Effectiveness of Legal Protection on Employees/Labours in a Fixed-Term Employment Contract in Golden Tulip Bay View Hotel & Convention-Bali

Ririh Wijayanti
Postgraduate Program of Magister of Law, Universitas Warmadewa
Denpasar, Bali, Indonesia
ririwijayanti007@gmail.com

How to cite (in APA style):

Abstract
In every company, work agreement (contract) initiates an employment relationship between employees/labours and employers. The working relationship at Golden Tulip Bay View Hotel & Convention-Bali is realized in the form of Fixed-Term Employment Contract (PKWT) which in its implementation is not in accordance with the provisions of Law Number 13 of 2003 concerning Employment because it harms employees/labours. This study analyzes the effectiveness of legal protection for employees under PKWT at Golden Tulip Bay View Hotel & Convention-Bali. This study was conducted in empirical legal research design. The results of the study show that a number of irregularities occur in the implementation of PKWT rules since they do not comply with or are even not referred to Law Number 13 of 2003 concerning Employment. The obstacles faced in the implementation of legal protection for employees/labour under PKWT at Golden Tulip Bay View Hotel & Bali Convention are Juridical and Non-Juridical barriers. Therefore, legal protection for the employees under PKWT at Golden Tulip Bay View Hotel & Convention-Bali is not sufficient.

Keywords: Employees/Labours; Legal Protection; PKWT

INTRODUCTION

The rapid globalization performing a process in the 1990s continuing until today has led to changes in the fundamental transformation of the structure of employment both in the developed countries and the developing economies (Gozgor, 2018). Employee performance means the task related actions expected from an employee and how those actions are accomplished (Iqbal & Asrar-ul-Haq, 2018). Indirect employment effects are the expenditures of the upstream and downstream industries related to the whole production cycle in a supply chain (Wang, Zhang, Cai, & Xie, 2013).

Employee engagement is a crucial component affecting employee performance and organizational financial success (Kang & Busser, 2018). In addition to individuals' capacity to be creative for their work, perceived support at an organizational level is another critical factor in encouraging employees to engage in communicative action (Lee, Mazzei, & Kim, 2018). Employees' expected contributions can be incongruent with those of their leaders (Audenaert et al., 2018). Training and development are crucial activities in hospitality organizations because of the high costs associated with employee turnover (Jaworski, Ravichandran, Karpinski, & Singh, 2018).

In achieving a certain target, the company is in desperate need of labour, which in this case is employees/labours, with a work bond in the Fixed-Term Employment Contract.
Effectiveness Of Legal Protection On Employees/Labours In A Fixed-Term Employment Contract In Golden Tulip Bay View Hotel & Convention - Bali

So far, in establishing the work agreement (employment contract) between the employee and employer, there have been various irregularities that have caused loss to employees/labours. Deviations in the establishment of labour agreements occur as a result of lack of legal awareness of the employers, in which in drafting a work contract agreement, the employer has limited knowledge or does not understand the contents of legal regulations concerning the awarding of employment contracts for prospective employees, coupled with a lack of knowledge of prospective employees. This resulted in prospective workers not knowing what impact they would feel if they signed the agreement. As a result, various irregularities occur, such as in the application of Fixed-Term Employment Contracts in the world of work due to errors in interpreting the contents of the legal provisions.

The form of irregularities in establishing PKWT is exemplified to what happened at Golden Tulip Bay View Hotel & Convention-Bali. In issuing the employment contracts, prospective employees/labours are not involved so that the employment agreement can be null and void. In one of the articles on the Act concerning the employment agreement it is stated that in the PKWT there is a rule concerning the imposition of a probation period of 3. This violates Article 58 paragraph (1) of Law No. 13 of 2003 concerning Manpower. Unfortunately, what happened at Golden Tulip Bay Hotel & Convention - Bali indirectly harms the labours, because if employees do not carry out their work according to hotel management rules, the manager or hotel employer is more powerful to stop or not continue the extension of the employment contract and look for other prospective employees according to what they want. Apart from that, another violation is the employer in this hotel uses workers with a PKWT-based work contract system to carry out permanent work in the company. If the termination of employment occurs, the loss to the hotel owner will not occur because it is not obligated to provide severance pay.

