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# The Implementation of Social Functions and the Effectiveness of Laws and Regulations for the Settlement of Industrial Relations Disputes in Indonesia

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**Abstract:** *Industrial Relations Dispute Settlement Legislation, called P4HI, is not a goal but reflects the rights and obligations (labor legislation and terms of employment) of all parties involved in Industrial Relations Dispute Settlement or called PPHI. This article aims to analyze how social functions are implemented and the effectiveness of laws and regulations for the settlement of industrial relations disputes in Indonesia. This article concluded that to realize the goals and development of human resources, which is a bridge or gateway to protect the interests of all disputing parties, especially workers or laborers, such as honor, independence, life, property, the welfare of all parties in dispute fairly and so on. Detrimental, to achieve harmonious industrial relations (industrial peace) by utilizing and developing the potential of individual and social life. All parties in dispute (especially workers or laborers) utilize national P4HI based on Pancasila to support the implementation of a just and prosperous Indonesian society, nation, and state concerning PPHI. For this reason, P4HI must function as a standard of conduct, as a tool of social engineering, as a tool of social control, as a facility for human interaction, and P4HI must function directly and indirectly socially and fulfill the requirements for the implementation of P4HI directly effective.*

**Keywords:** *P4HI, Disputes; Social Function; and Industrial Relations.*

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## I. INTRODUCTION

P4HI is the entire industrial relations regulations, norms, or guidelines for living in settlement of industrial relations disputes (PPHI), coercive in nature, with threats of sanctions (administrative, civil, criminal) for violations (employers, workers/laborers), must be obeyed, as means to protect the interests of all parties in PPHI in order to achieve harmonious industrial relations (industrial peace). In order to realize justice, order, and social welfare for all parties involved in PPHI in the form of increased productivity or company profits correlated with the social welfare of workers/laborers and their families. P4HI is a rule of public law and a formal rule of law and material law. PPHI is a provision of the hearts and minds of the disputing parties in the form of facts, formulations of what the disputing parties should or should not do. In PPHI, there is government intervention (intervention) so that it brings a fundamental change like P4HI, namely from the private nature to the public (state administrative law). The purpose of government intervention (intervention) is to realize a fair PPHI. PPHI legislation provides rights to workers/labor as whole human beings to realize harmonious industrial relations (Industrial peace).

P4HI is not a goal but must be a reflection of the rights and obligations (labor legislation and terms of employment) of all parties involved in Industrial Relations Disputes (DPHI) and is a bridge to bring all DPHI parties to the ideas they aspire to, namely realizing goals and development. Employment is a bridge or gateway to enter the life of industrial relations that allows the mobilization of all the potential of individual and social life while protecting the interests of all DPHI parties, such as honor, independence, life, property, rights, and others, against those that are detrimental such as violations of rights, normative (labor legislation) and terms of

employment (terms of employment) of workers/laborers and employers, for the sake of creating harmonious industrial relations (industrial peace), the welfare of all parties in dispute that are fair, utilization and development of the potential of the individual and social life of all DPHI parties and the utilization of national P4HI based on Pancasila as an instrument to support the implementation of a just and prosperous Indonesian society, nation and state, to be able to become a supporting instrument as described above, the function of P4HI must be as a standard of conduct, as a tool of social engineering, as a tool of social control, as a facility on human interaction so that the direct and indirect social functions of PPHI laws and regulations can be achieved and meet the requirements so that P4HI is effective.

## II. DISCUSSIONS

### Definition of Law in Industrial Relations Disputes

According to Victor Hugo, the notion of law is truth and justice. Meanwhile, according to Meyers, the law consists of norms and judgments about moral values that relate to human actions as members of society. Padmo Wahyono defines *law* as a tool or means to maintain state life or order and, at the same time, is a means to organize social welfare. Van Kan defines *law* as a coercive rule of life to protect human interests in society. Van Apeldoorn provides a legal definition that is only generalizing, and even then, it depends on who gives it. Meanwhile, Utrecht revealed that the law is a set of guidelines for living the orderly life of a society and should be obeyed by the members of the community concerned. Muchsin and Fadillah Putra (2015) state that law is a tool or means to regulate and maintain order to achieve a just society by organizing social welfare in coercive regulations and providing sanctions for sanctions violators to regulate the community or government officials.

Based on the opinions of several experts on legal understanding as described above. So the definition of *law* is the fundamental rule, norm, or life guide for human actions as members of the community as well as a tool or means to organize a coercive social life with threats of sanctions for violators; therefore must be obeyed to protect human interests in order to achieve justice order and social welfare.

Then, the legal definition in Industrial Relations Dispute Settlement (PPHI) is that all regulations, norms or guidelines for life in a PPHI are coercive, with threats of sanctions (administrative, civil, criminal) for violations, which must be obeyed by all parties involved in DPHI. (entrepreneurs, workers/laborers), as a means of protecting the interests of all DPHI parties in order to achieve harmonious industrial relations (industrial peace). In order to realize justice, order, social welfare for all parties involved DPHI in the form of increasing productivity and/or company profits that are correlated with social welfare of workers/laborers and their families.

