



Industrial Relations in National Companies

Eduart Wolok

Department of Industrial Engineering, Faculty of Engineering, Gorontalo State University

Abstract: The issue of competitiveness in an increasingly open world market is a key issue and a formidable challenge. Without being equipped with the ability and high competitive advantage, undoubtedly a country's products, including Indonesian products, will not be able to penetrate the international market. Even the entry of imported products can threaten the position of the domestic market. The writing method used by the author in writing this paper is the method of literature by browsing the internet and other sources to obtain data for the preparation of this scientific article. Industrial relations is a system of relations formed between actors in the process of producing goods and/or services consisting of employers, workers/laborers and the government based on the values of Pancasila and the 1945 Constitution of the Republic of Indonesia. Industrial relations basically focus on the rights and obligations between workers/laborers and employers. Regulated in international conventions and rules that apply in the country of Indonesia.

Key words: Industrial, National Companies, Labor.

INTRODUCTION

The issue of competitiveness in an increasingly open world market is a key issue and a formidable challenge. Without being equipped with the ability and high competitive advantage, undoubtedly a country's products, including Indonesian products, will not be able to penetrate the international market. Even the entry of imported products can threaten the position of the domestic market. In other words, in a competitive market, competitive advantage is a decisive factor in improving company performance. Therefore, efforts to increase competitiveness and build competitive advantage for Indonesian products cannot be delayed any longer and should be the concern of various groups, not only for the business people themselves but also for the bureaucratic apparatus, various organizations and members of the public.

The inability to manage relations with employees can lead to negative consequences which not only have legal consequences, but also have lateral consequences with the existence of the business. To be able to manage industrial relations, an Industrial Officer not only needs to be equipped with a (labor) legal context, but also with adequate skills in initiating programs that can maintain and guarantee a productive relationship between the company and employees.

In the era of globalization, economic conditions have experienced significant progress. Progress marked by the sophistication of the technology created has an impact on the pace of the world economy which is increasing rapidly. If a company wants to survive and thrive in intense competition, the company must improve the efficiency and productivity of its resources, including human resources and its management system.

1.2. Problem Formulation

1. What is meant by Industrial Relations?
2. What is the purpose of Industrial Relations?

3. How are Bipartite and Tripartite Cooperation Institutions?
4. What is the Labor Organization like?
5. What is the work agreement like?
6. How about a case study on Industrial Relations?

1.3. Purpose of Writing

1. Know the meaning of Industrial Relations
2. Knowing the purpose of Industrial Relations
3. Know the forms of bipartite and tripartite cooperation
4. Knowledge of workers/labourers' organizations
5. Know the work agreement system
6. Knowledge of cases regarding Industrial Relations

1.4. Benefits of Writing

Understand Industrial Relations which will also discuss employment and the role of the government between the rights and obligations between companies and workers.

METHODS

The writing method used by the author in writing this paper is the method of literature by browsing the internet and other sources to obtain data for the preparation of this scientific article.

DISCUSSION

2.1. Definition of Industrial Relations

Industrial Relations (Industrial Relations) is an activity that supports the creation of harmonious relations between business people, namely employers, employees and the government, so as to achieve calm work and business continuity (Industrial Peace). On Act-Labor Law No. 13 of 2003 article 1 number 16 Industrial Relations is defined as "A system of relations formed between actors in the process of producing goods and/or services consisting of elements of entrepreneurs, workers/laborers and the government based on values-Pancasila values and laws-The 1945 Constitution of the Republic of Indonesia." Seeing the importance of this activity, industrial relations issues need to receive special attention in handling them, because they have a major influence on the continuity of the production process that occurs in the company.

The balance between employers and workers is an ideal goal to be achieved so that there is a harmonious relationship between workers and employers because it cannot be denied that the relationship between workers and employers is a relationship that requires each other and complements one another. Entrepreneurs will not be able to produce goods or services if they are not supported by workers, and vice versa.

The most fundamental in the Concept of Industrial Relations is Partnership-equality between Workers and Employers who both have the same interests, namely together-both want to improve living standards and develop the company. Besides that, the community also has interests, both as suppliers of production factors, namely goods and services needed by companies, as well as consumers or users of the company's results. The government also has a direct and indirect interest in the company's growth, among others as a source of tax revenue. So industrial relations are relations between all the interested parties. In a narrow sense, industrial relations are defined as the relationship between management and workers or the Management-Employees Relationship.