Additionally, determination of time period under PKWT for employees at Golden Tulip Bay View Hotel & Bali Convention is not in accordance with article 59 paragraph (4) and (6) of Law Number 13 of 2003 concerning Manpower. More concerning, there is no union of workers' organization as a means to fight for their interests and to create harmonious, dynamic and just industrial relations. The real rule is that workers and trade unions must have a sense of responsibility for the continuity of the company's activities and vice versa; employers must treat workers as partners in accordance with human dignity.

The phenomenon stated above shows the gap between das solen and das sei, gap between theory and reality or the gap between the theoretical state of law and its empirical facts. This is manifested in the provisions implementation of Law No. 13 of 2003 concerning Manpower, such as at Golden Tulip Bay View Hotel & Convention-Bali. Condition like this should be questioned by revealing what the real rules are. This study highlights practical efforts to uncover: 1) the effectiveness of legal protection for employees/labours in the Fixed-Term Employment Contract (PKWT); 2) obstacles faced in implementing legal protection for employees/labours under PKWT at Golden Tulip Bay View Hotel & Convention-Bali. However, this study specifically aims to propose legal protection to the community, especially those who have been harmed due to contract violation under PKWT and to develop motivation for employees/labours with the relationship realized through the PKWT to better understand the provisions or regulations contained in the employment contract.

METHOD

The approaches used in legal research are statute approach, case approach, historical approach, comparative approach and conceptual approach¹. The primary data of the research were obtained through Golden Tulip Bay View Hotel & Convention observation - Bali and interviews conducted by giving questions to HRD (Human Resources Department) according to guidance that was in direct force, clearly, and systematically prepared on questionnaire, those of which are in accordance with the legal issues raised in

¹. Peter Mahmud Marzuki, Op. Cit., p. 93-95
this study. Secondary data were obtained through literature study which includes books of legislation, jurisdiction, and other legal-related books or written legal materials. Legal materials used are primary legal materials, namely binding legal materials, covering Book III of the Civil Code concerning "Engagement", Law No. 13 of 2003 concerning Manpower, the 1945 Constitution of the Republic of Indonesia, the Civil Code Book III on Engagement, Law Number 13 of 2003 on Manpower, Law Number 1 of 1970 on Work Safety, Act Number 2 of 2004 concerning Industrial Relation Dispute Settlement, Act Number 24 of 2011 concerning Social Security Organizing Body and Minister of Manpower and Transmigration Decree Number KEP.100/MEN/V/2004 concerning Provisions on the Implementation of Fixed-Term Employment Contract and Work Agreement between employees and the owner Golden Tulip Bay View Hotel & Convention - Bali. Secondary legal material used is literature relevant to the topic discussed, both legal literatures, such as textbooks written by relevant experts (de herseende leer) discussing the problem of the Fixed-Term Employment Contract. Tertiary legal materials are legal materials that provide guidance and explanation of primary legal materials and secondary legal materials. The legal material used by the author is the Legal Dictionary and Indonesian Dictionary.

Data analysis was carried out by qualitative data processing technique, that is, by sorting the data with quality to be able to answer the problems proposed. Furthermore, this analysis technique made use of interpretation toward legal science, such as grammatical, historical and systematic interpretation. After the data analyzed, then, conclusions were drawn on by using deductive thinking method which is a pattern of thinking that is based on things that are general towards specific things.

DISCUSSION

Legal Protection on Employees under PKWT based on Provisions of Indonesia Employment Act


Viewed in Law Number 13 Year 2003 concerning Manpower, there is already protection provided for employees/labours, including those who work with PKWT bond guarantees. It is just that, in its implementation not everything is executed in accordance with the provisions of the existing legislation, especially those which are related to employment.

