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Implementation of Specific Time Work Agreements at PT Bank Mandiri (Persero)
Tbk. As a State-Owned Enterprise

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#### Abstract

The Basic Law of the Republic of Indonesia 1945 has guaranteed the right to get a job for every citizen. As an elaboration of Article 28D paragraph (2) of the Constitution, the State issues Law Number 13 of 2003 concerning Manpower which regulates all matters concerning employment relations and rights and obligations between workers / laborers and employers / companies. The Manpower Law regulates PKWT in chapter IX concerning Employment Relations starting from Article 56 paragraph (2) to Article 59. Currently the contract system or PKWT is widely applied by companies / employers in carrying out work relationships. While the type of work done by workers with PKWT is not in accordance with what is mandated by the Manpower Act. This is a denial of Article 59 of the Manpower Act even carried out by SOEs, one of which is Bank Mandiri, which employs workers with PKWT to do work that should be done with PKWTT.

Keywords: Certain Time Employment Agreement; The State Owned Enterprises; Mandiri Bank

## Introduction

Work relationship is a relationship of interdependence between the company and workers, because the company in carrying out its business activities is very dependent and requires workers so that the business can run well and bring in profits. Whereas on the other hand, employment is needed by workers as a livelihood, one of which is provided by the company. Legally, Article 1 number 15 of the Manpower Act formulates the employment relationship is the relationship between employers and workers / laborers based on work agreements, which have elements of work, wages, and orders.

The Manpower Law regulates PKWT in Chapter IX concerning Employment Relations starting from Article 56 paragraph (2) to Article 59. Grammatically or grammatically, article by article along with an explanation governing PKWT in the Manpower Act can easily be provided to us understand and understand its meaning, but its implementation / implementation to date is very far different from what has been regulated in the Manpower Act. We do not deny that the contract system or PKWT is widely applied by companies / employers in carrying out work relationships. Workers do not mind the contract

system because of the classic and fundamental reasons that they need jobs to get income and hope that their status will change to PKWTT. While the type of work done by workers with PKWT is not in accordance with what is mandated by the Manpower Act. The Manpower Act states that workers with PKWT are not allowed to do the type of work done by permanent employees (workers with PKWTT)<sup>1</sup>. The Manpower Law has classified the types and nature of work with PKWT through Article 59 paragraph (1) which states that PKWT can only be made for certain jobs which according to the type and nature or activities of their work will be completed within a certain time, namely:

- a. Work that is completed once or is temporary in nature;
- b. Work which is estimated to be completed in a not too long period and a maximum of 3 (three) years;
- c. Seasonal work; or
- d. Work related to new products, new activities or additional products that are still being tested or explored.

With the current practice of working relations that work provided to workers with PKWT is classified into a classification of work that should only be done by permanent workers. This is a denial of Article 59 of the Manpower Act. Such denial means the violation of the law and, more ironically, the application of the contract system is not only carried out by individual entrepreneurs or private companies but also carried out by State-Owned Enterprises (hereinafter abbreviated as BUMN). Although BUMN is a legal subject, BUMN is also seen as a representation of the State because it was formed by the State in order to provide benefits for the State.

It is truly regrettable because BUMN are unable to obey the rules made by the State, namely the Manpower Act. Examples that occur in the field are Bank Mandiri, one of the BUMN that committed the violation by employing workers with PKWT to do work that should be done by workers with PKWTT such as Customer Service (CS), Teller, Back Office, Marketing (for example, Micro Credit Analysts), Micro Credit Sales, Assistant Relationship Manager,) Collection or credit collection, Credit Supporting Unit and others<sup>2</sup>.

At Bank Mandiri, these types of work are carried out by employees with an employee group within Bank Mandiri referred to as implementing employees. This group of executive employees is recruited directly by Bank Mandiri as an executive employee and conducts work relations based on PKWT or work agreements with a term of 2 (two) years and its status can then be appointed as a worker or permanent employee at Bank Mandiri after undergoing PKWT if it has good performance in accordance with internal provisions at Bank Mandiri or on the other hand the employment relationship ends according to the time limit specified in PKWT if the employee's performance is assessed not in accordance with the standards set by Bank Mandiri internally.