According to Payaman J. Simanjuntak (1985), industrial relations are relations of all parties related or interested in the production process of goods or services in a company. Interested parties in each company (Stakeholders): 1. Entrepreneurs or shareholders who are represented on a daily basis by

management 2. Workers/labourers and trade unions/labor unions 3. Supplier or supplier company 4. Consumers or users of products/services 5. User Company 6. The local community 7. Government

Characteristics of Industrial Relations

1. Recognizing and believing that work is not just for earning a living, but also as a human service to God, fellow human beings, society, nation and state.
2. Consider workers not just mere factors of production but as individual human beings with all their dignity.
3. Seeing between workers and employers do not have conflicting interests, but have the same interest for the progress of the company.
4. Any differences of opinion between workers and employers must be adjusted to the way of deliberation to reach a consensus which is carried out in a family manner.
5. There is a balance between rights and obligations for both parties, on the basis of a sense of justice and decency.

Principles of Industrial Relations

The principle of industrial relations is based on the equality of interests of all elements for the success and sustainability of the company. Thus, industrial relations contain the principles that employers and workers, as well as the government and society in general, both have an interest in the success and sustainability of the company. Companies are a source of income for many people. Entrepreneurs and workers have a functional relationship and each has a different function in the division of labor or division of tasks.

There are several problems related directly or indirectly to the relationship between workers, employers and the government, namely:

1. Condition-working conditions
2. Remuneration
3. Working hours
4. Social Security
5. Occupational Health and Safety
6. Labor organization
7. work climate
8. How to resolve complaints and disputes.
9. How to solve problems that arise properly

The world of labor or employment in Indonesia is experiencing major changes in line with political and economic changes. Changes in the workforce were driven by reforms and the agreement of member countries of the international labor organization (ILO) to implement the organization's basic conventions. Industrial relations is a system of relations that is formed between actors in the process of producing goods or services, which consist of employers, workers/labourers and the government. While the employment relationship is the relationship between employers and workers/labourers based on work agreements that have elements of work, wages and instructions.

In Indonesia itself, laws and regulations related to employment have been issued, including Law No. 23 of 1948 concerning labor inspection, Law No. 21 of 1945 concerning Labor Agreements, and Law no. 22 of 1957 concerning the Settlement of Labor Disputes, Law no. 1 of 2004 concerning Settlement of Industrial Relations Disputes, and Law no. 3 of 2003 concerning Manpower.

2.2. Purpose of Industrial Relations

The aim of Industrial Relations is to realize harmonious, dynamic, conducive and fair Industrial Relations in the company.

1. Realizing a just and prosperous society based on Pancasila as well
2. Participate in carrying out world order based on freedom, eternal peace and social justice through
3. Creation of peace, tranquility and work order as well as peace of mind,
4. Increase production and
5. Improving the welfare of workers and their degree in accordance with human degrees.

The mental and social attitudes of employers and workers are also very influential in achieving the goals of industrial relations. The mental and social attitudes that support the achievement of the goals of industrial relations are:

1. Treat workers as partners, and treat employers as investors
2. Willing to accept each other and improve partnership relations between employers and workers openly
3. Always responsive to social conditions, wages, productivity and welfare of workers
4. Mutually develop forums of communication, deliberation and kinship.

The ultimate goal of industrial relations is to increase the productivity or performance of companies, as well as to achieve fair welfare for workers/laborers and employers. In order to realize the objectives and the continuity and working atmosphere in industrial relations, it is necessary to have regulations governing harmonious and conducive working relations. It is hoped that this regulation will have the function of accelerating the cultivation of the mental attitude and social attitude of Industrial Relations. Therefore every regulation in the employment relationship must reflect and be imbued with cultural values within the company, especially with the values contained in Industrial Relations.

"Regulation of rights and obligations can be distinguished into two groups, namely rights and obligations that are at least macro in nature as stipulated in labor laws and regulations. The meaning is that matters regulated in the legislation apply in its entirety to all companies with minimum standards and rights and obligations that are macro-conditional in the sense that the standards that only apply to individual companies are in accordance with the conditions of the companies concerned" (Oansamosirlaw: 2012)

Thus, life in industrial relations goes according to the cultural values of the company. With the existence of arrangements regarding matters that must be carried out by workers and employers in carrying out industrial relations, it is hoped that harmonious and conducive relations will occur. To realize this, the facilities referred to in Article 103 of the Manpower Law No. 13 of 2003 that industrial relations is carried out through the following means:

1. Bipartite cooperation institution
2. Tripartite cooperation institute
3. Worker Organizations or Worker/Labor Unions
4. Employment agreement

2.3. Bipartite and Tripartite Cooperation Institutions

Bipartite Cooperation Institution

Bipartite LKS is an entity at the business level or production unit formed by workers and employers. Every entrepreneur who employs 50 (fifty) workers or more can form a Bipartite Cooperation Institution (LKS) and members consisting of elements of employers and workers are appointed based on agreement and expertise.

