



A CONCEPTUAL MODEL OF THE ANALYSIS OF IMPROVING WORKERS' WELFARE BASED ON COLLECTIVE LABOR AGREEMENT BETWEEN WORKERS UNION AND THE COMPANY (A STUDY AT PT. ADARO INDONESIA, TBK)

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ABSTRACT

The Collective Labor Agreement is one means of industrial relations that functions to regulate work relations, rights and obligations of workers and employers and also as a means of control as well as a measure of the implementation of industrial relations in companies. In principle, the material provisions contained in the Collective Labor Agreement may not conflict with the provisions of the prevailing laws and regulations and it is even expected that the quality and quantity of the material provisions therein regulate better than the normative provisions of the legislation. This study aims to analyze the process of making a Collective Labor Agreement (PKB) of PT. Adaro Indonesia, Tbk in the period 2018-2019 whether in its journey there are obstacles as well as what efforts are made in overcoming these obstacles. In addition, this study also aims to analyze the material provisions contained in the Collective Labor Agreement and conduct a comparative study between the material provisions of Collective Labor Agreement with normative provisions of the Regulations and as an additional hypothesis, a comparison is also made with the provisions of Company Regulatory provisions owned by one sample of companies incorporated into the Adaro Group Company. The purpose of this comparative study and analysis is to identify whether the quality and quantity of the material provisions contained in the Collective Labor Agreement are better than the normative provisions of the Laws and also better than the material provisions of the Company Regulations.

KeyWords

Collective Labor Agreements, Company Regulations, Industrial Relations, Worker Welfare, Conceptual Model

INTRODUCTION

Workers/laborers are human resources as well as the most valuable assets in the company, without workers/laborers, the resources in the company cannot be processed properly to generate profits for the company. Not only does workers calculate the reward in the form of money, but they also expect certain qualities from the treatment in the workplace. In addition to rewards, employees look for dignity, appreciation, policies that are felt to be fair, cooperative partners, and fair compensation. Dahesihsari (2002) said that one of the important factors that influenced this decision was employee commitment to the organization.

Northcraft and Neale (in Suyasa and Coawanta, 2004) said that generally workers/laborers who are highly committed to the organization will show more optimal efforts in carrying out the task. However, the facts show that in general some workers have low organizational commitment. Suseno, Miftahun and Sugiyanto (2010: 94-109) said that the low commitment of workers/laborers is a great loss for the company, especially if it occurs to workers/laborers who have been continuously trained by companies.

Based on GALLUP's Chairman and CEO research presented to Indonesia's Ministry of Labor in 2016, the progress of the company is not only determined by good management but also determined by employee engagement or is interpreted as the involvement / attachment of workers/laborers to the work environment or the company where they work. GALLUP said when this worker/laborer is not connected with the company, they will have different goals from the company's goals, or even worse will potentially hates his work and destroy the work units and business of the company.

Regulations of law in Indonesia, namely the Law of the Republic of Indonesia Number 13 of 2003 on Manpower and its derivative regulations, namely the Regulation of the Minister of Manpower of the Republic of Indonesia Number 28 of 2014 on Procedures for Production and Ratification of Company Regulations and the Production and Registration of Collective Labor Agreements has given a space for "Employee engagement" where the worker/laborer has a high bargaining position in fighting for his rights at the place where he works and not only related to the basic rights in the form of rewards as a result of work but also the rights in giving ideas and ideas for business continuity and the progress of the company where he works. The instrument or means then referred to as the Collective Labor Agreement (PKB).

Article 1 number 21 of Law Number 13 of 2003 juncto Article 1 number 2 of Regulation of the Minister of Manpower Number 28 of 2014 states that a Collective Labor Agreement is an agreement resulting from negotiations between trade unions/labor unions /or several trade unions/or union workers registered at the agency responsible for manpower affairs with employers, or several employers or associations of employers that contain terms of employment, rights and obligations of both parties.

The Collective Labor Agreement (PKB) that has been agreed between the union / labor union and the company can be useful in preventing future disputes even though it does not rule out disputes that occur especially at the implementation stage. The parties are required to have the same perception and commitment both in the interpretation of all provisions in the Collective Labor Agreement and also in particular at the level of implementation.