The employees’ rights which are of company’ responsibility including as preventive legal protection are:

- Special protection for employees/labours with disabilities, children and women;
- Protection of working time and rest;
- Protection of occupational safety and health;
- Protection of labour social security;

---

4. Bambang Sunggono, 2010, Metode Penelitian Hukum, Rajawali Pers PT. Raja Grafindo Persada, Jakarta, p. 113
5. Ibid., p.114
8. Soetrisno hadi, 1995, Metodologi research, andi offset, Yogyakarta, p. 42
- Protection of wages;
- Protection of industrial relations disputes;
- Protection of termination of employment (PHK)

**PKWT implementation is not in accordance with the provisions of the legislation**

**PKWT Establishment**

Establishment and preparation of PKWT at Golden Tulip Bay View Hotel & Convention-Bali is carried out according to the format created by the company based on its regulations but not made on joint arrangement of contract workers, where the rights and obligations of workers are listed so that workers only sign the PKWT.

Results of the present study reveals Golden Tulip Bay View Hotel & Convention-Bali did not fulfill the legal requirements of the employment agreement. An agreement between the two parties the parties entering into a work contract must be agreed collectively and the party entering into the agreement has a balanced position. In this case drafting of work agreement at the hotel is not jointly with the Fixed-Term Employment Contract workers. The Work Agreement does not fulfill the legal requirements as a work agreement as it is made unilaterally. Thus, it can be said that the employment agreement has not fulfilled the subjective requirements and the result is that the agreement is irrevocable.

**Evaluation or Training Period under PKWT**

One of the deviations of Act provisions in the management system of Golden Tulip Bay View Hotel & Convention-Bali is the inclusion of a trial period in the employment agreement using the term evaluation period. This is contained in article 2 number (4) of the company's work agreement No. 207/GTBV-R/XI-2017. In this case Golden Tulip Bay View Hotel & Convention-Bali violates Article 58 paragraph (1) and (2) of Law Number 13 of 2003 concerning Manpower.

**Types of Work under PKWT**

Act Number 13 of 2003 concerning Manpower has been strictly regulated that workers who work under PKWT system can perform to work for certain jobs. This particular job is as stipulated in Article 59 paragraph (1) of Act Number 13 of 2003 concerning Manpower.

The results of the data analysis show that Golden Tulip Bay View Hotel & Convention-Bali, as part of the company violates the elements contained in article 59 paragraph (1) of Indonesia Law Number 13 of 2003 concerning Manpower, namely the object of the agreement. Therefore, the Fixed-Term Employment Contract is changed to the Indefinite Time Employment Contract. This is in accordance with article 59 paragraph (7) of Law Number 13 of 2003 concerning Manpower which states, "Employment agreement for a certain time that does not meet the provisions referred to in paragraph (1), paragraph (2), paragraph (4), paragraph (5), and paragraph (6), by law, becomes an indefinite employment agreement".

**PKWT Duration**

The implementation of PKWT at Golden Tulip Bay View Hotel & Convention-Bali violates the points stipulated in Article 59 paragraph (4) and (6) of Law Number 13 of 2003 concerning Manpower and repetitive extension implementation of it is a violating the legal provisions. This also often occurs in companies that use PKWT contract system. In other words, many companies are trying to find legal loopholes by renewing PKWT contracts repeatedly in order to benefit the company, to make the company's finances lighter, and to provide benefits in paying PKWT workers rather than paying PKWTT workers. This happened because of the weak bargaining position of the workers. The implementation of the contract extension repeatedly violates the provisions of article 59 paragraph (6), Law Number 13 of 2003 concerning Manpower. The consequences that arise if the renewal of the work agreement is not carried out in accordance with the provisions mentioned above are the PKWT becomes an Indefinite-Term Employment Contract (PKWTT).
Form of Legal Protection for PKWT Employees/Labours

Preventive Legal Protection

A preventive legal protection is the normative rights of workers guaranteed by legislation so as to provide legal certainty for employees/labours\(^9\). In applying legal protection to fulfill employees/labours' rights at Golden Tulip Bay View Hotel & Convention-Bali, a work agreement between employers and employees resulting in an employment relationship is established. This is in accordance with the provisions of Article 1 number (15) of Law Number 13 of 2003 concerning Manpower. In the contents of the Work Agreement for Certain Time at Golden Tulip Bay View Hotel & Convention-Bali, there are several contract workers' rights, namely:

Wage and Allowance

Wages paid to employees/labours must meet the minimum wage provisions, in accordance with the provisions of Article 1 paragraph (1) of the Act of the Minister of Manpower and Transmigration Number 7 of 2013 concerning Minimum Wages. The minimum wage based on the Indonesian Business Field Group (KLUI) is called Sectoral Minimum Wage, which is divided into Provincial Sectoral Minimum Wage (UMSP) and District/City Sectoral Minimum Wage (UMSK)\(^10\).

Golden Tulip Bay View Hotel & Convention-Bali provides workers' wages according to the Badung Sectoral Minimum Wage, based on article 2 of the Bali Governor Regulation, Number 76 of 2017 concerning the Sectoral Minimum Wage of Badung Regency.

The results of the data analysis showed that the large basic wage at Golden Tulip Bay View Hotel & Convention of Bali is in accordance with the Badung Sectoral Minimum Wage that is of Rp. 2,624,560, -. However, the hotel manager does not carry out service money distribution under Article 9 paragraph (2), Article 13 and Article 15 of the provisions of the Republic of Indonesia Manpower Minister Regulation, Number 7 of 2016 concerning Money Service in Hotel and Business Restaurants in Hotels. In accordance with Article 18 of the Minister of Manpower Regulation No. 7 of 2016 concerning Service Money for Hotel and Restaurant Businesses in Hotels, Golden Tulip Bay View Hotel & Convention-Bali can be subject to administrative sanctions.

Occupational Safety and Health (K3)

Protection of occupational safety and health, hereinafter referred to as K3, is one of the rights of a worker or workers as stipulated in the provisions of Article 86 paragraph (1) and paragraph (2) and article 87 paragraph (1) of Act Number 13 of 2003 concerning Employment, Article 8 and Article 12 of Law No. 1 of 1970 concerning Work Safety, Article 23 of Law Number 23 of 1992 concerning Health.

In practice, Golden Tulip Bay View Hotel & Convention-Bali has conducted guidance but is not responsible for the implementation of OSH because there are no adequate facilities and infrastructure. This is in line with the opinion of Lalu Husni who said, “Those responsible for K3 in the workplace are leaders or managers of workplaces or employers\(^11\). The implementation is carried out jointly by the leadership or management of the company and all employees/labours\(^12\). The leadership of Golden Tulip Bay View Hotel & Convention-Bali should be responsible for providing the required safety and protective equipment, so that harmony between workforce, work tools, environment, work methods and processes can be established.

Protection of Labour Social Security

Social Insurance Administration Organization (BPJS) of Indonesia based on Act No. 24 of 2011 concerning the Social Security Organizing Body is divided into 2 types, namely:

Social Insurance Administration Organization (BPJS) of Health

Social Insurance Administration Organization (BPJS) in the health sector functions as an organizer of health insurance programs. The legal basis for the BPJS Health contribution is the Presidential Regulation No. 19 of 2016 concerning the Second Amendment to the Presidential Regulation Number 12 of 2013 concerning Health Insurance, where the contribution rates for Wage Receiving Workers (PPU) of Private Business Entities paid starting July 1, 2015 are amounting to 5% of monthly fixed wages/benefits and allowances as follows: 4% paid by the company or employer and 1% paid by BPJS participants.

BPJS of Employment

BPJS Employment organizes social security programs for workers, which include JKK (Occupational-Injury Benefits), JKM (Death Security), JHT (Old Age Insurance) and JP (Pension Insurance), as stipulated in article 16 paragraph (1) and Article 18 Paragraph (1) Government Regulation Number 44 of 2015 concerning the Implementation of Work Accident Programs & Death Guarantees. Regulation of company in Article 8 on Work Agreement No: 207/GTBV-R/XI-2017 which is enacted by the hotel itself does not comply with the rules on Indonesia Company Regulation in Article 38 numbers (2), (3), (4), and (5). The company only pays the BPJS to Employment only at 3% of the wages of workers. In fact, the company should have paid 6.54% that is 0.54% for JKK (Work Accident Security), 0.30% for JKM (Death Security), 3.7% for JHT (Old Age Security), and 2% for JP (Pension Security). For JHT and JP of employees/labours, a company shall be charged to pay a sum of 3% (JHT 2% and JP 1%).