LKS Bipartite has the duty and function as a forum for communication, consultation and deliberation in solving labor problems in companies for the benefit of employers and workers. Company managers are expected to participate in promoting the functioning of the Bipartite Cooperation Institution, especially in terms of resolving common problems, for example the settlement of industrial disputes.

LKS Bipartite aims to:

1. Realization of peace of mind, discipline and peace of mind,
2. Increasing the welfare of workers and the development and survival of the company.
3. Develop motivation and participation of workers as entrepreneurs in the company.

Bipartite LKS Criteria:

1. The process of appointing members is carried out by deliberation and consensus.
2. The principles are kinship and mutual cooperation and deliberation for consensus.

Bipartite Negotiations:

Negotiations between employers and workers to resolve industrial relations disputes. The Bipartite Committee determines the agenda and time for the negotiating meeting.

Tripartite Cooperation Institution

Tripartite cooperation institutions are LKS whose members consist of elements from government, workers' organizations and employers' organizations. The function of the Tripartite cooperation institution is as a Communication and Consultation FORUM with the main task of uniting conceptions, attitudes and plans in dealing with employment problems, both in the present time dimension that have arisen due to unexpected factors and to address future matters.

“Government Functions: Establish policies, provide services, carry out supervision, and take action against violations of applicable labor laws and regulations.

Functions of Workers/Workers' Unions: Carrying out work according to their obligations, maintaining order for the continuity of production, channeling aspirations in a democratic manner, developing skills, expertise and participating in advancing the company and fighting for the welfare of its members and their families.

Entrepreneur Function: Creating partnerships, developing businesses, expanding employment opportunities and providing workers' welfare in an open, democratic and fair manner” (Cahaya: 2015)

The legal basis for Bipartite and Tripartite cooperation institutions are:

1. UU no. 13 of 2003 concerning Manpower
2. Kepmenaker No. Kep.255/Men/2003 concerning Bipartite Cooperation Institutions
3. Kepmenaker No. Kep.355/Men/X/2009 concerning Tripartite Cooperation Institutions

2.4. Labor Organization

A workers' organization is an organization that was founded voluntarily and democratically from, by and for workers and takes the form of a Worker's Union, a combination of trade unions, a federation and a non-federation. The presence of Labor Unions in companies is very important and strategic in the development and implementation of Industrial Relations.

Based on the general provisions of Article 1 of the 2003 Manpower Act No. 17, a trade union/labor union is an organization formed from, by and for workers both in companies and outside companies, which is free, open, independent, democratic and is responsible for fighting for, defending and protecting the rights and interests of workers and improving the welfare of workers and their families.

The legal basis for the establishment of a trade union/labor union is regulated in:

1. UU no. 21 of 2000 concerning Trade Unions/Labor Unions
2. UU no. 2 of 2004 concerning PPHI
3. Kepmenaker No. 16 of 2001 concerning Procedures for Registration of Worker/Labor Unions
4. Kepmenaker No. 187 of 2004 concerning Fees for members of Trade/Labor Unions

Trade unions that have been legally registered with the Ministry of Manpower have two things:

1. The right to negotiate in making a Collective Labor Agreement (PKB)
2. Entitled as a party in Industrial Dispute Settlement.

In accordance with Article 102 of the 2003 Manpower Law, in carrying out industrial relations, workers and trade unions have the function of carrying out work in accordance with their obligations, maintaining order for the continuity of production, channeling aspirations democratically, developing skills and expertise and participating in advancing the company and fighting for welfare. members and their families.

