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## The Company's Responsibility Regarding Unilated Termination That Impact on Workers' Rights is Reviewed From Law No. 6 of **2023 Concerning Job Creation**

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**Abstract:** Layoffs refer to the termination of the employment relationship between employers and workers, which can occur for various reasons. When an employment contract ends due to the expiration of the agreed-upon term, it typically does not cause problems for either party, as both are aware of the end date and can prepare for the change. However, layoffs resulting from disruptions or unforeseen circumstances have a significant impact on both parties, especially workers, who often hold a weaker economic position compared to employers. A key element of legal protection against unilateral layoffs is the presence of an effective conflict resolution mechanism. This study aims to examine the responsibility of companies in unilaterally terminating employees, focusing on their obligation to provide workers' rights and the implementation of these provisions under Law No. 6 of 2023. The research utilizes a normative legal approach with a focus on statutory regulations. Legal sources include the Employment Law as primary material, scientific literature and books as secondary sources, and dictionaries as tertiary materials. Data analysis was conducted qualitatively, drawing on theoretical studies involving legal principles, concepts, and rules.

Keyword: Company, Workforce, Layoff.

#### INTRODUCTION

Legal issues related to employment are complex challenges that often arise in the world of work. Employers' failure to respect the rights of their workers remains a common problem. The government, in collaboration with the DPR, has enacted several laws to address employment problems. These include Law Number 21 of 2000 concerning Trade Unions and Law Number 13 of 2003 concerning Employment. These regulations form the basis for ensuring that workers' rights are respected and regulate employment-related issues such as.

Work termination. Termination of employment (PHK) is a recurring problem in the employment sector in Indonesia. Layoff refers to the termination of the employment

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relationship between an employer and an employee and can occur for various reasons. According to Employment Law Number 13 of 2003, dismissal is the termination of an employment relationship for certain reasons, resulting in the loss of rights and obligations between the worker or employee and the employer.

Termination of employment (PHK) is a complex issue because it involves matters related to crime, job opportunities and workforce reduction. This makes the topic of layoffs very problematic because it has a direct impact on people's lives related to the progress of industrial development and the increase in the number of the workforce. For workers, layoffs mark the beginning of a period of unemployment, which is often accompanied by a loss of ability to support oneself and one's family. If everyone has the right to work, that person must continue to do so even after finding a job. This means the employment relationship does not end the day you start work. However, it is true that layoffs cannot be completely prevented.

In this case, the Government has again established appropriate regulations and issued legal regulations regarding verification of employment relations. If these laws and regulations continue to be improved. The most recent and applicable laws that regulate employment termination are Law Number 13 of 2003 concerning Employment and Law Number 6 of 2023 concerning the Establishment of State Regulations in lieu of Law Number 2 of 2022 concerning Job Creation. Provide legal certainty for employees.

Not only that, this regulation also provides a form of legal responsibility due to employment relationship problems including termination of employment. Termination of an employment relationship that occurs due to the expiration of the time stipulated in the agreement, does not cause problems for both parties because the interested parties are both aware or aware of the end of the employment relationship, so that each has tried to prepare themselves to face it. face that reality. This is different from terminations that occur due to disputes, this situation will have an impact on both parties, especially for workers who, from an economic perspective, have a weak position compared to employers.

For example, the case in decision no. 691 K/Pdt.Sus-PHI/2020 where the plaintiff is PT. The service line is a group with PT. SOS Indonesia (Petitioner for Cassation) employed the plaintiff from 15 September 2017 based on a Specific Time Work Agreement (PKWT) continuously without any time breaks, then by referring to the provisions of Article 59 paragraphs (6) and (7) of Law no. 13 of 2003 concerning Employment, the status of the plaintiff's employment relationship by law changed to an indefinite work agreement (PKWTT) starting from the PKWT deviation. The defendant was proven to have terminated the plaintiff's employment relationship not on the basis of a mistake and/or violation of law but because the defendant no longer wanted to continue his employment relationship with the plaintiff.