Working and Rest Hours

In Golden Tulip Bay View Hotel & Convention-Bali in practice, there are several departments that do not implement the work rules in accordance with the provisions of article 77 of Act Number 13 of 2003 concerning Indonesia Manpower. One of which is in Sales & Marketing Department staffs who must work for 13 hours a day but do not additional wage for overtime work. Provisions of work hours for employees/labours at Golden Tulip Bay View Hotel & Bali Convention are not in accordance with the provisions of Law Number 13 of 2003, Article 78 paragraphs (1) and (2) on Indonesia Manpower. The company has committed a criminal offense in the form of a violation that can be subject to a criminal sanction of at least one month and a maximum of 12 months and/or by a fine of at least Rp. 10,000,000.00 (ten million rupiah) and at most Rp. 100,000,000.00 (one hundred million rupiah). This is in accordance with Article 187 paragraph (1) and (2) of Law Number 13 of 2003 on Manpower.

Repressive Legal Protection

Repressive legal protection is protection granted for employees/labours as a means of protecting their normative rights as determined in legislation in connection with disputes, layoffs or violations committed by employers/Companies. If disputes in industrial relations occur, there are two ways they can be settled: by bipartite negotiation and by tripartite negotiation. At Golden Tulip Bay View Hotel & Bali Convention, settlement of disputes between parties is in accordance with article 136 paragraph (1) of Law Number 13 of 2003 concerning Manpower.

Protection of Employment Termination (PHK)

Termination of mass employment relations based on a circular letter of Indonesia Ministry of Manpower, No. SE-907/MEN/PHI-PPHI/X/2004 concerning Prevention of Termination of Mass Employment determines that if in the event a company experiences difficulties that can affect employment, termination of employment must be the last resort.

Based on the provisions of article 190 paragraph (1) and (2), Golden Tulip Bay View Hotel & Convention-Bali can be subject to administrative sanctions for not providing

assistance to the families of employees/labours who are dependent. This action also
violates Article 190 paragraph (1) and (2) of Law Number 13 of 2003 concerning
Manpower.

Legal Responsibilities of Golden Tulip Bay View Hotel & Convention-Bali in Legal
Protection of Employees/Workers under PKWT

Golden Tulip Bay View Hotel & Convention-Bali is responsible for the following
aspects.

- Indiscrimination and provision of equal treatment to employees/labours.
- Provides employees/labours the competency test they are expected in getting passed
  of the examination in order to have competitiveness as employees in their fields. This
  competency test is carried out by PHRI (Indonesian Hotels and Restaurants
  Association).
- The company bears all costs required in making work agreements.
- Does not employ 18-year-old children/labours. At Golden Tulip Bay View Hotel &
  Convention-Bali the youngest employees/labours is 20 years old.
- Does not employ female workers for the night shift, which is 23:00 - 7:00
- Provides employees/labours enough rest and leave time
- Provides opportunities for worship
- Provides employees/labours' wages in accordance with the Badung Sectoral
  Minimum Wage
- Provides social security for workers to workers and their families

Barriers to Legal Protection for Employees/Labours under

Leading Factors to Legal Protection on Employees/Workers under PKWT

In implementing the legal protection for workers, there are two factors that hinder,
namely as follows:

Internal factors

- Lack of Legal Awareness of HR (Human Resources)

  Human Resources come from both parties, both workers and employers. Obstacles
to legal protection for workers, namely human resources; the workforce itself has limited
understanding and knowledge of laws that protect their rights; the employee/labour himself
who does not use his rights for economic reasons due to the difficulty of finding work and
lack of employment; and the hotel management does understand the contents of the
existing regulations and the lack of legal awareness from employers regarding the rights of
workers.