PT Adaro Indonesia, Tbk has quite a lot of workers/laborers and has a complex organizational system. Collective Labor Agreement of PT. Adaro Indonesia was made based on an agreement between Management and the Adaro Workers' Organization (OPA). The making of this CLA has several obstacles because each party carries a large and different interest. This conceptual paper aims to examine these obstacles and analyze the material provisions of the Collective Labor Agreement of PT. Adaro Indonesia to improve workers' welfare and business continuity, as well as a comparative study which shows that the quality and quantity of Collective Labor Agreements are higher than the normative provisions of Laws and Regulations made by a sample of companies incorporated into the Adaro Group Company. This paper consists of Introduction, Literature Review, and Research Methodology.

LITERATURE REVIEW

Article 1233 of the Civil Code stipulates that "Every engagement is born well because of agreement, good because of the law". To explain further about this engagement the authors quote the opinion by Suharnoko in AhmadiMuru (2015: 268) that the engagement is a legal relationship that occurs between two parties that give rise to rights on one side and obligations on the other. Sri Soesilowati (2005: 129) said that the rights born from the agreement are relative because the legal relationship can only be sued and defended against certain parties, that is, those who are bound because of an agreement or because of the law.

The term "perjanjian" comes from the Dutch language *overeenkomst*, and in English it is known as a contract / agreement. The agreement was formulated in Article 1313 of the Civil Code which stipulates that "An agreement is an act by which one or more people commit themselves to one or more other people". Meanwhile, Abdulkadir Muhammad (2006: 2005) formulated the notion of an agreement, namely "An agreement is an agreement by which two or more people commit themselves to carry out a matter concerning property". AhmadiMuru (2011: 3) believes that the agreement is a concrete and observable event, both the agreement

made in writing or not in writing. This is different from non-concrete agreements, but abstract or cannot be observed because the agreement is only a result of the existence of the agreement that causes people or parties bound to fulfill what was promised.

In agreement law, there are several important principles which are the basis of the parties' will to achieve their goals. AhmadiMuru (2011: 5) conveyed some of these principles including the principle of consensus, the principle of freedom of contract, the principle of binding agreements (*pactasuntservada*), the principle of good faith, and the principle of personality. For an agreement to be legally deemed binding upon both parties, the agreement must fulfill certain conditions. Regarding the legality requirements of an agreement regulated in Article 1320 of the Civil Code, the contents of which are as follows:

1. Agree those who bind themselves
2. The ability to make an engagement
3. Something specific
4. Something that is lawful.

Given the kinds of things promised to be carried out, according to Subekti (2002:36) the agreements were divided into three types, namely; agreement to describe / deliver an item; an agreement to do something; and an agreement not to do anything. If one party does not do what he promised, then it is said to have done a default (Dutch, meaning bad performance). He is negligent or had broken promises. Subekti (2002: 45) argues, defaults can take the form of four types, namely; (1) not doing what he is committed to do; (2) performs what is promised, but not as promised; (3) do as promised but too late; and (4) do something which according to the agreement cannot be done.

Based on the provisions of Article 1 Number 15 of Law Number 13 of 2003 on Manpower, employment relations are relations between employers and workers / laborers based on work agreements, which have elements of work, wages and orders. Iman-Soepomo is of the opinion that an employment agreement is an agreement in which the first party (the worker), commits himself to work by receiving wages from the second party i.e. the employer, and the employer commits himself to employ the worker by paying wages.

Husni (2003: 57) argues that as part of an agreement in general, the employment agreement must fulfil the terms of the validity of the agreement as stipulated in article 1320 of the Civil Code. This provision is also contained in Article 52 paragraph (1) of Law Number 13 of 2003 which states that an employment agreement is made on the basis of:

- a. Both side agreement;
- b. The ability to carry out legal actions;
- c. The promised work exists;
- d. The work promised must not be contrary to public order, decency, and the provisions of the applicable laws and regulations.

