

## **Legal Protection for Workers Experiencing Termination of Employment Due to the Impact of Digitalization**

**Hamielly Cortez Lim**

Universitas Tarumanagara, West Jakarta, Province of DKI Jakarta, Indonesia

Email: [hamiellycortezlim@gmail.com](mailto:hamiellycortezlim@gmail.com)

### **Abstract**

Labor in Indonesia is regulated by Labor Law no. 13 of 2003. Problems that arise in the world of work are usually caused by a less harmonious relationship between employers/employees and workers/employees. With this digitization, the company in question is taking efficiency measures, so that the company can take steps to lay off employees. Efficiency here means limiting the use of resources in the processes used by companies within their respective companies. The author uses the method of normative legal documents. In this method, the use of legal norms becomes the subject of study, and law is studied normatively by looking at it from an internal perspective. Protection of workers' rights, namely the implementation of wages that must be paid to the employer at the time of dismissal. The right in the form of compensation is divided into three parts including severance pay, gratuity pay and compensation for other rights obtained by workers/employees.

**Keywords:** Legal Protection, Workers, Termination of Employment, Digitalization



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### **INTRODUCTION**

Work is the most important thing inherent in human life. This career path can be used to meet the needs of a better life because through work a person receives a salary in the form of a salary. We cannot deny that in this era of development, there is no need to go to work because one only wants to make a living, but to be able to elevate one's social status, it will also greatly affect one's life and the family religion of the life one lives.

In its development, to increase performance and at the same time to increase the quality of the workforce, it is very necessary to have a certain type of life insurance that is suitable for someone who also ultimately increases income. the quality of the existing workforce by strengthening protection for workers, which must be in accordance with human dignity and also with human authority (Khakim: 2003). Due to today's rapidly changing times and technology, worker protection is the most important thing and should be considered with the increasing risks and responsibilities that workers face. Indirectly, giving this form of protection is an effort to appreciate the work of employees who have helped the company by contributing their opinions and ideas. In addition, the protection of workers based on Pancasila and the 1945 Constitution can be said to be the development of the workforce within the framework of national integration and development. Therefore, it is very important for the government to improve labor protection (Udiana: 2018).

The regulations for employment in Indonesia are contained in the Labor Law No. 13 of 2003. Problems that arise in the world of work are usually caused by an unfavorable relationship between the entrepreneur/employer and the worker/employee. This has led to many interpretations that this employment problem has economic, social, political and social welfare components (Sutendi: 2001). Labor issues that require special attention are dismissal (hereinafter referred to as dismissal).

Termination by companies often creates social inequality due to the inability to meet the standards of dismissal imposed on employees. Companies usually terminate employment in a

one-sided way, which of course has a negative impact on workers. Basically a company can develop a good working relationship between its employees and the company in the absence of pressure from parties (employers/employers) who tend to be stronger than other parties, namely people who tend to be weak (workers/workers).

With the development of science and technology, especially in terms of modernization and scientific progress, it not only has a positive impact on Indonesian society, but has a negative impact on the employment sector. This can be seen in the use of high-tech machines in companies that do not need humans to do their jobs, only humans need to control them. This change is known as digitization.

With this digitization, the company in question is taking efficiency measures, so that the company can take steps to lay off employees. Efficiency here means limiting the use of resources in the processes used by companies within their respective companies. This is reflected in the limited use of labor to replace machines, or change all prints from manual to digital. For workers, layoffs are the beginning of loss of income, and finding a job is not easy, leading to a decrease in the quality of life and even the welfare of workers and their families.

## **RESEARCH METHODS**

In compiling this journal, the author uses the Normative Legal Writing method. This method is to conduct research on law in a normative manner by looking at law from an internal perspective where the object of research is to use legal norms (Soekanto: 1985). In addition to reviewing the applicable laws and regulations, the writing method is also carried out by reviewing library materials such as books and law journals. By using the legal drafting method, the aim is to be able to review the provisions regarding the rights and legal protection of workers based on a literature review where labor laws provide legal protection for workers resulting from the impact of digitalization.

## **RESEARCH RESULTS AND DISCUSSION**

According to Labor NGOs, the Indonesian Labor Association noted a number of labor issues in 2018, including digitalization or automation which causes around 100,000 people to lose their jobs each year due to shifts in the dynamics of the digital economy workforce. Workers in sectors such as retail, banking, transportation and manufacturing, especially automotive, textiles and electronics, are among the most vulnerable to layoffs due to digitalization and automation. Layoffs in these sectors will later become very massive and the government anticipates this by drafting a strategy for job creation in the digital era (Indonesian News Agency: 2018).