- Community

  In this case, the community is an environment where the law applies or is
implemented, namely the implementation of the Fixed-Term Employment Contract (PKWT)
at the Golden Tulip Bay View Hotel & Convention-Bali. The factor of the difficulty of finding
a job and the lack of employment for now is very influential in the emergence of barriers to
the realization of legal protection for workers, so that employers easily and unilaterally take
actions that harm workers because the relationship between workers and employers is the
relationship between subordinates and superiors (subordination).

External Factors

- External factors are inhibiting factors originating from the Manpower and
  Transmigration Agency. As for the obstacles are:
  - Lack of supervision and socialization from the manpower and transmigration agency
  - Labour inspection is carried out through two approaches, namely; educative
preventive approach and judicial repressive approach. The action of an educative preventive approach is carried out if possibly there is still public awareness to obey the law. If this approach does not work effectively, judicial refractive approach will be implemented with the intention that the public will obey the law even in a forced manner.

Non-strict sanctions

Criminal sanctions regarding employment are regulated in Article 183 up to Article 189 of Act Number 13 of 2003 concerning Manpower and administrative sanctions are regulated in Article 190 paragraph (1) and (2) of Act Number 13 of 2003 of the Law. Regarding this matter, there are no sanctions that are explicitly given by the Manpower and Transmigration Service to Golden Tulip Bay View Hotel & Convention Bali in terms of making contents of agreement that is contrary to the laws and regulations which result in failure of legal protection for workers under PKWT maximally.

**Barriers of Legal Protection against Employees/Workers under PKWT**

**Juridical Barriers**

Juridical barriers in this case include substance and structure. In the case of legal protection for workers under PKWT, there are several things that hinder its implementation for employees/workers under PKWT, namely:

- Lack of supervision from the Manpower and Transmigration Agency and generally labour inspectors do not have a legal educational background and the minimum number of labour inspectors, and thus the development of labour inspectors and increasing the number of labour inspectors are required.
- Employees/labours' economic and social condition, low level of education, and skills, wherein, the increase in the number of employees/labours is not in accordance with available employment.

**Non-Juridical Barriers**

Non-juridical barriers in this case are obstacles that come from culture. Community culture in this case is the workplace environment in the implementation of PKWT at Golden Tulip Bay View Hotel & Convention-Bali. Additionally, language is a non-juridical factor which provides constraints for employees/workers to know their rights and obligations because they are not proficient in English.

**Conclusion**

Legal protection for workers under PKWT at Golden Tulip Bay View Hotel & Convention-Bali has not been effective. This is because there are many irregularities in the rules regarding PKWT, those of which are not in accordance with that of in Law Number 13 Year 2003 concerning Manpower. The deviation is in establishment of PKWT, the evaluation period or the trial period apply to workers under PKWT, the type of work under PKWT, the period of PKWT that actually must be done.

Barriers faced in the implementation of legal protection for workers under PKWT at hotel are those that are in relation juridical and non-juridical. Juridical barriers are manifested in unclear formulation of company regulations, so that they result in employees’ difficulties to comprehend and uphold; there is a discrepancy between the action of legal officials and the formulated regulations in imposing sanctions; there are barriers on the legal protection system to employees/labours under PKWT which includes the order of formal legal institutions. Non-Juridical Barriers are related to culture, namely the lack of awareness of workers in performing their obligations; obstacles in the use of language (English) bringing about difficulties for employees in their communication. Besides, there are still many supervisors and law enforcers' negligences, one of which is to treat the employees in accordance with with existing regulations, to provide employees with a break and leave as prescribed in the District Sectoral Minimum Wage of Badung region, and to grant the Social Security Workers to workers and their families.

---

ACKNOWLEDGEMENTS
On this occasion the author would like to express high appreciation to the parties who have assisted in completing the research project, including mentors, informants, respondents, and publishing institutions, the Journal Editorial Team of Prasada of Universitas Warmadewa for the online launch of this paper.

REFERENCES
Effectiveness Of Legal Protection On Employees/Labours In A Fixed-Term Employment Contract In Golden Tulip Bay View Hotel & Convention - Bali