Work agreements can be made in written or oral form (Article 51 paragraph (1) of Law No. 13 of 2003). Normatively the written form guarantees the certainty of the rights and obligations of the parties, so that if a dispute occurs it will greatly assist the verification process. Article 54 of Law No. 13/2003 states that work agreements made in writing contain at least the following information:

- a. Name, address, and type of business;
- b. Name, sex, age and address of workers / laborers;
- c. Position or type of work;
- d. Work place;
- e. The amount of wages and method of payment;
- f. Work conditions that contain the rights and obligations of employers and workers or laborers;
- g. Starting and the period of validity of the work agreement;
- h. Place and date the employment agreement was made;
- i. The signatures of the parties to the work agreement.

PKB material is regulated in Law No. 13 of 2003 in Chapter XI on industrial relations, which is in Part Three. Then, article 133 of Law No. 13 of 2003 states that the requirements and procedures for the making, extension, amendment, and registration of PKB are regulated by ministerial decree. The ministerial decree in question is the Regulation of the Minister of Labor of the Republic of Indonesia Number 28 of 2014 on Procedures for the Production and Ratification of Company Regulations and the Production and Registration of Collective Labor Agreements.

Based on Article 1 number 21 of Law No. 13 of 2003 in conjunction with Article 1 number 2 of Regulation of the Minister of Labor of the Republic of Indonesia Number 28 of 2014, PKB is an agreement that is the result of negotiations between trade unions / labor unions or several trade unions / labor unions registered with the agency responsible for manpower affairs with the employer, or several employers or associations of employers that contain terms of employment, rights and obligations of both parties.

Collective agreements can only be negotiated and organized by trade unions supported by most workers in the company concerned. Thus the parties or subjects that make the Collective Labor Agreement are the workers / laborers represented by the

trade union / laborers or some trade unions in the company with employers or employers' associations. According to LaluHusni (2003: 67), the purpose of the representation is so that workers have a stronger position in negotiating with employers because union officials are generally chosen by people who are able to fight for the rights and interests of their members. The trade unions / labor unions referred to be those that have been registered based on Law Number 21 of 2000 on Trade Unions / Labor Unions. The procedures for making PKB are regulated based on the provisions of Law Number 13 Year 2003 in conjunction with Regulation of the Minister of Manpower Number 28 of 2014.

As regulated in Article 1 Number 20 of Law No. 13 of 2003 on Manpower and Article 1 Number 1 of the Regulation of the Minister of Labor Number 28 of 2014 on Procedures for Production and Ratification of Company Regulations and the Production and Registration of Collective Labor Agreements, that the meaning of Company Regulations is regulations made in writing by employers that contain working conditions and company rules. Company regulations that have been drafted by the company must be asked for advice and consideration of worker / labor representatives before they are approved by the agency that handles manpower.

The obligation to make Company Regulations applies to all companies that employ at least 10 (ten) workers / laborers. The obligation does not apply if the company already has a Collective Labor Agreement (CLA), where the CLA is a setting of work conditions that is higher than the company regulation, because the CLA is made by both parties (management representatives and Trade Unions). In addition to regulating the terms of work that has not been regulated in the legislation, the work conditions must be better and must not be under the legislation. Company regulations specify further general provisions contained in labor legislation. Company regulations contain at least:

- a. Rights and Obligations of the Company;
- b. Employee Rights and Obligations;
- c. Working Conditions;
- d. Code of Conduct of the company;
- e. The validity period of the company;
- f. Matters which constitute further regulation of legislation.

The maximum validity period of company regulations is 2 years, and 30 (thirty) days before the validity period ends the company submits the ratification of company regulation renewal to officials appointed by the legislation. During the validity period of company regulation, it is desired that there is a change in the contents of the company regulation. Then, the change must be based on the company's agreement with the worker / labor representative and the change can take effect after being approved by the official appointed by the legislation.

If a company has a union / labor union and the union / labor union wants and proposes negotiations for a Collective Labor Agreement, then the company is obliged to serve it. However, if the negotiations have not reached an agreement and the validity period of company regulation has expired, the company submits the validation of the extension of company regulation and can only be submitted 1 (one) time for a maximum period of 1 (one) year.

Based on the provisions of Article 1 number 1 of Law No. 2 of 2004 on Industrial Relations Disputes, industrial relations disputes are differences of opinion which result in conflict between employers or employers' associations with workers / laborers or trade / labor unions due to disputes over rights, disputes of interest and disputes over termination of employment and disputes between trade unions / trade unions in only one company.