The Manpower Law has become a guideline in carrying out work relations in Indonesia and has been around 15 (fifteen) years until 2018. However, the implementation of the articles contained in them has not been implemented properly and has even been violated by the agency or agency in fact, it was formed by the State itself, for example Bank Mandiri which still employs workers with PKWT to do the work of workers with PKWTT. The Manpower Law was born with the hope of accommodating all interests in the world of work and can protect the interests and rights of workers because of the socio-economic position, workers are weak. The author is of the opinion that there are still problems that occur in the practice of employment relations to date, especially in the implementation of work

<sup>&</sup>lt;sup>1</sup> Pasal 59 Undang – Undang Nomor 13 Tahun 2003 tentang Ketenagakerjaan yang berbunyi "PKWT tidak dapat diadakan untuk

pekerjaan yang bersifat tetap.

<sup>2</sup> Berdasarkan Wajib Lapor Ketenagakerjaan yang dibuat oleh PT Bank Mandiri (Persero) Tbk. pada tanggal 14 November 2017 yang disampaikan kepada Dinas Tenaga Kerja dan Transmigrasi Provinsi Sumatera Barat.

agreements and the effectiveness of implementation of all the rules in the Manpower Act. Therefore, the author would like to find out more through research and in-depth study of the implementation or implementation of the rules regarding PKWT contained in the Manpower Act, to limit the scope of research, the authors chose one BUMN as the object and at the same time the research site, namely Bank Mandiri Bukittinggi Branch.

#### **Problem Formulation**

Based on the background above, the problems in this study are:

- 1. How is the implementation of a Specific Time Work Agreement at Bank Mandiri?
- 2. Why does Bank Mandiri apply PKWT to work that is supposed to be done with PKWTT?
- 3. What are the legal consequences of implementing PKWT on workers who are supposed to be PKWTT?

### Discussion

Law Number 13 of 2003 concerning Manpower is a guideline in the implementation of every employment relationship in Indonesia. The implementation of an employment relationship one of the initial stages begins with the Work Agreement. Employment agreements according to the Manpower Act are divided into 2 (two), namely the Specific Time Work Agreement (PKWT) and the Specific Time Work Agreement (PKWTT). PKWT is a work agreement between workers / laborers and employers to enter a work relationship within a certain time or for a certain job<sup>3</sup>. Whereas PKWTT is a work agreement between workers / employers and employers to establish permanent employment relations. PSpecific Time Work Agreements (PKWT) are clearly regulated in several Articles, including in Articles 56, 57, 58, 59 and Article 62 of the Law on Manpower. Bank Mandiri is a company which is a State-Owned Enterprise in the form of a Limited Liability Company (PT) that must comply with and obey all the provisions of the Manpower Act without exception, especially regarding the implementation of a Specific Time Work Agreement. That is because according to Article 1 paragraph (1) letter a, the meaning of the Company is any form of business that is a legal entity or not, owned by an individual, an association or a legal entity, both private and state owned by employing workers / laborers by paying wages or rewards in other forms.

Bank Mandiri is a BUMN that was born on October 2, 1998 due to the merger of several banks in Indonesia during the beginning of the reform era. Some of these banks are the Indonesian Export Import Bank, the State Trading Bank, Bank Bumi Daya and the Indonesian Development Bank<sup>5</sup>. In carrying out its initial business activities, Bank Mandiri employed workers from former Bank employees who carried out the merger. Internally Bank Mandiri itself, workers from the previous bank are known as "Ex Legacy". As of 2017, Bank Mandiri employees with status as permanent numbered 30,464 people<sup>6</sup>. At Bank Mandiri, not all workers are workers with PKWTT (internally the Bank is called permanent

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<sup>&</sup>lt;sup>3</sup> F.X. Djumadi, *Perjanjian Kerja*, Sinar Grafika, Jakarta, 2010, hlm 11.