The existence of a coercive nature with the threat of sanctions (administrative, civil, criminal) for violators of P4HI as regulated in Law Number 2 of 2004 concerning Settlement of Industrial Relations Disputes (UUPPHI), therefore, based on the contents of the rules of P4HI it is included in the rules of public law, namely "legal rules which regulates constitutional matters, especially regarding how the legal relationship between the government (state) and society is realized." The legal relationship between the government and all disputing parties in industrial relations (employers, workers/laborers). Judging from its function, P4HI belongs to the formal legal category. These namely legal rules regulate the procedures that must be taken in maintaining/enforcing material legal rules (among others, Law Number 13 of 2003 concerning Manpower/UUK, Law Number 11 of 2020 concerning Job Creation/UUCK), especially in the event of a dispute/legal case to settle disputes (industrial relations) with the assistance of a judge/mediator court, the Industrial Relations Court, and the Supreme Court.

Material legal rules of P4HI are legal rules that regulate the content of relationships between humans or determine what actions or behavior are required/prohibited/allowed, including legal consequences and legal threats to violators, both by employers and by workers/labor. In PPHI, what can be classified as material legal rules in industrial relations are the UUK and UUCK.

P4HI is a rule of public law and a rule of formal law and material law as described above. The meaning of P4HI is included in the public law category because, in P4HI, there is intervention or state intervention, consideration of state intervention or interference, namely if PPHI is entirely handed over to the disputing parties (entrepreneurs, workers/laborers), then the goal is to create social justice. In PPHI, it will be difficult to

achieve because the strong party (entrepreneur) will always suppress the weak party. In this case, the worker/laborer (*homo homini lupus*), the entrepreneur as a socially and economically strong party, constantly pressures the worker/laborer in a weak position. On that basis, through several laws and regulations, the government participates in PPHI. The purpose of government intervention is to provide legal certainty to the rights and obligations of the parties (employers, workers/laborers) in PPHI. This is in line with the opinion of Lalu Husni (2014), which states that if the relationship between workers and employers is still left entirely to the parties, then the goal of creating social justice in the labor sector will be challenging to achieve because the strong party will always dominate the weak party (*homo homini lupus*), the employer as the party who is socially and economically strong will always suppress workers who are in a weak/low position. On that basis, the government is gradually dealing with labor issues through several laws and regulations in the field of labor intended to provide legal certainty to the rights and obligations of entrepreneurs and workers/laborers.

Government intervention in P4HI aims to realize a fair PPHI because P4HI provides rights for workers or laborers as whole human beings; therefore, workers/laborers must be protected, for example, against arbitrary termination of employment by employers, in addition to workers. Workers affected by layoffs must obtain their rights in the form of waiting for the money (wages) during the layoff process, severance pay (UP) for layoffs, service period awards (UPMK) for layoffs, compensation for rights (UPH) for layoffs, rights of workers/laborers, both work norms (labor legislation) and terms of employment (terms of employment). On the other hand, P4HI, in addition to protecting workers/laborers, must also pay attention to the interests of entrepreneurs/employers. Namely, PPHI should not interfere with the business continuity of entrepreneurs. This is in line with the opinion of Lalu Husni (2014), which states that the purpose of government intervention in the labor sector is to realize fair labor because labor legislation provides rights for workers/workers as whole human beings. Therefore, they must be protected both in terms of their safety, health, decent wages, etc. In addition, the government must also pay attention to the interests of entrepreneurs/employers, namely business continuity.

The state of Indonesia is a state of law (Vide Article 1 paragraph (3) of the 1945 Constitution), so government intervention in PPHI must be based on laws or statutory regulations (UUPPHI, UUCK, UUK). The existence of government intervention in PPHI has brought fundamental changes like labor (PPHI), namely from the beginning from the private to the public nature (state administrative law). The public nature of PPHI can be seen wherein P4HI is regulated by legal sanctions (criminal, administrative, civil) that can be imposed on violators (especially entrepreneurs). One of the objectives of P4HI is to protect workers/laborers from the unlimited power of employers. This was conveyed by Then Husni (2014), namely, government intervention in the labor sector through these laws and regulations has brought a fundamental change in changing the nature of labor law from private to public (State Administration Law). The public nature of labor law can be seen from government intervention through legislation in human resources, which regulates criminal sanctions and administrative sanctions for entrepreneurs who violate these provisions. Legislation in the field of human resources is intended as a legal instrument to protect workers/laborers.