Based on Law Number 2 of 2004, dispute resolution can be done through the court and outside the court. Settlement through court is done through the Industrial Relations Court. Aside from being able to be taken through court, it can also be done outside the court, namely through bipartite negotiations, mediation, conciliation and arbitration.

After employees are accepted and developed, they also need to be motivated to want to work for the company until retirement. To retain these employees, especially employees who excel and have a large contribution to the company, they must be given welfare or complementary compensation. According to Mondy (2008: 51), welfare is a health benefit sponsored by a business/company provider to reduce extraordinary costs arising from long-term or serious health problems. According to Yuniarsih and Suwatno (2011a: 123), the definition of employee welfare is one form of social protection in the form of medication to employees.

According to Hasibuan (2003: 180) in Yuniarsih and Suwatno (2011b: 118) welfare is based on five principles, namely; the principle of benefit and efficiency; the principle of need and satisfaction; the principle of justice and fairness; the principle of legal regulations; and the principle of company capability. Handoko believes that welfare can be economical and facilities. According to Handoko (2012:186), economic well-being is a form of protection against the first danger, which is generally noticed by companies, is insurance. Meanwhile, the welfare of the nature of the facilities are activities that normally must be done by employees themselves in their daily lives (Handoko, 2012:187).

In many organizations, its performance depends more on the performance of the individual workforce. There are many ways to think about the type of performance needed in the workforce. For an organization to be successful, productivity is a must. Better productivity does not always mean that more is produced; it can be that fewer people (or less money, or time) is used to produce the same amount.

According to Sutrisno (2009: 105), work productivity is generally defined as the relationship between output (goods or services) with inputs (labor, materials, money). Meanwhile, the definition of work productivity as proposed by L. Greenberg in Sinungan (2008: 12), is that "productivity as a comparison between the totality of expenditure at a given time divided by the totality of inputs during the period".

According to Ravianto (1998: 4) in Yuniarsi and Suwatno (2011: 159), factors that affect employee productivity include: education, skills, discipline, attitude and work ethics, motivation, salary, health, technology, management, and achievement opportunities.

According to Sutrisno (2009: 111), to measure work productivity, an indicator is needed, namely; ability, improve the results achieved, morale, self-development, quality, and efficiency. Gaspers (2000: 18) in Yuniarsih and Suwatno (2011: 162) said that employee productivity can be measured through an approach that generally compares outputs with inputs that is written down in these measurements in the form of an equation as follows:

$$\text{Productivity Index} = \frac{\text{Output}}{\text{Input}} = \frac{\text{Appearance}}{\text{Resource Allocation}} = \frac{\text{Effectivity}}{\text{Efficiency}}$$

CONCEPTUAL MODEL

Based on the introduction and literature review above, the Conceptual Model for this research was suggested as the following Figure 1.

