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The Impact of Signaling Theory and Human Capital Theory on Self-Branding Strategies Among Gig Workers

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ABSTRACT

This qualitative study aims to explore the self-branding strategies employed by experienced gig workers through the lens of Human Capital Theory and Signaling Theory. Using a multiple case study design, this research analyzes in-depth interviews to understand the life experiences of freelancers navigating a competitive digital marketplace. Thematic analysis reveals a fundamental strategic process. Findings indicate that authentic self-branding is rooted in continuous investment in human capital (substantive expertise), which is then consciously translated into credible market signals (e.g., curated portfolios and client testimonials) to reduce information asymmetry. These elements are further synthesized into a coherent personal brand narrative to communicate unique value. The success of this strategy facilitates the evolution of status from 'freelancer' to 'expert', but is accompanied by the constant burden of reputation management. The main contribution of this study is to demonstrate the interrelated and processual relationship between the two theories in practice, as well as to offer practical insights for workers in the gig economy.

INTRODUCTION

The shift in the global economic landscape towards a more flexible work model has given rise to a phenomenon known as the gig economy. This model is characterized by the prevalence of short-term employment contracts and freelance work, which fundamentally changes the traditional relationship between employers and employees (M. Aslam et al., 2024). Workers in this ecosystem, known as gig workers, enjoy greater autonomy and flexibility. However, this freedom comes with significant challenges, particularly income uncertainty and fierce competition in a fragmented and often digitized job market (Wheatley, 2024).

In this highly competitive environment, a gig worker's ability to stand out and attract potential clients is a determining factor for success. Consequently, strategies to increase one's selling value, or what is more popularly known as self-branding, have transformed from a mere career option to a strategic necessity (Blyth et al., 2022). Self-branding is no longer just about building an image, but rather an active process of managing perceptions, communicating expertise, and building a reputation to ensure a sustainable flow of work. The problem is that many gig workers implement this strategy intuitively without a solid theoretical foundation, often rendering it ineffective in achieving long-term goals.

To understand the mechanisms behind self-branding strategies more deeply, two fundamental theoretical frameworks in economics and management are highly relevant. First, Signaling Theory, proposed by Spence (1973), states that in conditions of asymmetric information—where one party (the client) has less information than the other (the gig worker)—the more informed party will send "signals" to demonstrate their quality, which cannot be observed directly. In this context, portfolios, certifications, client testimonials, and even pricing become credible signals that gig workers use to convince potential clients of their competence.

Second, Human Capital Theory offers a complementary lens. Becker (1964) postulated that individuals can invest in themselves—through education, training, and experience—to increase their future productivity and income. For gig workers, human capital is the substance of their self-worth. Effective self-branding strategies cannot be separated from ongoing efforts to acquire and develop skills, knowledge, and capabilities relevant to market demand. Human capital is the underlying asset of the signals they send.

The literature shows that research on self-branding has grown rapidly, especially in the context of social media and entrepreneurship (S. Aslam et al., 2024). Similarly, studies on the challenges and survival strategies of gig workers have been conducted extensively (Agarwal et al., 2025). However, these studies are often descriptive in nature, focusing on what gig workers do to market themselves, without exploring why certain strategies are chosen and how economic theory can explain their effectiveness. Signaling Theory and Human Capital Theory are often applied separately in the context of the formal labor market, but are rarely integrated to analyze phenomena in the gig economy.

This situation highlights a significant research gap. There is still limited understanding of how gig workers consciously or unconsciously utilize the principles of Signaling Theory and Human Capital Theory in an integrated manner in formulating their self-branding strategies. There is no conceptual model that explicitly links investment in human capital as a foundation for creating effective market signals, which ultimately aims to increase self-branding value among these non-traditional workers.

Therefore, this study aims to fill this gap by analyzing the impact of Signaling Theory and Human Capital Theory on the formulation of self-branding strategies among gig workers. More specifically, this study will investigate how investment in human capital (education, specialized skills) serves as the substance for building market signals (portfolios, certifications), and how these two elements together form a comprehensive self-branding strategy.

The main contribution (novelty) of this research lies in three aspects. First, this research integrates two powerful economic theories to provide a more holistic analytical framework for understanding self-branding in the gig economy. Second, this study shifts the focus from merely the practice of self-branding to the underlying theoretical mechanisms, thereby providing a deeper and more nuanced understanding of . Third, the results of this study are expected to provide evidence-based strategic guidance for gig workers to compete more effectively in an increasingly competitive job market.