P4HI is included in the group of formal legal rules, namely P4HI as a benchmark, measure, guideline for the behavior or attitude of all disputing parties in PPHI, this is in line with the opinion of Purnadi Purbacaraka and Soejono Soekanto (1979), which stated that the rules are the standard, guidelines for behaving or acting in life or P4HI as a formal legal rule is a provision of the heart and mind of the parties in a Dispute in Industrial Relations (or called BDHI) in the form of facts, formulations of what the parties should or should not do in the BDHI, this is in line with the notion of rules put forward by Muhamad Erwin, H. Firman Freaddy (2012), which states that rules are provisions of the human heart and mind in the form of facts, formulations of what should or should not be done or P4HI is a rule formal law from the heart and human mind of all DPHI parties, as stated Muhamad Erwin, H. Firman Freaddy (2012) stated that the rules come from the human heart and mind in human life, with the type of legal rules or P4HI being the formal legal rules of PPHI with government intervention.

The purpose of government intervention through P4HI is for a fair PPHI to realize harmonious industrial relations (Industrial peace). According to Article 1 point 16 of the UUK, the definition of industrial relations is a system of relations formed between actors in the process of producing goods or services consisting of elements of entrepreneurs, workers/laborers, and the government based on the values of Pancasila and the

Constitution of the State. The Republic of Indonesia in 1945 (UUD 1945). The definition of harmonious industrial relations (Industrial peace), namely dynamic conditions in the working relationship of a company where there are 3 (three) essential elements, namely: 1) Rights and obligations (parties in industrial relations) are guaranteed to be implemented; 2) If a dispute arises, it can be resolved internally; 3) Strikes and company closures (lock-out) do not need to be used to enforce their will, because the disputes that have occurred have been appropriately resolved (Suwarto, 2003).

According to Suwarto (2003), the types of rights and obligations of the parties in an industrial relationship that must be guaranteed are work norms (labor legislation) and terms of employment (terms of employment). The definition of work norms (labor legislation) regulates the rights and obligations between workers/laborers and employers/company leaders as contained in the legislation, is imperative/must be implemented, mandatory in nature, binding on all companies (workers/laborers) that it was also macro-minimal. Macro in the sense that it binds all companies without exception in terms of location, size, type of business, nature of legal entities, and minimally in the sense that in practice, things that can be regulated are better or greater depending on the ability and willingness of individual companies. Example: city/district minimum wage (or called UMK), 7 (seven) hours a day, 40 (forty) hours a week (6 working days/5 working days), 173 (one hundred and seventy-three) hours a month, wages overtime if the working hours exceed 7 (seven) hours a day, exceed 40 (forty) hours a week, exceed 173 (one hundred and seventy-three) hours a month or the employer is obliged to pay overtime wages for workers/laborers working on their weekly holidays and national holidays. Employer's obligation to include all workers/labor as participants in employment insurance (work accident insurance, death insurance, old-age insurance, occupational health insurance) and others.

Terms of employment are arrangements for rights and obligations for workers/laborers and employers/company leaders regarding various aspects of the employment relationship that have not been regulated or are not regulated by laws and regulations (work norms). This setting is micro conditional. Micro in the sense that it is regulated only for specific companies individually, conditional in the sense that the settings are adjusted to conditions. The forms of terms of employment are work agreements, company regulations, and collective work agreements, for example, housing fees, transportation fees, food allowances, uniforms, work shoes, work caps, company shares, production bonuses, hajj leave, and others.

Article 1 paragraph (1) to paragraph (5) UUPPHI defines Industrial Relations Dispute is a difference of opinion that results in a conflict between the entrepreneur or a combination of entrepreneurs and workers/labor or workers/labor unions due to disputes regarding rights, disputes over interests, disputes over the termination of relations. Work and disputes between trade unions/labor unions within the same company. With details: 1) Disputes over rights are disputes that arise due to non-fulfillment of rights, due to differences in the implementation or interpretation of the provisions of laws and regulations, work agreements, company regulations, or collective work agreements (Vide Article 1 paragraph (2) UUPPHI); 2) Disputes of interest are disputes that arise in an employment relationship due to the inconsistency of opinions regarding the creation, and/or changes to the working conditions stipulated in the work agreement, or company regulations, or collective work agreement (Vide Article 1 paragraph (3) UUPPHI); 3) Disputes over termination of employment are disputes that arise because of the inconsistency of opinion regarding the termination of employment by one of the parties (Vide Article 1 paragraph (4) UUPPHI); 4) Disputes between trade unions/labor unions are disputes between trade unions/labor unions and other trade unions/labor unions in one company only, because there is no agreement on understanding regarding membership, implementation of rights and obligations of trade unions (Vide Article 1 paragraph (5) UUPPHI).

### **Legislation in the Settlement of Industrial Relations Disputes**

*Legislation* is a written regulation that contains legally binding norms in general. It is established or determined by state institutions or authorized officials through the procedures stipulated in the Legislation (Vide Article 1 paragraph (2) of Law Number 12 of 2011 Regarding the Law on the Formation of Legislation, abbreviated as Law 12/2011 UUPPPU). Referring to the meaning of the laws and regulations described above,

the definition of P4HI is a legal norm that binds, in general, or all parties involved in PPHI. It is established or determined by state institutions or authorized officials (House of Representatives, Government, Governor, Minister of Manpower, etc.) through the procedures stipulated in the Legislation. According to Sunaryati Hartono (1991), the law is not a goal but reflects the community's aspirations in the protection of rights and individual interests as outlined in legal norms or rules, which are the bridge that will carry all Indonesian people to the desired idea.