<sup>&</sup>lt;sup>4</sup>Abdul Khakim, *Aspek ukum Perjanjian Kerja, Peraturan Perusahaan, dan Perjanjian Kerja Bersama (PKB)*, Citra Aditya Bakti, Bandung, 2017, hlm 11.

<sup>&</sup>lt;sup>5</sup> https://www.bankmandiri.co.id, diakses pada tanggal 29 Januari 2018.

<sup>&</sup>lt;sup>6</sup> https:/m.detik.com/finance/moneter/d-3902718/jumlah-pegawai-bank-terus-berkurang, diakses pada tanggal 13 april 2018.

employees) but there are workers with PKWT (internally Bank Mandiri are called contract employees) and Outsourcing (internally at Bank Mandiri is called Power Transfer / TAD). The procedures for implementing work agreements at Bank Mandiri are regulated generally in a Joint Work Agreement between Bank Mandiri and the Bank Mandiri Workers Union, Bank Mandiri Operational Policy and Bank Mandiri's Human Resources Operational Standards (SPSDM), but if in an urgent situation Bank Mandiri can issued a special regulation that is temporary in the form of a Decree or Circular. But the Decree or Circular is only for matters concerning the technical operation of a product<sup>7</sup>.

Bank Mandiri in carrying out work relationships with workers or implementing employees based on PKWT. After PKWT ends Bank Mandiri can choose to continue working relations with workers and vice versa can immediately terminate the employment relationship in accordance with the validity period of PKWT. If Bank Mandiri chooses to continue working relations with workers, Bank Mandiri gives notice to workers to continue working relations and appoints workers with PKWT to become permanent employees or employees at Bank Mandiri. The appointment of a worker as a permanent employee means that the working relationship between Bank Mandiri and the worker switches from PKWT to PKWTT. However, Bank Mandiri also did the opposite, which chose not to continue working relations with workers whose PKWT had ended. However, as the author has said above, Bank Mandiri also did the things specified in Article 59 paragraph (4) of the Manpower Act, namely to extend the period of PKWT for 1 (one) year. And after an additional period of 1 (one) year ends the working relationship between Bank Mandiri and workers can be continued to become PKWTT or terminated in accordance with the PKWT period.

Implementation of Article 59 paragraph (4) of the Manpower Act which regulates the period of validity of this PKWT has been implemented properly and in accordance with what has been mandated. Bank Mandiri has not committed any violations related to the implementation of Article 59 paragraph (4) of the Manpower Act. However, there is a contradiction in terms of compliance from Bank Mandiri for the implementation of Article 59 paragraph (5) of the Manpower Act. The article states that employers who intend to extend the work agreement for a certain time period, no later than 7 (seven) days before the expiration of a certain time work agreement has notified their intention in writing to the worker concerned.

Based on interviews with workers with leadership employees at Bank Mandiri<sup>8</sup>, it can be seen that the main reason that Bank Mandiri continues to conduct PKWT for work that should be done with PKWTT is to in-depth character recognition of workers. According to Bank Mandiri the probation period of 3 (three) months at PKWTT is relatively very short and not enough to know deeply about the character of the workers. Bank Mandiri as the employer or *user* of course, want workers who have good work competence and have job security in accordance with standards set by Bank Mandiri so that the working relationship between Bank Mandiri and workers brings benefits to Bank Mandiri and welfare for its workers. The time or probation period of 3 (three) months in the PKWTT provisions is deemed insufficient to be able to assess how the character and competence is in depth of an employee because PKWTT is carried out for a sufficiently long period of time, moreover the workers with PKWT at Bank Mandiri are in fact new graduates or *fresh graduate* which is still very minimal work experience.