LITERATURE REVIEW

The Gig Economy Phenomenon and Strategic Imperatives for Workers

The gig economy refers to a segment of the labor market characterized by the dominance of flexible jobs, short-term contracts, and freelance status, often facilitated by digital platforms (Yunita, 2023). Platforms such as Upwork, Fiverr, and Gojek have become intermediaries that connect individual service providers with massive market demand. This work model offers autonomy, flexibility, and job diversity that appeals to many individuals (Geetha et al., 2024). However, behind this flexibility lies a challenging work reality, which researchers refer to as precarity or job insecurity (Standing, 2011).

The main challenges faced by gig workers are intense and global competition, the lack of social security benefits enjoyed by formal workers, and high income volatility (Singh, 2024). In a saturated market, where clients have many choices, gig workers can no longer rely on long-term loyalty from a single employer. They must constantly "win" their next job. This situation creates a strategic imperative: every worker must function as a "company unto themselves" (Me Inc.), taking full responsibility for marketing, developing, and selling their own services (Ghosh, 2023). This is the context that makes self-branding no longer just an additional activity, but the core of a strategy for survival and growth in the gig economy.

Human Capital Theory

Human Capital Theory, pioneered by Becker (1964) and Schultz (1961), posits that individuals can increase their productivity and income by investing in themselves. This investment is not limited to formal education, but also includes vocational training, work experience, health, and the acquisition of new knowledge. This theory views skills and knowledge as a form of "capital" inherent in a person, which can generate future profits, just like financial capital.

In the context of the gig economy, the relevance of Human Capital Theory becomes even more acute. Since gig workers are skill-based service providers, human capital is their primary asset. To remain competitive, they must continuously invest in improving and updating their human capital, whether through online courses (e.g., Coursera), professional certification, or learning from each project they work on (Hasanah & Sunarti, 2022). This investment not only improves their real capabilities but also serves as a material foundation for building an authentic and valuable personal brand. Without strong human capital, self-branding will only be an empty facade that will not last in the long run. Human capital is the real "product," while self-branding is the "packaging."

Signaling Theory

Signaling Theory, introduced by Spence (1973), discusses how to overcome the problem of asymmetric information in the market. Asymmetric information occurs when one party in a transaction has more or better information than the other party. In the labor market, job applicants (gig workers) know their actual quality, work ethic, and abilities, while employers (clients) do not. To bridge this information gap , the better-informed party will send "signals" to communicate their qualities that cannot be observed directly.

To be effective, signals must be credible, meaning that the cost of sending the signal must be lower for high-quality individuals than for low-quality individuals. A classic example is educational credentials; more capable individuals are assumed to be able to complete their education at a lower cost (in terms of effort and time). In the context of gig workers, these signals can include:

1) Project Portfolio: Showcasing actual work results that demonstrate skill level.
2) Professional Certifications: Third-party signals that validate specific competencies.
3) Client Testimonials and Ratings: Social proof of reliability and past work quality.
4) Professional Publications or Content: Writing articles or creating content in one's field demonstrates depth of understanding (thought leadership).
5) Pricing Structure: Higher rates can signal premium quality and confidence.
6) Signaling Theory provides a mechanism for understanding how abstract human capital can be translated into observable attributes that can be assessed by the market.

Increasing Self-Worth through Self-Branding

Self-branding, or personal branding, is defined as a conscious and strategic process of managing public perception of an individual's identity and value (Arafah et al., 2022). In a professional context, it is an effort to communicate one's unique value proposition to a target audience, in this case potential clients or employers. This process involves identifying expertise, articulating a consistent professional image, and disseminating it through various channels, especially digital media such as LinkedIn, online portfolios, and social media (Umardi et al., 2025).

For gig workers, self-branding has a crucial instrumental function. First, it serves as a tool to build trust and credibility in an environment with minimal face-to-face interaction (Blyth et al., 2022b). A strong personal brand can reduce client hesitation and speed up the decision-making process. Second, self-branding enables differentiation. Amidst a sea of similar service providers, a clear and prominent brand helps a worker attract the types of projects and clients that best suit their skills and interests, thereby potentially increasing job satisfaction and service rates. However, successful self-branding practices should not be superficial; they must be based on real substance, which is well explained by Human Capital Theory.

METHODS

Research Approach and Design

This study uses a qualitative approach to explore in depth and holistically how Signaling Theory and Human Capital Theory are reflected in the self-branding strategies employed by gig workers. This approach was chosen because the research objective is to understand the meaning, process, and context behind the strategies implemented, something that cannot be fully captured through numbers and statistics. The research design used is a multiple case study with a phenomenological approach.