Referring to Sunaryati Hartono's opinion, P4HI is not a goal but must reflect the rights and obligations (labor legislation and terms of employment) of all parties involved in DPHI or as an effort to protect the rights and obligations of all parties or individuals involved. DPHI or P4HI is a bridge that brings all DPHI parties to the ideas they aspire to, namely, realizing the employment goals described above. According to Mahfud MD (2009), the law is a tool to achieve state goals. Referring to Mahfud MD's opinion, P4HI is a tool to achieve employment goals and employee development goals, and according to Manulang, the objectives of labor law are: 1) To achieve/implement social justice in the employment sector; 2) To protect the workforce against the unlimited power of employers (Abdul Khakim, 2009).

Number 1 further indicates that labor law aims to maintain order, security, and justice for the parties involved in the production process to achieve peace of mind and business continuity. The number 2 is motivated by the experience so far, which often occurs arbitrarily by employers against workers/laborers. For this reason, comprehensive and concrete protection is needed from the government. Meanwhile, the objectives of human resources development according to Article 4 of the UUK are: 1) To empower and utilize the workforce optimally and humanely; 2) Realizing equal employment opportunities and provide human resources following the needs of national and regional development; 3) Protect workers in realizing welfare; and 4) Improving the welfare of the workforce and their families (Abdul Khakim, 2009).

The aim of P4HI is the struggle of all parties involved in DPHI in order to realize industrial relations in all aspects based on the objectives of labor law and the objectives of human resources development which is a bridge or gateway to entering industrial relations life that enables the mobilization of all the potential of the individual and social lives of all parties involved in DPHI. (entrepreneurs, workers/laborers, government) for the sake of creating harmonious industrial relations (industrial peace), the welfare of all parties who are just, as well as for the utilization and development of the potential individual and social life of all DPHI parties, automatically utilizing and developing the potential of individual and social life all of these parties, including the utilization of national P4HI based on Pancasila which is an instrument to support the implementation of social, national and state life related to the objectives of labor law and development goals. As described above, this is in line with Natangsa Surbakti's (2009) opinion, which states that from the very beginning, the struggle of the Indonesian people aimed to realize national life in all areas of life. The proclamation of independence and independence itself is thus seen more like a bridge or a gateway into national life that allows the mobilization of all the potentials of individual and social life to create a prosperous and just life. The utilization and development of the potential of the nation's life naturally include the empowerment of the national legal system as an instrument to support the implementation of social, national, and state life.

The purpose of P4HI is to regulate the social life of industrial relations peacefully and harmoniously by protecting the interests of all parties involved in DPHI, such as honor, independence, life, property, rights, and others, against those that are detrimental such as violations of normative rights (labor legislation) workers/laborers as well as entrepreneurs, this is in line with the legal objective of Supomo (1983), which is to regulate peaceful life associations by protecting specific human interests, such as honor, independence, life, property, rights, and others against those that harm them.

P4HI aims to regulate peaceful industrial relations or harmonious industrial relations as described above, also in line with Apeldoorn's opinion (Abdulkadir Muhammad, 2000), the purpose of the law is to regulate peaceful relationships. While P4HI solely protects the interests of all parties in it, in line with Van Kan's legal purpose, namely the legal purpose of protecting the interests of people solely in society. Moreover, the goal of P4HI is to improve the welfare of all parties involved in PPHI, in line with the legal objectives of Bellefroid (Nurul Qamar, 2013), namely, the purpose of the law is to increase the general welfare or the interests of all members in a society.

P4HI realizes the objectives of labor law, the goal of developing labor law, realizing industrial peace (industrial peace), including protecting the interests of all parties equitably involved in DPHI to realize the welfare of all parties involved in DPHI (entrepreneurs, workers/laborers, government). ) in line with the opinion of Muhamad Erwin and Firman Freaddy (2000), justice and peace are the duties and objectives of the law, namely the duty of the rule of law to uphold justice, while the goal of the rule of law is to achieve peace. Meanwhile, according to Abdul Manan (2013), the legal functions are 1) As a standard of conduct, namely the basis or measure of behavior that must be obeyed by everyone in acting in dealing with one another; 2) As a tool of social engineering, namely as a means or tool to change society towards a better one personally and in people's lives; 3) As a tool of social control, namely as a tool to control human behavior and actions, so that they do not commit acts that are against the norms of law, religion, morality; 4) As a facility on human interaction, the law functions not only to create order but also creates social change by facilitating the process of social interaction and is expected to be a driving force to cause changes in people's lives.