PKWT is used as an alternative for an in-depth introduction to Bank Mandiri of its workers because in the Bank Mandiri PKWT there is an evaluation clause per 6 (six) months for employee performance appraisal. The evaluation was also used as a determining aspect in terms of appointing workers to become permanent employees at Bank Mandiri. In the PKWT period, workers are required to show and give their best performance because if the performance of workers during the PKWT period

<sup>&</sup>lt;sup>7</sup> Wawancara dengan Nurachman pegawai Departemen Improvement pada tanggal 20 Juli 2018.

<sup>&</sup>lt;sup>8</sup> Wawancara dengan Riki Wahyudi, pegawai pimpinan Bank Mandiri Region Sumatera II Area Padang, Bukittinggi pada tanggal 13 Juli 2016.

is considered poor and does not comply with the standards desired by Bank Mandiri, the risk is that there is no continuation of the employment relationship after the PKWT period ends. In other words, the end of the PKWT period will also end the working relationship between workers and Bank Mandiri. Of course this is not what the worker wants. However, if during the period of PKWT the worker shows good performance and good behavior, then the worker can continue the work relationship to become PKWTT or be appointed as a permanent employee at Bank Mandiri.

The application of PKWT to work that is supposed to be PKWTT is also caused by the trend of workers who at this time can be said to easily terminate the employment relationship to move to another workplace or company. With the existence of PKWT, this can be minimized because in the practice of PKWT implementation there is a clause that requires workers to pay compensation to the company if they stop working relations before the agreed upon time of PKWT. Compensation or usually called a penalty makes it hard for workers and it is not easy to terminate employment or leave before the employment period specified in the employment agreement.

The payment of compensation is stipulated in the labor law, namely Article 62. The company seems to use the article to fear workers so that it is not easy to move to another company, especially if the worker is a good performer. In fact PKWT is also used as a benchmark for employee loyalty or loyalty to employers because workers are assets for companies and companies have incurred investment costs during recruitment / recruitment selection. Based on the research conducted by the author at Bank Mandiri, the main reason for Bank Mandiri to apply PKWT for work that PKWTT should have is to be able to get to know in depth the character of the worker. The author considers the application of PWKT in Bank Mandiri as if it were another form or transformation from a trial period. Regardless of the reasons given by Bank Mandiri, the application of PKWT to work that is supposed to be PKWTT is an unlawful act. Bank Mandiri, as an SOE, should be a good example for other companies in terms of compliance with all statutory provisions.

The cause of the non-compliance of BUMN in this case Bank Mandiri with the Manpower Act, one of which is due to the existence of problems of norms from the Manpower Act itself. The purpose of the norm problem is the existence of concessions in the labor law which provides a loophole or opportunity for companies or employers to violate the rules. The Manpower Act clearly and expressly states how to implement the PKWT. Guidelines for implementing PKWT must be implemented by companies or entrepreneurs. But there are irregularities and weaknesses of the Manpower Act itself, namely in the section or chapter of the rules regarding sanctions. The Manpower Act does not regulate sanctions against violations of the rules regarding PKWT namely Article 56 to Article 59.

The practices carried out by Bank Mandiri for the implementation of Article 59 paragraph (5) of the Manpower Act are not in accordance with what has been mandated. This happened to the writer himself and also several other workers or implementing employees. Bank Mandiri does not notify in writing no later than 7 (seven) days before PKWT ends but rather in the form of an addendum to a new work agreement made more than 1 (one) month after PKWT ends. The author would like to say that the work period in PKWT between the author and Bank Mandiri ended on August 31, 2016, but the extension of the term of the new work agreement was carried out on October 19, 2016. There was a period of time for approximately 49 (forty nine) days and the new extension was made the period of time the author's employment agreement with Bank Mandiri.