“The essence of the workers' struggle is the acknowledgment and achievement of the dignity of workers in the current economic system (whatever form of economic system the state and its politicians choose). The achievement of the dignity of workers is not only in fulfilling economic needs alone. Guarantees for social life, work safety and the fulfillment of improving the quality of human resources are important things to be carried out by power holders and companies as stated in the Constitution and Pancasila as the basic foundation of the State. The goal of labor social movements is to create social change for the better” (Riswanda et al: 2013)

2.5. Employment agreement

Definition of Work Agreement in Law no. 13 of 2003 concerning Manpower (UUTK) in principle has provided a normative definition of work agreements. Article 1 point 14 UUTK defines a work agreement as an agreement between the worker/laborer and the employer or employer which contains the terms of work, rights and obligations of the parties. Based on this understanding, several important elements of the work agreement can be explained as follows:

Following:

1. There is a legal act/legal event in the form of an agreement;
2. There are subjects or actors, namely workers/laborers and entrepreneurs/employers, each of whom has an interest;
3. Contains terms of employment, rights and obligations of the parties

Agreement events are actions taken by workers/laborers and employers/employers to bind themselves in a relationship that is normative or mutually binding. An agreement is a form of engagement in which 2 (two) parties bind themselves to do, give something, or not to do something as outlined in an agreement both verbally and in writing. Agreements always give rise to rights and obligations for the actors involved in them. The consequences of non-fulfillment of these rights and obligations can be in the form of annulment or invalidation of the agreement and may even result in compensation for all forms of losses arising from non-fulfillment of the promised achievements.

In the UUTK new employment relations can arise after the worker/labourer and the entrepreneur/employer bind themselves in a work agreement. This is confirmed in Article 50 of the UUTK which states that the employment relationship occurs because of an employment agreement between the entrepreneur and the worker/labourer. Thus there is no connection whatsoever concerning work between certain workers/laborers and employers if previously there was no agreement that binds the two of them.

This work agreement is related to the level of wages in which this work agreement will result in what level of wages or rewards will be received by the worker/laborer. According to Article 1 paragraph 30 of Law no. 13 of 2003 concerning Manpower, Wages are rights of workers/laborers who are received and expressed in the form of money as compensation from employers or employers to workers/laborers who are determined and paid according to a work agreement, agreement, or laws and regulations, including allowances for workers/laborers and their families for work and/or services that have been or will be performed.

However, in determining the amount of wages, employers are prohibited from paying less than the minimum wage stipulated by the local government (Article 90 paragraph 1 of Law No. 13/2003). If the entrepreneur promises to pay a lower wage than the minimum wage, then the agreement is null and void (Article 91 paragraph 2 Law No. 13/2003) Every worker/ laborer has the right to earn income that fulfills a decent living for humanity (Article 88 paragraph 1 No. 13/2003).

Government policies regarding wages that protect workers/laborers include:

- minimum wages
- overtime wages
- wages for absence from work due to absence
- wages for absence from work due to other activities outside of work;
- wages for exercising their right to rest;
- form and method of payment of wages
- fines and deductions from wages;
- things -things that can be calculated with wages;
- proportional wage structure and scale;
- wages for severance pay; and
- wages for income tax calculations.

The amount of wages or salary and the method of payment is one of the contents of the work agreement (Article 54 paragraph 1 letter e of Law No. 13/2003). However, in the work agreement, it is not spelled out in detail regarding the payroll system, this will be stated further in Company Regulations (PP) or Collective Labor Agreement (PKB), or made in the form of a wage structure and scale as an attachment which is one unit and part which is an integral part of PP/PKB. PP and PKB are written agreements and the result of negotiations between workers/labor unions and employers.

Based on article 14 paragraph (3) Permenaker No. 1 of 1999, a review of the amount of wages for workers with a working period of more than 1 (one) year, is carried out based on a written agreement between workers/workers' unions and employers. The written agreement is reached and carried out through a bipartite negotiation process between workers/labor unions and employers in the company concerned. From the bipartite negotiations then gave birth to an agreement, which then stated the agreement in writing Company Regulations (PP), or Collective Labor Agreement (PKB).

2.6. Case Study

The case regarding worker demonstrations as a result of violations of normative rights committed by employers at the Adi Youngest Cigarette Factory in Malang City was studied by Suryani (2014). Adi Youngest Cigarette Factory is one of the small kretek cigarette factories that has survived to this day, but is in poor condition. Factory conditions indicate that the number of workers is small and the working hours of the actors in the production process are decreasing. This is because the excise tax bands are increasingly expensive, competition in the world of the cigarette industry is getting tighter, the products produced are less competitive than well-known products by the large-scale kretek cigarette industry in Malang City so that the income earned is decreasing.

