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Validity of the Collective Agreement in Terminating a Fixed Term Employment Agreement According to Labor Law

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Abstract: The termination of a fixed-term employment agreement (PKWT) is regulated by applicable laws and regulations, including but not limited to the Employment Law. A PKWT can automatically terminate upon the expiration of the agreed-upon term, or it may also be terminated prior to the specified time if there are valid reasons, such as a breach of contractual provisions, force majeure circumstances, or mutual agreement between the parties. The termination procedure must be carried out in accordance with the provisions written in the agreement, with written notice provided to the other party within a sufficient timeframe for that party to make necessary preparations. Employees are entitled to receive all rights stipulated in the agreement, including but not limited to salary, benefits, and other entitlements, until the last day of employment. Conversely, the employer is obligated to provide valid and clear evidence of termination to avoid disputes in the future. If the termination is conducted in a manner that does not comply with the procedure or without a justifiable reason, the employee has the right to file a lawsuit to claim their entitlements. Therefore, it is essential for both parties to understand and adhere to the provisions contained in the employment agreement and to ensure that there are clear clauses regarding the conditions and procedures for terminating the agreement.

Keyword: PKWT, Validity of Termination Agreement, Dispute Resolution.

INTRODUCTION

Employment in Indonesia is an important aspect that involves various factors, ranging from government policies, job market conditions, to the challenges faced by the workforce. With a large population, Indonesia has significant labor potential. However, the increase in the workforce is often not matched by the creation of adequate job opportunities, so that poverty levels remain a problem, especially among college graduates and young people. Employment sectors in Indonesia, such as agriculture, industry and services, show different dynamics, with the services sector experiencing rapid growth.

Employment policies are regulated by Law no. 13 of 2003, which is the legal basis for regulating industrial relations and worker protection. The government has also launched

various programs to improve workforce skills, such as vocational training and entrepreneurship programs. However, challenges remain, such as the low quality of the workforce and the high proportion of workers in the informal sector who do not have social protection. The development of information technology and digitalization is increasingly changing the way of work, creating new opportunities, but also requiring the workforce to adapt to international standards in the era of globalization.

In an effort to improve welfare and social protection, the government has developed and established regional minimum wages to protect workers from inadequate wages. An effective workforce development strategy must include improving the quality of education and skills training, encouraging entrepreneurship, and developing pro-worker policies that support workers' rights. With good management and appropriate policy support, the employment sector in Indonesia is expected to contribute significantly to economic development and social welfare. The importance of employment in a country cannot be ignored. Governments, companies and other institutions must work together to create an environment that supports sustainable employment growth.

In the implementation of employment relations, labor law is present in a private or civil nature by regulating relationships between individuals, in this case between employers and workers, where employment relations are carried out by making an agreement or letter of agreement which is usually called a work agreement to bind the parties. Even though there is a letter or agreement that has been agreed upon, in reality, conflicts often occur between individuals and entrepreneurs due to several things that are considered detrimental to the parties, resulting in disputes that lead to termination of employment.

If disputes are not handled well, they can result in demonstrations which can harm many parties. Therefore, industrial relations require special attention so that harmony is created between workers and employers and efforts are needed from all parties so that industrial relations become harmonious, dynamic and fair in accordance with regulations in Indonesia.

According to the Indonesian Constitution, namely the 1945 Constitution of the Republic of Indonesia, it has been stipulated that the main goal of the state is to create a just and prosperous life for all people, as well as realizing social justice in social life. One effective way to achieve this goal is to ensure that every citizen has the right to a decent job and a prosperous life. In this context, it is important to note that after the amendments were made, the right of every individual to work and receive fair and decent treatment in employment relations was further confirmed and strengthened. This shows the country's commitment to protecting labor rights and ensuring that everyone can actively participate in economic development. Therefore, the state has an obligation that cannot be ignored to facilitate citizens to have the opportunity to work in jobs that are in accordance with human dignity. This includes efforts to provide access to education and training, as well as creating a conducive and fair work climate. By paying attention to aspects of protection and respect for workers' rights, it is hoped that a prosperous and just society will be realized, where every individual feels valued and has equal opportunities to achieve their maximum potential.

Employment law plays a role in regulating work relations that run well. Regulation is not only through statutory regulations, but also through company regulations, collective work agreements and individual work agreements. In this case, it is necessary to implement policies that function as mediators between employers and the workers involved. Therefore, expanding research on employment issues is very important as a step to ensure legal certainty and provide fair protection for both parties, namely employers and workers. Protection of workers' rights cannot yet be fully realized. Several obstacles are still found, including regulatory factors. Even though there are many regulations governing employment relations, there are still many loopholes to commit violations in their implementation.