1. Multiple Case Study: This design allows researchers to investigate the phenomenon of self-branding intensively in the real-life context of several individuals (gig workers). By comparing several cases, this study can identify cross-case patterns while understanding the uniqueness of each case, thereby increasing the robustness and analytical generalization of the findings (Plugge & Nikou, 2024).
2. Phenomenological Approach: This approach focuses on understanding the lived experience and subjective perceptions of gig workers. The goal is to explore the essence of their experiences in building human capital, creating signals, and formulating a professional self-image to compete in the gig economy.

Research Informant Selection

In qualitative research, participant selection is not based on statistical representation, but rather on the depth of information they can provide. Therefore, the technique used is purposive sampling. The criteria (inclusion) for selecting informants are as follows:

1. Experience: Has been active as a gig worker for at least 3 years. This duration is considered sufficient for a worker to have gone through various cycles of strategy development and faced various market challenges.
2. Reputation: Has a proven track record of success, as evidenced by high ratings on the platform, consistent positive testimonials, or the ability to secure high-value projects.
3. Field Diversity: Informants will be selected from various fields that are common in the gig economy (e.g., creative industries, information technology, consulting, and writing) to gain a richer and more varied understanding.
4. Articulation: Possess the ability to reflect on and articulate their experiences well.

   The target number of informants is 8 to 12 people, or until data saturation is reached, which is the point at which new interviews no longer yield significant new insights or themes. The initial recruitment process will be conducted through professional platforms such as LinkedIn, which can then be followed up with snowball sampling techniques, where informants recommend other colleagues who meet the criteria.

Data Collection Techniques

To obtain rich and in-depth data, this study will use triangulation of methods, which is combining several data collection techniques:

1. Semi-Structured In-depth Interviews: This is the primary data collection method. An interview guide will be developed based on the theoretical framework (Human Capital Theory and Signaling Theory) and research questions. The semi-structured nature allows for flexibility to ask follow-up questions (probing) and explore unexpected topics that arise during the conversation. Interviews will be conducted online, recorded with permission, and transcribed verbatim.
2. Document Analysis: The researcher will collect and analyze public documents related to the informants' self-branding practices. These documents include:
   a. Profiles on freelance platforms (e.g., Upwork).
   b. LinkedIn profiles.
   c. Online portfolios or personal websites.
   d. Published content (e.g., blog articles, posts on professional social media).

Data Analysis Techniques

Data analysis will be conducted simultaneously with the data collection process and will follow a systematic thematic analysis model, as proposed by Braun and Clarke (2006). This process consists of six phases:

1. Familiarization with Data: Researchers will read interview transcripts and documents repeatedly to absorb and understand the data as a whole.
2. Searching for Themes: Grouping similar codes into larger potential themes.
3. Reviewing Themes: Re-examining the themes that have been created. Some themes may be combined, broken down, or discarded if they are not supported by strong data.
4. Defining and Naming Themes: Writing a detailed analysis for each theme, explaining its essence and scope, and how it answers the research question.
5. Producing the Report: Integrating the thematic analysis into a coherent and persuasive narrative, supported by direct quotes from informants to illustrate the findings.
6. This analysis will be framed by Human Capital Theory and Signaling Theory, which will be used as a "theoretical lens" to interpret the data.

Data Validity Test (Trustworthiness)

To ensure the rigor and credibility of this qualitative research, several data validity testing strategies will be applied (Saadah et al., 2022):

1. Triangulation: Using multiple data sources (interviews and documents) and methods to verify and enrich findings.
2. Member Checking: Returning summaries of findings or transcripts to informants to ensure that the researcher's interpretations are accurate and consistent with what they intended.
3. Peer Debriefing: Discussing the research process and findings with colleagues or supervisors who are not directly involved in the research to gain an external perspective and identify potential biases.
4. Rich, Thick Description: Presenting findings with rich and detailed descriptions in the final report, so that readers can understand the context in depth and assess for themselves whether the conclusions drawn are credible.

RESULTS

Human Capital as the Foundation of Brand Authenticity: "Not Just Appearance, but Substance"

The most fundamental finding consistently expressed by all informants was that effective and sustainable self-branding must be firmly rooted in substantive human capital. They viewed efforts to build an image without a foundation of real competence as a fragile and risky strategy. Investing in skill development is the starting point for all branding activities, as this is what gives authenticity and credibility to the image being presented. Rina, a graphic designer, emphasizes the importance of this investment as the foundation of her brand:

"At the beginning of my career, I took many online courses on UI/UX. It wasn't just to add certificates to my LinkedIn profile, but because I realized that my graphic design skills were no longer sufficient. My brand now is 'visual problem-solver for digital products'. I couldn't say that if I hadn't really invested in learning the fundamentals. Clients are smart; they can tell the difference between someone who's just good at talking and someone who's truly 'substantive.'"