In accordance with Article 153 of the Job Creation Law, companies are prohibited from terminating employment relationships unilaterally without a valid reason. The process of terminating employment relations must go through negotiations and be submitted in writing to the industrial relations court accompanied by reasons supporting the request. This request will be approved if the employer and the labor union reach an agreement regarding the layoff plan. However, the request for termination can only be granted if negotiations do not produce an agreement. If the employment relationship is terminated unilaterally before the end of the period stipulated in the employment agreement, the party terminating the employment relationship is required to pay compensation.

Companies are prohibited from unilaterally terminating workers or laborers as referred to in Article 81 point 43 of the Job Creation Law which contains the following provisions:

- 1. Workers cannot work for a maximum period of 12 consecutive months due to illness as proven by a doctor's certificate.
- 2. Employees cannot carry out their duties because they carry out state duties within the limits of the law.

- 3. Employees attend worship.
- 4. Married employees.
- 5. The employee is pregnant, giving birth, miscarriage, or breastfeeding.
- 6. The worker is related by blood or marriage to another worker at the same company.
- 7. Workers can establish, become members of, or participate in trade/labor union activities outside or during working hours with the approval of the employer or in accordance with company regulations or collective work agreements.
- 8. The employee files a complaint against the employer for committing a criminal act.
- 9. Differences in religion, political opinion, ethnicity, skin color, social class, gender, physical condition, or marital status. And Workers who are unable to continue working, are sick due to a work accident or work-related disease as proven by a doctor's certificate, and whose recovery period cannot be determined.

The issue of layoffs (PHK) is still an interesting topic and requires more in-depth study. Workers are often in a vulnerable position when dealing with employers who have greater power. As the weaker party, workers often experience injustice when faced with the company's interests. Unilateral layoffs carried out by companies are often carried out for several reasons. In CHAPTER V PP No. 35 of 2021 Unilateral layoffs by companies are often carried out for reasons:

The Company carries out a merger, consolidation, takeover or separation of the Company and the Worker/Labourer is not willing to continue the Employment Relationship or the Employer is not willing to accept the Worker/Labourer;

- a. The Company carries out efficiency followed by the closure of the Company or not followed by the closure of the Company due to the Company experiencing losses;
- b. The company closed because the company experienced continuous losses for 2 (two) years;
- c. Company closes due to force majeure;
- d. The company is in a state of postponement of debt payment obligations;
- e. Bankrupt company;
- f. There is a request for Termination of Employment Relations submitted by the Worker/Employee;
- g. g.There is a decision by an industrial relations dispute resolution institution which states that the Employer has not carried out the action as intended in letter g regarding the application submitted by the Worker/Labourer and the Employer decides to terminate the Employment Relations;
- h. h. Workers/Labourers resign of their own accord and must fulfill the following requirements:
- i. Submit a written resignation request no later than 30 (thirty) days before the resignation start date;
- 2. Not bound by official ties; And
- 3. Continue to carry out his obligations until the resignation start date;
- a. Worker/Labourer is absent for 5 (five) working days or more in a row without written information accompanied by valid evidence and has been summoned by the Employer 2 (two) times properly and in writing;
- b. Workers/Labourers violate the provisions stipulated in the Employment Agreement, Company Regulations, or Collective Labor Agreement and have previously been given a first, second, and third warning letter respectively, each valid for a maximum of 6 (six) months unless otherwise stipulated in the Agreement. Employment, Company Regulations, or Collective Labor Agreements;
- c. Workers/Labourers are unable to carry out work for 6 (six) months due to being detained by the authorities because they are suspected of committing a criminal act;
- d. Workers/Labourers experience prolonged illness or disability due to work accidents and are unable to carry out their work after exceeding the limit of 12 (twelve) months;

- e. Workers/Labourers are entering retirement age; or
- f. Worker/Labourer dies. However, this reason is often used as an excuse to avoid obligations to employees. Therefore, it is important to consider how the Indonesian legal system protects workers from unfair unilateral dismissal (Salih, 2019). One important element in legal protection against unilateral dismissal is the existence of an effective dispute resolution mechanism. In Indonesia, labor disputes can be resolved through bilateral negotiations, mediation, conciliation and arbitration. In the event of layoffs, legal protection of workers' rights also includes the restoration of those rights.