### **Arrangements Concerning Workers' Rights Due to Layoffs based on the Labor Law**

There are many definitions of dismissal, either those that the law provides directly or those that experts have given and explained in general and specifically, can provide an understanding of what is actually meant by waste. Basically, arrangements regarding layoffs are in Chapter XII Article 150 to Article 172 of Law Number 13 of 2003 concerning Manpower. UUK Article 1 number 25 provides a definition of "PHK, namely the process of ending an employment relationship based on a certain matter which then causes the end of the relationship regarding rights and obligations between workers/laborers and their employers." Specifically, the definition of layoffs is explained in the Decree of the Minister of Manpower Number Kep-15A, Men, 1994 Article 1 Paragraph (4), namely "PHK is a termination of employment by an employer for workers caused by the existence of a permit from the Regional Committee or the Central Committee."

From the opinion of Halim who is a legal expert who provides a general definition of "PHK, namely a termination of employment by an entrepreneur/employer to a worker/laborer caused by a certain matter that causes the employment relationship to end. An employment relationship is a relationship that arises as a result of a work agreement made or mutually agreed upon by employers and workers/labourers (Husni: 2006). The work agreement is an agreement that contains arrangements for the rights and obligations of the parties, it is also an agreement that will regulate the course of the work system that will be carried out by workers based on the terms and rights/obligations that will be received by workers/laborers" (Putra: 2017).

The relationship between termination of employment and the rights of workers/employees is very close. The employment relationship guarantees the binding rights and obligations between the worker/employee and the employer/employer. Termination of employment relations automatically breaks the chain of rights and obligations contained therein. "We can see the fulfillment of workers' rights through dismissal in Article 1 of the Decree of the Minister of Manpower No. Kep-150/Men/200 in the form of:

1. Severance pay. Severance pay can be defined as money that the employer pays to the worker/employee as a result of termination of employment.
2. Long Service Award Money. In this case, it is the money that must be paid by the employer to the worker/worker as wages in accordance with the seniority of the worker/laborer concerned.
3. Compensation. Money in this case is wages paid by employers to workers to compensate workers for losses due to termination of employment. i.e. general sobriety, long sobriety, travel expenses to hosts, medical facilities, residential facilities, etc.

The three rights mentioned above are rights that must be given to workers/employees in the event of termination of employment. The details of the amount and arrangement of sentences are more detailed in UUK. Worry. Of course, the longer the hours worked, the higher the pension benefits, and conversely, the shorter the hours worked, the lower the pension benefits. The same provision, namely Article 156(3), also contains provisions relating to length of service and severance pay. The amount or amount of years of service is calculated according to the years of service of the employee/employee concerned. This paragraph stipulates from point A to point H that the working hours of workers/labourers who receive wages are at least 3 years and a maximum of 24 more years of service. According to Wiwoho Soedjono, bonus funds are not funds that are given just because workers/workers have contributed to the company, but funds that are given if workers/workers work for more than 5 years. Workers/workers are required to receive bonus money if terminated. On the other hand, arrangements regarding compensation are contained in Article 156(4) of the Indonesian Labor Code which stipulates that workers/employees are obliged to receive compensation. These include (Asikin: 2006):

1. Annual leave that has not been taken and has not fallen;
2. Fees or costs incurred by the worker/laborer and his family to the place where the worker/laborer is accepted to work;
3. Replacement in the form of housing along with medical treatment and care for workers/laborers whose working period meets the requirements and is set at 15% of the severance pay; And
4. Compensation for other compensation money can be seen from the work agreement made while still in a mutually determined work relationship.

In the protection of workers/laborers' rights based on the Manpower Law, it can be seen that the protection of these rights is in the form of protection of wages that must be received by workers/laborers when termination of employment occurs. It can be seen from the provisions contained in Article 154 Paragraph (1) which states that employers are required to provide severance pay and/or an amount of award money (service money) and are also obliged to provide compensation for rights that should have been received by the worker/laborer in the event of termination of employment.