Based on the legal function according to Abdul Manan above, its relation to the function of P4HI: 1) As a standard of conduct, namely P4HI as a basis or measure of behavior that must be adhered to by all parties involved in DPHI (employers, workers/laborers, the government) in acting to settle industrial relations disputes; 2) As a tool of social of engineering, namely P4HI as a means or tool to change all parties involved in DPHI towards the better personally and in industrial relations life, namely creating harmonious industrial relations (industrial peace) in an effort to realize legal objectives manpower and employment law development objectives as described above; 3) As a tool of social control, namely P4HI as a tool to control the behavior and actions of all DPHI parties, so that all DPHI parties do not commit acts that are against P4HI, religion, and morality; 4) As a facility on human interaction, P4HI functions not only to create order in DPHI, but also creates change for all parties involved in DPHI by facilitating the process of social interaction for all parties involved in DPHI and is expected to be a driving force to bring about change in the lives of all. Parties involved in DPHI realize the aspirations of all parties involved in DPHI by facilitating the social interaction of all parties involved in DPHI for the protection of rights like work norms (labor legislation) and rights of interest (terms of employment). This is in line with the opinion of Sunaryati Hartono, P4HI is not a goal but is a reflection of the aspirations of all parties involved in DPHI (employers, workers/laborers) in protecting the rights of both work norms (labor legislation) and the interests (terms employment) of all parties and involved in DPHI as outlined in m legal norms or legal rules which are the bridge that will bring all parties involved in DPHI to the aspired idea, namely the welfare of all parties involved in industrial relations, namely the welfare of entrepreneurs, in the form of increasing profits through increasing company productivity, workers/ laborers in the form of improving the welfare of workers/ laborers and their families, either in the form of social security for workers/ laborers, welfare facilities for workers/ laborers, worker/ laborer cooperatives and productive businesses in the company (Vide Articles 99, 100, 101 UUK).

Referring to the opinion of Mahfud MD said, P4HI is a tool to achieve the ultimate goal of regulating the rights and obligations of the parties involved in DPHI, which is for the survival of the company and improving the welfare of all parties based on increasing productivity and company performance to create conditions of work peace (industrial peace). This follows the opinion of Suwanto (2003). Namely, the ultimate goal of setting rights and obligations (the parties involved in DPHI) is for the company's survival and to improve the welfare of all parties based on increasing productivity and company performance peace of mind (industrial peace)

The definition of industrial peace, as described above, are: 1) The rights and obligations of all parties in industrial relations (employers, workers/laborers), both rights that are work norms (labor legislation) and are guaranteed to be implemented; 2) Any potential industrial relations dispute can be prevented, even if a dispute occurs it can be resolved internally (bipartite or amicable) so that a strike or company closure (lockout) does not need to be carried out because potential industrial relations disputes can be prevented, even if a dispute can be resolved internally (bipartite or amicable) without the need to involve parties outside the company.

Based on the opinion, Natangsa Surbakti, above the goal of the struggle of all parties involved in DPHI, is to realize life in all aspects of DPHI, both in the form of aspects of work norms (labor legislation) and aspects of terms of employment (terms of employment) to realize harmonious industrial relations (industrial

peace) through P4HI, which is a bridge or gateway to the welfare of all parties involved in DPHI by mobilizing all the potential of the individual and social lives of all DPHI parties for the sake of creating a prosperous and just industrial relations life. Utilization and development of the potential of industrial relations life by itself include also utilizing P4HI as an instrument to support the implementation of the lives of all DPHI parties towards industrial relations that are harmonious (industrial peace), dynamic, fair, following Pancasila values.

According to Suwanto (2003), dynamic conditions imply intensive communication between workers/laborers or trade unions/labor unions with employers. Workers/laborers and trade unions/labor unions can express their complaints and opinions freely and without fear. Besides that, the management (entrepreneur) is also open to accommodating and resolving the problems. Front-line management should be able to play an active and positive role in accommodating complaints that arise and be able to resolve them to the best of their authority, and there is no need to forward the complaint to a higher level in order to prevent the potential for industrial relations disputes to arise.

The dynamic condition of Suwanto, as described above, is related to PPHI, that DPHI, especially at the level of deliberation (bipartite) there must be intensive communication between all parties involved in DPHI (employers, workers/laborers, trade unions/labor unions) and both workers/laborers and workers. Trade unions/labor unions can submit complaints and opinions regarding aspects of work norms (labor legislation) and aspects of terms of employment (terms of employment) freely and without fear. Besides that, management (employers) is also open to accommodating those complained about by workers/laborers or trade unions/labor unions of DPHI. In addition to that, the front-line management plays an active and positive role in taking preventive measures, namely accommodating the complaints of workers/laborers under their leadership in order to prevent potential industrial relations disputes, even complete it to the extent of its authority and there is no need to continue the press higher-level industrial relations options.