According to the law, dismissed employees are entitled to severance pay, gratuity pay and compensation for their rights. However, in practice, many employees do not receive appropriate compensation due to various factors, such as company bankruptcy or the employer's failure to comply with legal regulations. In light of these labor challenges, it is important to discuss Unilateral Termination of Employment and the role of the state in enforcing labor laws designed to protect workers' basic rights. This law is intended to guarantee equality of opportunity and fair treatment without discrimination, while improving the welfare of workers and their families, while taking into account the ever-evolving landscape of the business world.

#### **METHOD**

The type of research used by the author is normative legal research with a legal approach. This approach is carried out through the study and interpretation of all regulations and legislation that are relevant to the legal issues being considered (survey) and a case by case approach. Examining current cases and cases included in court decisions can help you formulate a prescriptive analysis. This research uses a qualitative approach using secondary data consisting of primary, secondary and tertiary legal sources. This data includes official documents, academic publications and related research reports. Data collection techniques were carried out through literature reviews and document analysis.

#### RESULTS AND DISCUSSION

# Company Responsibility Regarding Unilated Termination That Impact on Workers' Rights

Indonesia is recognized as a legal state, as stated in Article 1 paragraph 3 of the 1945 Constitution which states, "The Indonesian state is a legal state." In its constitution, Indonesia integrates various legal systems. Article 88 paragraph (1) Law no. 13/2003 firmly states that "Every worker/laborer has the right to receive protection for:

- a. occupational Health and Safety;
- b. morals and decency; And
- c. treatment that is in accordance with human dignity and religious values. Apart from that, Articles 90 and 91 in the law also specifically discuss wage arrangements for workers, which will be the basis of reference in this research.

An employment relationship is a relationship between a worker and an entrepreneur after a work agreement is established, namely an agreement in which the worker binds himself to the entrepreneur to work for a wage and the entrepreneur expresses the ability to employ the worker by paying the wage (Hardjoprajitno, Saefulloh, & Wahyuni, 2014). In employment relations, entrepreneurs and workers/laborers have interrelated roles. Law Number 13 of 2003 concerning Employment defines labor as every person who is able to carry out work to produce goods and/or services, both to meet their own needs and those of the community. Therefore, the Indonesian government must have effective policies to achieve the goal of protecting and fulfilling the rights of all parties related to employment, such as workforce planning, human resource development, expanding employment opportunities, and so on. Termination of

employment (PHK) can occur for various reasons, including mistakes or failures made by both parties. In practice, employers are often the ones who most frequently terminate employment relationships. In the context of unilateral termination of employment (PHK) by a company, workers' rights include several important aspects that need to be considered. One very important right is the right to compensation, which includes severance pay, rewards for years of service, and compensation. However, in reality workers often experience difficulties in getting the compensation they should receive. This can be caused by various factors, such as the company's inability to pay compensation or the company's non-compliance with legal regulations. Therefore, one way to protect workers is to supervise labor implementation. This supervision is very crucial to ensure that employment implementation is carried out in accordance with existing regulations. Article 1 number 32 Law no. 13 of 2003 concerning Employment and Article 1 number 1 of Presidential Decree no. 21 of 2010 concerning Labor Inspection defines labor inspection as an activity that aims to monitor and enforce the implementation of laws and regulations in the labor sector. Legal protection for workers' compensation rights in unilateral termination of employment needs to be strengthened so that workers receive fair compensation in accordance with their contribution and years of service.

In addition to the right to compensation, the company's responsibilities regarding unilateral termination of employment include:

#### **Layoff compensation**

In accordance with PP no. 35 of 2021, companies are required to provide compensation in the form of severance pay, rewards for years of service, and compensation for rights. The amount of compensation is adjusted to the length of service and the reason for termination.

### Layoff notice

Companies must provide written notification at least 30 days before carrying out layoffs, in accordance with Article 151 of Law no. 13 of 2003.

#### **Settlement Through Bipartite or Mediation**

If a dispute occurs, the company is obliged to resolve it through bipartite negotiations, mediation, or an industrial relations dispute resolution mechanism.