METHOD

The type of research used in this study is normative legal research, which focuses on analyzing the norms, values and legal principles that apply in society. Normative research aims to understand and evaluate how these norms are interpreted, applied, and influence individual and group behavior. With this approach, this research not only looks for empirical facts, but also tries to explore the legal and ethical aspects that underlie a particular social or legal phenomenon, so as to provide a deeper understanding of the relationship between norms and practices in that context. relevant. According to Soerjono Soekanto, a normative juridical approach is legal research carried out by examining library materials or secondary data as a basis for research. This approach involves searching for regulations and literature related to the problem under study.

RESULTS AND DISCUSSION

Work Relationship

Employment relationships are interactions between workers and employers in an organization or company, which involve the rights and obligations of each party. This relationship can be formal, as in an employment contract, or informal. There are several types of employment relationships, including permanent employment relationships, where workers are employed for an unlimited period of time, temporary employment relationships for a certain period, and casual employment relationships for independent workers who complete certain tasks without long-term commitments. Each party has rights and obligations regulated in statutory regulations and work agreements; Workers have the right to wages, social security and legal protection, while employers have the right to set company policies and monitor employee performance.

Employment relations are regulated by labor law, such as Law no. 13 of 2003 in Indonesia, which regulates various aspects, including working hours, leave, and protection of workers' rights. Effective communication between workers and employers is very important to create a harmonious work environment, and good cooperation can increase productivity and job satisfaction. However, sometimes disputes occur between workers and employers, which can be resolved through mediation, arbitration or litigation in accordance with applicable legal provisions. Technological developments, globalization and social change have also changed the way employment relationships take place, with the increasing popularity of remote work and flexible working patterns. Employee welfare is a primary concern, with employers expected to provide a safe and healthy work environment, as well as welfare programs that support balance between work and personal life. Overall, work relationships are a crucial aspect in the world of work that influences worker productivity, satisfaction and well-being. With clear regulations and good communication, a harmonious working relationship can be created, providing benefits for both parties. The interests involved in employment relationships often have the potential to give rise to conflict, which can manifest itself in several important aspects. First, employment contracts are generally incomplete and open-ended, as the tasks to be performed and the nature of acceptable performance cannot be fully determined in advance. To varying degrees, employers depend on workers' willingness to use their initiative and discretion, rather than simply following established rules. This explains why the concept of "work to rule" has often proven to be a very effective form of industrial action. Therefore, the actual terms of the relationship between the entrepreneur as employer and employee are always a matter of negotiation. These negotiations sometimes take place formally and institutionally, but more often they are informal and individual, depending on the context and dynamics that exist in the relationship.

Second, as a consequence of the incompleteness of contracts and the complexity of employment relationships, power is inherent in these relationships. In general, workers are at

a disadvantage compared to employers. To address this imbalance, laws in various countries establish various rights and protections designed to limit managerial authority. However, it is important to note that no worker is completely powerless. Therefore, smart entrepreneurs are well aware of the importance of harnessing employee motivation and commitment to create a productive and mutually beneficial work environment. Thus, it is important for both employers and workers to communicate effectively and undergo a constructive negotiation process. This aims to minimize the potential for conflict in work relationships, create a harmonious work atmosphere, and encourage productive collaboration in achieving common goals.

Employment agreement

An employment agreement is a formal contract or agreement made between an employer and an employee, which regulates the rights and obligations of each party in the employment relationship. This agreement covers various important aspects, such as job descriptions, wage levels, working hours, duration of the agreement, as well as provisions regarding leave and other rights. With a work agreement, it is hoped that there will be legal certainty for both parties, so that the work relationship can run well, be transparent and be mutually beneficial. Agreements based on the term are divided into 2 (two), namely a certain time work agreement (PKWT) is a type of work agreement made between workers or laborers and employers, which is specifically designed for certain jobs. In this context, the work in question has specific characteristics, where the type, nature or activity of the work is expected to be completed within a certain agreed time period. PKWT is usually used for temporary projects, such as infrastructure development or seasonal work, which require labor for a limited duration. An indefinite term work agreement is a type of agreement made between a worker or laborer and an entrepreneur, where the term is not explicitly specified. In this case, the employment agreement does not state a time limit for the end of the employment relationship, either in the agreement itself, in the applicable law, or in the customs that exist in the industry. In addition, work agreements for an indefinite period of time can be legally formed as a result of violations by employers of applicable statutory provisions.