Bipartite negotiations are negotiations between workers/labor or trade unions/labor unions with employers to resolve industrial relations disputes (Article 1 point 10 UUPPHI) by deliberation and consensus following the values of the 4th (fourth) principle of Pancasila, namely "people led by the transfer of wisdom in representative deliberation" is also a social function of P4HI.

### **Social Function of Industrial Relations Dispute Settlement Laws and Regulations**

Roscoe Pound (1922) stated that in order to understand the provisions of the law at that time, he was satisfied with all the descriptions that fulfilled as many as possible the complete collection of human desires, as we might want with the minor sacrifice. Referring to Roscoe Pound's opinion, the purpose of understanding P4HI is that all parties involved in DPHI or an instrument to fulfill as many interests as possible from the collection of parties involved in DPHI as a whole, both regarding aspects of labor legislation and aspects of terms of employment) so that P4HI is seen from the aspect of effectiveness and efficiency, it follows the expectations of all parties involved in the dispute, namely PPHI, which is accessible, cheap, fast, simple, orderly, fair, and has legal integrity so that P4HI will become a guide for the attitudes and behavior of all parties involved in DPHI. This is following the opinion of Lon L. Fuller and Hans Kelsen. According to Lon L. Fuller (1969), the law is an attempt to become a human attitude as a target for regulation by rules. Meanwhile, Hans Kelsen argues that the norms of a legal order regulate human behavior. P4HI affairs are matters concerning the existence of facts in the form of the interests of the parties that are divided by all DPHI parties, the box for the interests of entrepreneurs is that PPHI does not interfere with the productivity or profits of the company, the interests of workers/ laborers are that PPHI can fulfill the rights of workers/ laborers, both their rights and their rights. Work norms (labor legislation), as well as the terms of employment (terms of employment) and the government's interest, is that PPHI does not interfere with government programs in suppressing the number of unemployment and poverty in Indonesia; therefore, P4HI must pay attention to the facts as well as accommodate the interests of all parties involved in DPHI which are compartmentalized as described above, and in fact, P4HI must be able to resolve and even prevent the potential for industrial relations disputes from occurring, this is in line with the opinion of Karl N Liewellyn (1960), then, whether the matter of the law, is a matter of facts our society is fragmented just a dispute. The actual dispute will be potential; disputes will be resolved, and disputes will be prevented.

There are two social functions of P4HI: a) Direct social functions of P4HI. The direct social function of P4HI is the fulfillment of the functions of the interests of all parties involved in DPHI, such as The creation of harmonious industrial relations (industrial peace), the fulfillment of the interests of entrepreneurs regarding business continuity, the fulfillment of the interests of workers/laborers, in the form of normative rights (labor legislation) and working conditions (labor legislation). Term of employment for the welfare of workers/laborers and their families, the fulfillment of the government's interests, namely the existence of PPHI, does not interfere with the program to reduce the number of unemployment and poverty in Indonesia. The interests of all parties involved in DPHI, as described above, will be fulfilled because there is a guarantee from P4HI that all parties involved in DPHI comply with and consistently implement it, as stated by Joseph Raz (Ahmad Ali, 2012), namely the functions that its fulfillment is guaranteed by legal provisions that are complied with and applied; b) Indirect social function of P4HI. Functions whose fulfillment is seen from the aspects of the attitudes, feelings, opinions, and ways of behaving of all parties involved in DPHI as if they are disobedient to P4HI are included in its implementation, but when viewed indirectly or from the results of the evaluation of the knowledge and existence of P4HI, compliance by all parties involved in PPHI are well fulfilled, the compliance is not only related to indirect social functions but also a direct social function of P4HI, this is in line with Joseph Raz's opinion (Ahmad Ali, 2012) about indirect social functions of law: functions whose fulfillment is contained in attitudes, feelings, opinions, and ways of behavior that do not comply with legal provisions or the application of legal provisions, but result from knowledge of the existence of these legal provisions or obedience and the application of legal provisions. Indirect functions that are fulfilled by legal provisions resulting from the existence of these legal provisions or their obedience and application. However, it must be borne in mind that actions that comply with or apply these legal provisions themselves are part of the direct legal function, not an indirect function of the legal provisions.

### **The Requirements of the Industrial Relations Dispute Settlement Laws and Regulations Can Adapt to Changes and Are Effectively Enforced**

The conditions for P4HI to be effective are that it must be permanent (not ad-hoc), known to all parties involved in DPHI, because all DPHI parties have an interest in P4HI, for that P4HI must be socialized to all parties involved in DPHI, so that all parties involved DPHI can accept P4HI, besides that the substance of the articles of P4HI do not conflict with each other, especially with the current positive law (among others the UUPPHI, UUK and UUCK), P4HI must not apply retroactively (retroactive) and must be based on philosophy Pancasila, containing Indonesian juridical, sociological values, in order to avoid losing the size and guidelines for interacting with all parties involved in DPHI, it should be avoided frequently changing P4HI and should pay attention to the legal culture of industrial relations in Indonesia and should be made as straightforward as possible, especially regarding the stages of PPHI (deliberations, mediation, Dispute resolution procedures through the Court of Industrial Relations and through the Supreme Court), for that the PPHI procedure must be made in writing by the officials and/or bodies authorized to make it. This is in line with the opinion of Abdul Manan (2013) regarding the legal requirements applicable in society: the law made must be permanent, not ad hoc and the law must be known by the community because the community has an interest in being regulated by the law. It is recommended that before the law is enacted, it should first be socialized to the community so that the community is ready to accept it, does not conflict with each other, especially with the positive law that is currently in effect, must not be retroactive, must contain philosophical, juridical, sociological values, often avoided to change a law, because the community can lose the size and guidelines in interacting in society, its application should pay attention to the legal culture of the community and be made in writing by the agency authorized to make it.