### **Legal Protection for Termination of Employment Due to Digitalization**

Of course, besides having a positive impact, digitization also has a negative impact. One of them is in the field of employment, which can result in termination of employment from employers to workers for reasons of efficiency and also because of technological developments and knowledge that employers want to switch to a new one. digitization system. If examined more deeply, UUK does not explicitly regulate the principles of digitization and regulation of the consequences of this digitization. In general, it can be said that there are four types of pension categories that are usually applied by companies, including:

1. Termination, in this case the company is dissolved, so that the termination of employment can be carried out by the company. Work contracts between employers and workers/employees;
2. Dismissal, the occurrence of termination of employment caused by the actions of workers/laborers that are fatal in nature, which can be in the form of violations of worker/worker discipline or violations by workers/labor of existing work contracts;
3. Redundancy, companies that lay off employees as a result of existing technological developments, such as starting to introduce high-tech machines into the company or starting to change all forms
4. manual activities in digital form (digitized) of course cause a reduction in the workforce and lead to an increase in unemployment; And
5. Retrenchment, companies that lay off employees as a result of existing technological developments, such as starting to introduce high-tech machines into the company or starting to change all forms
6. Manual activities in digital form (digitized) of course cause a reduction in the workforce and cause an increase in unemployment (Manulang: 2001).

Termination of employment due to digitization of legal provisions related to this matter can be seen in the provisions of Article 164(3) of the UUK which explains that termination of employment can be carried out by the employer to the worker/employee but not because the company has lost 2 years in a row or suffered a loss. and also not because of force majeure but because the company does business effectively but with conditions. The company is obliged to pay severance pay to workers/employees with the condition that for two periods, a definite bonus will be given together with terms of service and severance pay in the amount that will be received by the worker/employee in accordance with position 156 sentence (4).

Legal provisions regarding layoffs as a result of digitization are guided by the paragraph above because the main goal of company digitalization is none other than to measure company efficiency, both labor efficiency and yield efficiency to gain more profit. Efficiency by switching to a company-generated scanning system is one way for companies to survive and compete in a dynamically developing business world (Sadiwara: 2015).

This forces companies to focus on a series of processes to create a product or service, while minimizing losses. However, even though the law regulates and allows dismissal in this



case, on the other hand unilateral dismissal is also not permissible and dismissal must be carried out in accordance with existing procedures or regulations. Layoffs and trying not to do layoffs because of the various available efforts. The contractor can terminate the employment relationship but it must be based on law and not unilaterally, but the termination of the work contract must be negotiated in advance by both parties concerned, namely between the contractor and the worker/laborer. The grounds for termination permitted by law are as follows:

1. If workers/workers pay the price. resign of his own free will in writing and of course without influence or pressure from other parties, employers or co-workers;
2. If workers/employees have reached retirement age, they must comply with the previous provisions in the employment contract or according to statutory provisions
3. If the worker/laborer dies or passes away;
4. If an employee commits a serious misconduct such as fraud, providing incorrect information, engaging in unethical behavior, disclosing company secrets, etc;
5. If the business experiences an economic downturn or consequential losses;
6. If employees/employees are negligent in carrying out their obligations, such as not working for a long time without prior notification or confirmation from the company;
7. If a worker/employee is caught doing what is permitted by law or custom in society.

Except for the reasons mentioned above, employers cannot terminate workers/employees arbitrarily and can be immediately canceled by law. Termination of the employer must be serious enough and in accordance with current legal regulations. Based on the explanation of layoffs as a result of the impact of digitalization above based on the labor law, it can be seen that the legal protection for workers/employees who are laid off as a result of the impact of digitalization refers to Article 164 Paragraph (3) of the Manpower Law. Employment Law No. 13 of 2003 with legal protection in the form of severance pay, awards or long service benefits as long as employees work and are empowered to be given compensation due to termination of employment.

## CONCLUSION

The existence of protection for the rights of workers affected by layoffs in UUK is clear, specifically regulated in Articles 150 to 172. In this case it refers to article 154 paragraph (1) UUK which states that the employer is obliged to pay severance pay and knows the amount of the bonus (service charge) and is also obliged to replace the rights that are the rights of workers who become the rights of workers in the event of termination. Therefore, it can be concluded that the protection of workers' interests is included in the UUK, specifically to fulfill wages that must be paid to employers in the event of termination of employment. The right in the form of remuneration is divided into 3 parts, namely: severance pay, seniority pay and compensation for other benefits that employees deserve.

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