Expiration of the Employment Agreement

Termination of an employment agreement is the process by which the employment relationship between an employer and employee is officially terminated. This process can occur for several reasons, which are divided into two main categories: expiration of the employment agreement based on time and termination of the employment agreement based on certain reasons. In a fixed-term employment agreement, the employment relationship ends automatically when the period specified in the contract expires. On the other hand, for an indefinite term employment agreement, the employment relationship can continue indefinitely, until one of the parties decides to end it. Termination of an employment agreement can also occur for certain reasons, such as termination of employment (PHK) by the employer due to unsatisfactory performance or violation of regulations. Workers can also resign by giving notification according to the provisions. In addition, the death of a worker or reaching retirement age can also be a reason for the end of an employment relationship. This termination process must follow the procedures and provisions regulated in labor law, including providing prior notification and fulfilling workers' rights, such as benefits and severance pay. By understanding this process, it is hoped that employers and employees can experience a better transition and reduce potential disputes that may arise. The end of an employment agreement can have various potential impacts that affect both employers and employees. One of the main potentials is the emergence of legal disputes, especially if the employer does not comply with the provisions stipulated in the agreement or law, which could lead to legal claims from workers regarding unfair termination of employment. The financial impact is also a concern, where workers may lose a source of income, while companies may have to incur additional costs for severance pay or replacement

recruitment costs. Additionally, bad layoffs can damage a company's reputation, especially if many workers feel they were treated unfairly, which can make it difficult for the company to recruit new talent. Losing experienced workers also has the potential to reduce knowledge and skills within the company, resulting in reduced productivity. The morale and motivation of remaining employees may also be affected, especially if there is uncertainty regarding job security. However, the end of an employment agreement can also be an opportunity for improvement; for workers, this can be a moment to look for new, more suitable opportunities, while for companies, this is an opportunity to review and improve employment policies and practices. Therefore, it is important for both parties to go through the termination process carefully, transparently, and in accordance with applicable regulations, so that negative impacts can be minimized and opportunities for improvement can be utilized.

Validity of the letter of agreement to terminate the employment agreement

The agreement letter for terminating the employment agreement has a very important role in ensuring that the employment relationship between the employer and employee is terminated legally and officially. In this context, collective agreement is the main factor, which means that both parties, namely the employer and employee, must fully agree and agree with all the terms and conditions stated in the letter. This covers various aspects, such as the termination date, reasons for termination, and the rights and obligations that must be fulfilled by each party after the termination of the employment relationship. Without approval and signatures from both parties, this agreement letter will not have legal force and be accountable. In other words, if one party does not agree or feels disadvantaged, then the letter cannot be used as a legal basis for ending the employment relationship. Therefore, it is very important for both parties to carry out open communication and constructive negotiations before drafting a letter of agreement, so that all parties are satisfied with the results and the termination process can take place smoothly and in accordance with applicable regulations. This not only protects the rights of each party, but also helps prevent potential future disputes that may arise due to ambiguity or dissatisfaction with the contents of the agreement letter.

CONCLUSION

A letter of agreement to terminate an employment agreement can become a source of dispute in the future if it is not drafted carefully and does not reflect a fair agreement between the employer and employee. In situations like this, there is a high probability that one or both parties will be dissatisfied with the contents of the letter or with the termination process that has taken place. This dissatisfaction can arise due to various factors, such as unclear terms and conditions stated in the letter, violations of workers' rights, or unfairness in the settlement offered. If one of the parties feels disadvantaged, they have the right to bring the case to court, with the aim of obtaining justice or compensation appropriate to their situation. This legal process can involve various steps, such as mediation, negotiation, or even litigation, all of which can be lengthy and take up a lot of time and resources. These types of disputes not only create tension between the parties involved, but can also harm a company's reputation in the eyes of the public, which in turn can affect the company's relationships with other employees and future job candidates. Therefore, it is very important for all parties involved to draft the letter of agreement carefully and thoroughly, ensuring that all existing provisions are clear, transparent, and agreed upon by both parties. In this way, the risk of future disputes can be minimized, and the process of ending the employment relationship can run more smoothly and harmoniously. What needs to be paid attention to is that the contents of the agreement must include a clear and unequivocal clause stating that all parties agree to all the contents of this agreement letter. This clause is very important because it aims to ensure that if in the future a dispute arises between the parties, and the case must be brought to court, this letter of agreement

can be used as strong and valid evidence in the eyes of the law. By including a clause like this, both parties explicitly show their commitment to comply with all the contents of the agreement, while reducing the potential for misunderstandings or different interpretations that could arise at a later date. In addition, the existence of this clause provides significant legal protection for both parties, so that if a dispute occurs in the future, they have a clear legal basis to defend their respective positions before the court. This will help avoid confusion or uncertainty regarding the rights and obligations of each party. Thus, the inclusion of this clause not only serves as a guarantee of clarity and agreement that has been reached, but also as a proactive step to maintain good relations between employers and employees, as well as minimizing the risk of conflict that may arise due to unclear or different interpretations in the future. . In this way, all parties can operate in a more stable and harmonious working environment, which in turn will support the continuation of positive working relationships.

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