One of the requirements for P4HI to be effective is that it is known by all parties involved in DPHI or the process of making P4HI involves all parties involved in DPHI, namely the making of P4HI through a continuous two-way communication process to increase understanding of all parties involved in DPHI on a process whereby The responsible official or agency can accommodate the problems and needs of all parties involved in DPHI, simply by "feed-forward information" (communication from the government to parties involved in DPHI (employers, workers/laborers) about policy-making or changes in P4HI and feedback

information occurs (communication from employers, workers/laborers to the government on the policy), as stated by Netty S.R. Naiborhu (2017), which is a process that involves the community, generally known as community participation. Canter defines *community participation* as a continuous two-way communication process that continues to improve public understanding of a process where a responsible agency analyzes problems and needs. Canter defines it as “feed-forward information” (communication from the government to the community about a policy) and feedback information (communication from the community to the government on the policy).

Even if there are changes to P4HI, the main problem is how P4HI can adapt to changes. Satjipto Rahardjo (2014) stated that the main problem is how the law must adapt to changes. Furthermore, one of the critical problems faced by P4HI is how P4HI can maintain its viability during the pull of changes, for example, the tug of changes in the interests of entrepreneurs, the interests of workers/laborers, the interests of the government to reduce the number of unemployment and poverty or changes due to developments technology such as the industrial revolution 4.0, the challenge is whether P4HI can provide answers or be destroyed or able to adapt to changes so that it can maintain its survival, as stated by Satjipto Rahardjo (2014), one of the critical problems faced by law, is how the law can maintain survival during the pull of changes, the challenge is whether the law can provide answers, or the law in question is destroyed, or the law in question can adapt to these changes so that it can maintain survival. yes

In order for P4HI to be able to adapt to changes and be able to maintain its viability and be effective, these changes are not partial but must be comprehensive, especially to doctrines and norms that are no longer in accordance with the conditions of the times and include in how they are applied, the static pattern in P4HI should be abandoned, as well as ways of interpretation that do not pay attention to the development of industrial relations (among others the industrial revolution 4.0) and must be in accordance with the Pancasila philosophy, and so that all parties involved (especially entrepreneurs) must comply with the P4HI sanctions as coercive power in terms of obedience, this is in line with the opinion of Abdul Manan (2013), in order to be effective in society, legal changes are not carried out partially or must be comprehensive, especially to doctrines and norms that are no longer in accordance with the conditions of the times, changes must include in an applied way. In addition, static patterns in the application of law should be abandoned, as well as ways of interpreting law that do not see developments. There must also be rules that follow the philosophy of life of the Indonesian nation. In order for the updated (changed) rules (rules) to be obeyed by the community, the rules (rules) must contain sanctions and coercion, for that (rules or rules or laws) must be made by the authorized agency.

The implementation of changes in P4HI should be directed to order and legal certainty with the core of justice for development to achieve the welfare of all parties involved in PPHI. The way is by codifying and unifying P4HI, both those belonging to the formal law group and material law, while still paying attention to the legal awareness of all parties involved. This is in line with the opinion of Abdul Manan (2013) that the implementation of legal changes in Indonesia should be directed to order and legal certainty with the core of justice for development to achieve prosperity by conducting legal codification and unification and paying attention to public legal awareness.

The preparation of P4HI must be the practice of Pancasila and the 1945 Constitution (UUD 45), supported by legal awareness of all parties involved in it, with the obligation of the Republic of Indonesia to uphold and ensure legal certainty. This is following the opinion of Abdul Manan (2013), that for this purpose, the preparation of a law, which is the practice of Pancasila and the 1945 Constitution, is supported by the legal awareness of the community, with the obligation of the state to enforce and guarantee legal certainty.