Rina's statement is a manifestation of Human Capital Theory (Becker, 1964). The investment she made (the UI/UX course) directly increased her productive capabilities. The personal brand she carries ("visual problem-solver") is authentic because it is supported by relevant human capital.

Without this investment, the brand's claim would lose its credibility. Bima (a web developer) also agrees with this, stating that the "experience" gained from each project is the most valuable form of capital investment, which is the main substance of his selling point.

From Competence to Signals: Orchestrating Credibility Evidence

The second theme reveals how human capital, which is abstract and cannot be directly observed by clients, is translated into concrete and verifiable signals. Informants actively orchestrate various pieces of evidence to reduce information asymmetry and build trust, a practice that is in line with Signaling Theory (Spence, 1973). These signals serve as a bridge between internal competence and external perception. Sari, a content writer, explains how she strategically curates her portfolio as a signal:

"My portfolio is not just a collection of all my writings. It is a showcase that I have designed. I select 5-6 of my best articles that demonstrate my range: some are about fintech, some are about e-commerce. For each one, I provide a brief case study: what the brief was, what the challenges were, and what the results were—for example, 'ranking on the first page of Google in 3 months'. This signals that I'm not just a writer, but a strategist who understands business."

The portfolio curation Sari does is an advanced signaling practice. It not only demonstrates her writing ability (human capital) but also sends signals about her business impact and strategic thinking. This makes her intangible qualities visible to potential clients. Bima also emphasizes the power of third-party signals, such as "certifications from AWS or Google" and "5-star ratings on Upwork," which he calls "shortcuts to building trust" with clients who don't know her yet.

Personal Brand Narrative as a Synthesis of Capital and Signals

The third theme shows that a mature self-branding strategy does not stop at the accumulation of capital and signals. These elements must be synthesized into a coherent personal brand narrative. This narrative serves as a "common thread" that ties together all evidence of credibility and clearly communicates who they are, what they offer, and why they are the right choice. Rina explains the importance of consistency in her narrative:

Everything has to be connected. From a professional yet friendly profile photo, a concise bio, a visually consistent portfolio, to the way I write proposals. The common thread is 'a design partner who cares about the growth of the client's business'. So, every testimonial I display, I choose one that says

'Rina doesn't just design, she also provides strategic input'. All these elements reinforce the main narrative."

This is where Human Capital Theory and Signaling Theory converge in practice. Rina's human capital (her ability to provide strategic input) is the substance. The signal (specific testimonials) serves as evidence.

The brand narrative ("a design partner who cares") is the strategic packaging that unites the two, making it easy to understand and appealing to the target market. This narrative, as Sari explains, also evolves over time, from "cheap article writer" to "Content Strategist," enabling her to filter clients and increase her rates.

Strategic Impact and the Self-Branding Paradox: Toward 'Expert' Status and the Burden of Reputation Management

The final theme highlights the results of a successful self-branding strategy and the challenges that come with it. The most significant impact is the evolution of status from a "freelancer" (who is interchangeable) to a sought-after "expert" or "consultant." This status gives them greater autonomy, better projects, and higher bargaining power. However, this success creates a paradox, namely the constant burden of reputation management. Bima expressed this dilemma:

"I used to focus on coding. Now, almost 30% of my time is spent on 'selling'. Writing content on LinkedIn, updating my portfolio, responding to client reviews, and even occasionally speaking at webinars. A strong brand needs to be nurtured; it can't be neglected. Sometimes it's tiring because it's additional work outside of my main job."

This paradox shows that self-branding is not a one-time project, but an ongoing process that requires significant investment of time and energy. The pressure to continuously innovate (add human capital) and actively manage one's digital footprint (update signals) is an integral part of the life of a successful gig worker. This underscores that in the gig economy, managing one's personal brand is a job in itself.

CONCLUSION

This qualitative research concludes that effective self-branding strategies among gig workers are a dynamic strategic process that integrates Human Capital Theory and Signaling Theory. It was found that the foundation of an authentic self-image is continuous investment in human capital (skills and experience), which is then not left abstract, but actively translated into credible market signals such as portfolios, testimonials, and certifications. This capital and these signals are then synthesized into a coherent personal brand narrative to communicate a unique value proposition.

The success of this strategy enables gig workers to transition from freelance status to 'expert' status with greater bargaining power, albeit accompanied by the constant burden of reputation management. Theoretically, this study demonstrates a mutually reinforcing processual relationship between the two theories, while practically, these findings underscore the importance of prioritizing substance, deliberately designing signals, and constructing a complete narrative. With its limitations as a qualitative study, this research paves the way for future quantitative, longitudinal, and comparative studies to validate and expand on existing findings.

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