Then the Adi Youngest Cigarette Factory entrepreneur tried to prevent bankruptcy by implementing cost efficiencies. The methods used by employers are reducing the number of workers and not fulfilling the normative rights of workers, for example workers are paid below the minimum wage, workers are not included in JAMSOSTEK, are not given money for holidays, and workers are not allowed to associate, for example joining an SPSI organization.

The pieceworker, who has actually worked at the factory for more than 20 years, accepts and does not protest against the employer's actions that pay wages below the minimum wage and do not fulfill other normative rights. They try to understand the condition of the factory where market demand is decreasing and realize that the work they do at the factory is not too hard. However, contract workers feel very disappointed and unappreciated when employers plan to provide THR and severance pay, the amount of which does not correspond to their length of service.

There are differences in interests between workers and employers in the factory which then triggers conflict. Disappointment as a result of the employer's actions has created a collective awareness among workers to fight against the employer. The collective awareness of the workers is realized by carrying out protest actions in the form of demonstrations. There was some resistance by workers because their aspirations were not properly achieved. In September 2011, workers at the Adi Bungsu Cigarette Factory staged a demonstration in front of the factory when the employer planned to lower the THR for contract workers, which in the previous year the THR was given Rp. 1,800,000, - to Rp. 1.100.000,-. Workers also threaten that if their THR is lowered they will go on strike.

Then at the end of February 2012, around 40 workers in the milling division were laid off for joining the SPSI and the employers planned to provide severance pay that did not match the length of service of the workers. The laid-off workers staged a demonstration in front of Malang City Hall and complained to the Malang City Manpower and Transmigration Office regarding the treatment of employers who were deemed to have violated workers' normative rights.

Bipartite conflict resolution between workers and employers can be pursued through industrial democracy. Industrial democracy can be seen when personnel as employers who have authority and wholesale workers as parties who do not have authority both openly voice their aspirations and then seek a settlement through collective bargaining. This resolution has been pursued by both conflicting parties by way of compromise, in which the parties involved reduce their demands on each other in order to defuse a conflict and reach a resolution to the existing conflict.

The resolution obtained from the results of the deliberation was that the entrepreneur continued to provide THR in accordance with the previous year in the amount of Rp. 1,800,000, - but the payment is paid in two installments because the condition of the company is increasingly quiet so that the employer cannot afford it if the THR is given in cash before Eid and the workers agree to this. This is where it can be seen that workers are willing to understand and understand the condition of the company which is experiencing a decline in income and declining market demand. Employers are willing to understand the interests of workers, namely the acquisition of rights so that their needs can be properly met.

Workers experienced deep disappointment at that time. Disappointment was caused by the employer's unwillingness to provide severance pay according to their expectations. Then followed by the actions of the SPSI management who did not keep their promises so that the conflict widened. Workers who experienced layoffs staged demonstrations and followed by their actions reporting to DISNAKER to complain about the problem.

Workers take various actions to obtain severance pay according to their expectations. In this case, the tripartite institution adopted is mediation. In mediation efforts there is interference from other parties (third) from neutral parties aimed at assisting in resolving conflicts and seeking a peaceful resolution. The intervention of other parties in the conflict at the Adi Bungsu Cigarette Factory regarding the determination of severance pay for laid-off workers used mediation facilitation from the Malang City Manpower and Transmigration Service (DISNAKER).

After the resolution, industrial relations between workers and factory owners after the conflict resolution at the Adi Bungsu Cigarette Factory appeared to be harmonious and peaceful. The existence of a harmonious situation between the owner and the workers naturally occurs because the owner of the Adi Youngest Cigarette Factory rarely meets with the workers. Workers interact with owners only when an annual meeting is held, both negotiations related to the amount of wages and THR so that the potential for conflict is smaller. As it is known that conflict is something that cannot be avoided as a logical consequence due to human interaction.

CONCLUSION

Industrial relations is a system of relations formed between actors in the process of producing goods and/or services consisting of employers, workers/laborers and the government which is based on the values of Pancasila and the 1945 Constitution of the Republic of Indonesia. Industrial basically

focuses on the rights and obligations between workers/laborers and entrepreneurs. Regulated in international conventions and rules that apply in the country of Indonesia.

It is hoped that the relationship that exists between workers and employers in the regulations that apply in Indonesia can actually work, impartially to the employers' group which often occurs where workers demonstrate as a result of employers taking actions outside the agreement.

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