Changes or renewal of P4HI should be carried out within National Law Development (PHN) framework. What is meant by PHN are efforts to codify all legal fields of industrial relations disputes, both in the form of material legal rules and formal law or sectoral changes in various fields of P4HI (including UUK, UUCK) that are urgent, the scope of PHN P4HI, including law enforcement and procedures. So the reform of P4HI is comprehensive in the context of forming a national legal system of P4HI as the identity of the Indonesian nation. This effort will be successful if there is a relationship and support from all relevant parties to develop the P4HI national law that reflects the soul of the Indonesian nation itself. This is in line with Teuku Mohammad Radhie's (1990) opinion that legal reform implemented in Indonesia should be within the

framework of the National Law Development (PHN). Criminal law, criminal procedural law, etc., including the definition of PHN, is an effort to reform law by sector in various urgent fields. The scope of PHN includes law enforcement agencies and procedures. So legal reform is comprehensive in establishing a national legal system as the identity of the Indonesian nation. This effort will be successful if there is a relationship and support from all relevant parties to develop a national law that reflects the spirit of the Indonesian nation itself.

The direction of the development of P4HI is to reinforce the policy direction of the legal development program, especially the program to form the P4HI, which includes organizing a comprehensive integrated national P4HI by recognizing religious law, customary law, and updating the legislation inherited from the Dutch colonial and discriminatory laws. Continue to ratify international conventions, especially those related to human rights, according to the needs and interests of the nation in the form of P4HI. This is in line with the issuance of Law 25/2000 on the National Development Program (PPN), which emphasizes the policy direction of legal development programs, especially programs for the formation of laws and regulations. , which includes: 1) Organizing a comprehensive and integrated national legal system by recognizing religious law, customary law and updating Dutch colonial heritage and discriminatory laws; 2) Development of laws and regulations that support national economic activities; 3) Continuing the ratification of international conventions, especially those related to human rights according to the needs and interests of the nation in the form of laws (Abdul Manan, 2013).

The policy, as described above, makes the direction of P4HI development clearer, so it is hoped that P4HI will lead to the identity of the Indonesian nation. This is in line with Abdul Manan's opinion (2013). It is hoped that with the birth of this policy, the direction of legal development in Indonesia will become clearer so that a legal regulation that is based on the identity of the Indonesian nation will be born namely P4HI must prioritize the principle, the principle of kinship or deliberation for consensus or according to M Yahya Harahap (2003), that the settlement is informal or through a conscience/moral approach instead of a legal approach, distancing the doctrinal approach and the principle of proof towards a mutually beneficial perception equation but. However, it must be realized that not all PPHI can be resolved by deliberation or informal settlement. The reason is that there are differences in understanding/perceptions regarding aspects of attitudes, feelings, opinions, and ways of behaving of all parties involved in DPHI, which are not following Pancasila and the 1945 Constitution, so it is unavoidable that PPHI cannot always be resolved by deliberation but is resolved by Non-Litigation (Mediation, Conciliation, Arbitration) and Litigation (Industrial Relations Court/PHI, Supreme Court/MA) with workers/ laborers or with trade unions/labor unions.

### III. CONCLUSION

P4HI is not a goal but is a guideline in PPHI, is coercive as a means of protecting the interests of all disputing parties in order to realize the objectives of labor law, the goal of developing labor law in order to achieve harmonious industrial relations (industrial peace), dynamic, fair and according to values. Pancasila, to create justice, order, and social welfare for all parties involved in disputes, namely: Fulfillment of the interests of entrepreneurs regarding business continuity. The fulfillment of the interests of workers/laborers in the form of normative rights (labor legislation) and terms of employment (terms of employment), the achievement of the welfare of workers/laborers and their families. Fulfillment of the government's interest, namely reducing the unemployment and poverty in Indonesia. P4HI is a public law, ceremonial law, material law, provisions of the heart and mind, a formulation of what parties in PPHI should and should not do for that P4HI must function as a standard of conduct, as a tool of social engineering, as a tool of social of control, as a facility on human interaction. The social function of P4HI is an instrument as a whole that can fulfill as much as possible the interests of all parties involved in DPHI, both interests regarding aspects of labor legislation and aspects of terms of employment), so that P4HI from its effective and efficient aspect is in accordance with the expectations of all DPHI parties, namely, among others, PPHI which accessible, cheap, fast, simple, orderly, fair and lawful, for that P4HI must be permanent (not ad hoc), so that all parties involved in DPHI can accept it P4HI must be socialized to all parties involved DPHI or the making of P4HI must go through a process two-way communication from all parties involved in DPHI, simply feed-forward information (communication from the government to parties involved in DPHI (employers, workers/labourers) about policies for making and/or

changing P4HI and feedback information occurs (communications from employers, workers) or workers to the government for the policy) and substance the articles of P4HI do not conflict with each other, especially with the current positive law (UUPPHI, UUK and UUCK), must not be retroactive and must be based on the Pancasila philosophy, contain juridical, sociological values of Indonesia, must be avoid frequent changes and should pay attention to the legal culture of industrial relations in Indonesia, P4HI must be made as straightforward as possible, especially regarding the stages of PPHI, PPHI procedures must be made in writing by officials and/or bodies authorized to make it. P4HI must be able to maintain its existence from being pulled at the same time be able to adapt to changes in the interests of all parties involved in DPPI, for that change or renewal of P4HI should be carried out within the framework of PHN.

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