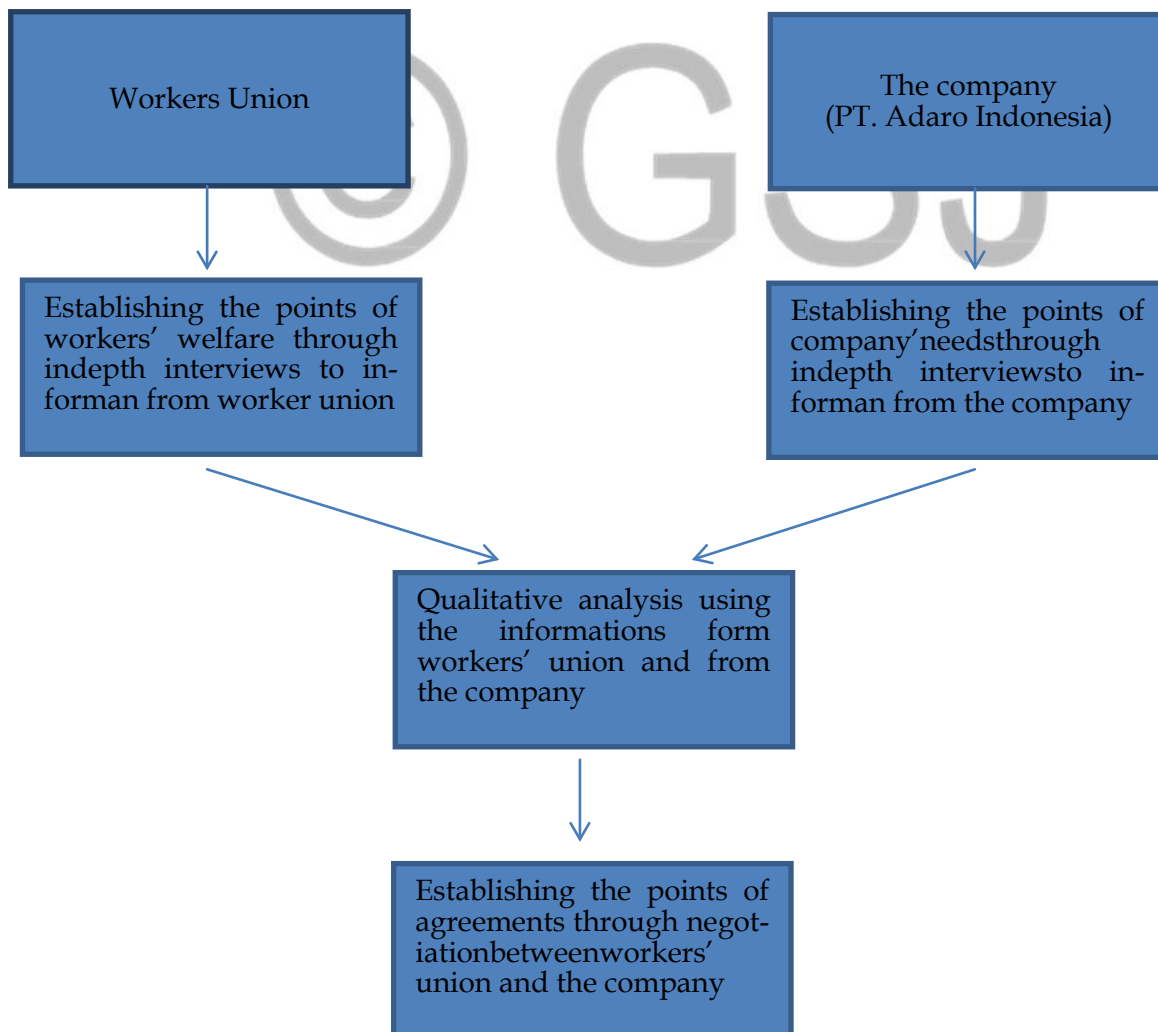


Figure 1:The Conceptual Model

METHODOLOGY

This research is a descriptive qualitative research. The descriptive qualitative research design is used to explain the substance or regulatory material in the Collective Labor Agreement which has implications for improving the welfare of workers/laborers and the progress of the company including explaining the obstacles and efforts to overcome obstacles in making and implementing the Collective Labor Agreement (CLA). The specific objectives of this study are as follows:

1. To find out what are the obstacles in the process of making a Collective Labor Agreement and what are the efforts to overcome these obstacles
2. To analyze how the material of the provisions of the Collective Labor Agreement of PT. Adaro Indonesia, Tbk improving the welfare of workers/ laborers and business continuity
3. To conduct a comparative study of quality and quantity between the material provision of PKB at PT. Adaro Indonesia with the normative provisions of the Statutory Regulations and the material provisions of the Company's Regulations as one of the companies that are incorporated in Adaro Group Company

The object of this research is the Collective Labor Agreement draft of PT. Adaro Indonesia, Tbk (period January 1, 2018 until 31 December 2019) which is an agreement between management and trade unions/labor unions at PT. Adaro Indonesia, Tbk. This research will use a qualitative approach. Data collection techniques are done by in-depth interviews. This will need informants from both side, there are informants from worker unions and from the company. The process of analysis will start with in-depth interviews, transcribing, coding, grouping, and summarizing.

CONCLUSION

This paper has discussed the background of the problems at PT. Adaro Indonesia, Tbk. The aim of this paper is a conceptual model to set out improving workers through collective labor agreement between worker union and the company. The literature review on the legal basis of agreements, work agreements, worker welfare, and work productivity; and methodology are discussed. Practicing this paper instantly will provide information on barriers on making work agreements and the relationship between work agreements and workers' welfare.

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