#### **Social Security**

Companies must ensure that affected workers continue to receive social security rights in accordance with BPJS Employment provisions.

# The Role of Law No. 6 of 2023 Concerning Copyright in Affecting Workers' Rights During Uniparent Termination of Employment Contracts

The Role of Law No. 6 of 2023 Concerning Copyright in Affecting Workers' Rights During Uniparent Termination of Employment Contracts In Indonesia, legal problems related to employment still occur frequently. There are many rights that workers should receive, but are not provided by the companies where they work, and this problem continues to this day. Some of these problems include layoffs, unpaid leave, reduced working hours, and delays in salary payments even though workload remains unchanged. In Law Number 6 of 2023 concerning Job Creation, it is explained that efforts to create jobs are carried out through simplifying, protecting and empowering cooperatives and micro and small businesses, improving the investment ecosystem, ease of doing business, as well as investment from the Central Government and accelerating strategic projects. national.

In accordance with the role and position of the workforce, development in the employment sector is very important to improve the quality of the workforce and their

participation in development, as well as strengthening protection for workers and their families in accordance with human dignity. Therefore, the work relationship between workers and employers must be clear and transparent, and must not harm either workers or the company. Labor law (Law No. 6 of 2023) is established as the legal basis for industrial relations and is designed to maintain order and function as social control. Apart from providing basic rights for production actors, labor law is also expected to be a means for building partnerships. This is stated in the provisions of Article 102 (2) and (3) of Law no. 6 of 2023. These provisions act as legal norms that must be followed by all parties. In summary, Article 102 paragraph (3) Law no. 6 of 2023 states that "entrepreneurs play a role in building partnerships." However, this statement does not provide clear clarity for the industrial community, which generally does not understand legal provisions.

The existence of Law no. 6 of 2023 functions as the legal basis for implementing development in the employment sector, as well as as an extension of employment law which is part of positive law to regulate relations between workers and employers, between workers, and between workers or employers and the government. Policies related to workers are very important, because L. Husni and colleagues stated that workers or laborers are the backbone of a company. If viewed from a philosophical point of view, the role of workers is very essential, because without their contribution, the company's business activities cannot run.

In Article 156 of Law No. 6 of 2023, it is stated that what is the right of a worker/laborer when a unilateral termination of employment occurs is to receive severance pay, gratuity pay, and compensation for the rights they should receive. Furthermore, the existence of a clear legal mechanism for resolving industrial relations disputes is a key element of legal protection of workers' rights. The Industrial Relations Court and other related institutions play an important role in ensuring that disputes are resolved fairly and transparently. This system provides a way for workers to demand their rights and obtain justice through a legal process. However, the success of this mechanism also greatly depends on the understanding and compliance of workers and companies with existing regulations (Muhammad, 2024).

#### **CONCLUSION**

From the discussion above, it can be concluded that Indonesia, as a legal country, has established various regulations to regulate employment relations with the aim of protecting workers' rights and creating balance in the relationship between workers and employers. Law no. 6 of 2023 concerning Employment provides protection for workers, including the right to compensation in the event of Termination of Employment (PHK), which includes severance pay, rewards for years of service, and compensation for rights. In addition, this law requires employers to provide written notice at least 30 days before layoffs and resolve disputes through mediation or bipartite negotiations.

However, even though the regulations are clear, in reality there are still many workers who have difficulty getting the compensation they should receive. This is caused by the entrepreneur's non-compliance or the company's financial difficulties. Therefore, stricter supervision of the implementation of labor regulations is necessary to ensure workers' rights are well protected.

Apart from that, Law no. 6 of 2023 concerning Job Creation also plays a role in regulating employment relations, providing a legal basis for employers to build better partnerships with workers. However, there is a lack of clarity in the application of this law in the field, especially regarding the industrial community's understanding of the existing provisions. The dispute resolution system through the Industrial Relations Court and related institutions has an important role in ensuring that workers receive justice.

Overall, although labor law in Indonesia provides a strong legal basis for protecting workers' rights, more effective implementation, stricter supervision, and increased

understanding of the rights and obligations of workers and employers are essential for industrial relations in Indonesia to run smoothly. fair and balanced.

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