angkutan udara ... PT Angkasa Pura II (Persero) (AP II) sebagai pengelola bandara harus menyiapkan solusi khusus untuk **menertibkan** taksi-taksi liar di Bandara Soetta.

Digital: A Tale of LetsGO

- From detik.com

Pertama-tama, AP II menggandeng **Induk Koperasi Angkatan Udara (Inkopau)**. Semua taksi liar harus menjadi legal dulu agar dapat beroperasi di Bandara Soetta ... Setelah terdaftar secara resmi, AP II menyiapkan aplikasi khusus untuk taksi-taksi ini ... Aplikasi yang dirancang oleh dosen-dosen dari Universitas Indonesia (UI) akan dinamakan **LetsGO**.

Digital: A Tale of LetsGO

- LetsGO is a **digital system** to manage car deployment operated by Inkopau Rent Car (IRC).
- IRC operates independent cars that **shuttle** from Bandara Soetta to passenger's destination.
- LetsGO **automates** the deployment process previously handled by employees.



Digital: A Tale of LetsGO

- LetsGO employs **independent** drivers that previously were illegally taking passengers at Bandara Soetta.
- LetsGO not only automates the job, but also **minimizes** the possible conspiracy that hinders effective and efficient deployment.
- In the near future, LetsGO will provide **more** independent job opportunities.

The advertisement for LetsGO features the company logo at the top, which includes the text 'LetsGO RENT CAR BY: INKOPAU' and a circular icon with a gear. Below the logo, it states 'AUTHORIZED CAR RENTAL & TRANSPORT SERVICE @AIRPORT'. A central image shows a man in a military-style uniform holding a large blue suitcase, with the text 'TOO MUCH, TOO MUCH, TOO MANY ?' and 'BAGGAGE' overlaid. Below this, it says 'CHOOSE any Car!*' and displays six different car models in a 3x2 grid. At the bottom, there is a disclaimer: '*additional 10% fee and may subject to change based on the availability!' and the website 'WWW.LETSGO.CO.ID'. Logos for 'LETS TECH', 'BNI', and 'ANGKASA PURA II' are also present.

Points for Rejuvenation

- **Automation**

- **Limit** on what jobs that can be automated.
- Prior to automation, obligation on the **development** of workers' capabilities to handle higher paid jobs.
- Encouragement for providing **more** independent jobs as an escape for those who lost their job.

What Digital Really Means

- **Independent Works**

- Managing **employment relationship**: rights and obligations of each party, in particular working conditions, rewards and benefits, and service quality delivered to customers.
- Minimum wage may be **irrelevant** as independent workers are technically not employees.



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