This is very contrary to what has been determined by Article 59 paragraph (5) of the Manpower Act which states that the notice of extension of employment agreement is done 7 (seven) days before the employment agreement ends. Whereas what happened to the author is not in accordance with what has been regulated by Article 59 paragraph (5) of the Manpower Act because the notification is only made 49 (forty nine) days after the term of the employment agreement ends. During the span of 49 (forty-

nine) days, the authors entered into a working relationship with an independent bank without not having any basis for an employment agreement. Bank Mandiri should implement the provisions of Article 59 paragraph (5) of the Labor Law as well as possible. It is intended that there is a certainty for workers regarding their status in terms of carrying out employment relations whether continued or not. These uncertainties indirectly cause psychological disturbances for workers because the workers are those who are economically weaker than the companies feel the concern about the continuation of the work relationship.

Based on field research conducted by the author, there was no practice of PKWT renewal at Bank Mandiri. Bank Mandiri does not renew the PKWT of its employees but only extends the PKWT that has and / or will expire. Then Article 59 paragraph (7) of the Manpower Act states that an 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) then by law it becomes an indefinite time employment agreement. Article 59 paragraph (7) of the Manpower Act becomes the norm that must be obeyed in the implementation of PKWT as well as notifying the legal consequences that will occur if the provisions in the previous paragraph 59 are not fulfilled. Non-fulfillment of the provisions according to paragraph (1), paragraph (2), paragraph (4), paragraph (5), and paragraph (6), the consequence is that the PKWT has been made, by law, its status has changed to PKWTT. The transition from PKWT to PKWTT certainly resulted in changes in the provisions applicable to the agreement. The status of the worker may change, which was originally a worker with PKWT by not fulfilling the conditions as contained in paragraph (1), paragraph (2), paragraph (4), paragraph (5), and paragraph (6), then with the existence of Article 59 paragraph (7) the status of workers with PKWT has changed to become workers with PKWTT. This means that the time period of the employee's employment relationship can no longer refer to the PKWT that has been made but instead switches to the time period for workers with PKWTT or permanent workers.

Although the provisions of Article 59 paragraph (1), paragraph (2) and paragraph (5) of the Manpower Act were violated by Bank Mandiri, Bank Mandiri also did not heed the rules contained in Article 59 paragraph (7) of the Manpower Act. Order by law for PKWT turned into PKWTT not implemented by Bank Mandiri and continues to carry out and assume working relationships with workers or implementing employees with PKWT is a work relationship based on PWKT. Supposedly with the provisions of Article 59 paragraph (7), Bank Mandiri must change its working relationship with PKWT to PKWTT by means of the appointment of workers or implementing employees with the PKWT to become workers with PKWTT or permanent employees. But this was not done by Bank Mandiri.

Violations of these articles are expressly stated by Article 59 paragraph (7) of the Manpower Act must and automatically by law turn into PKWTT. The legal consequence of these changes is that the norms or rules that apply to the employment relationship with the PKWT will change to the rules that apply to PKWTT. But the fact that the authors found in the field, the transition of rules that apply to PKWT which turned into PKWTT for the sake of the law never happened. Bank Mandiri does not heed the consequences of the entry into force of Article 59 paragraph (7) and continues to carry out work relations using legal norms applicable to PKWT. This is also caused by the ignorance of workers on the rules contained in the Manpower Act.

So why did this happen until now? This happens because of loopholes or loosening of legal norms in the Manpower Act. The leniency in the Manpower Act makes the company have the choice to choose to disregard and obey the rules regarding PKWT. The leniency or loophole is as the author has previously described namely on the one hand the Manpower Act clearly and firmly regulates how the procedures and rules regarding PKWT, but on the other hand the Manpower Act does not have norms

and instruments of sanctions if violations occur against PKWT. That is, violations of the PKWT rules are violations that do not have sanctions.

Weaknesses of legal norms in PKWT rules in the Manpower Act are maximally utilized or optimized by companies or entrepreneurs who are business actors. We also cannot deny the factor of violation from the company because their orientation is *profit oriented* or in other words the company or entrepreneur is relatively doing anything even though it is not in accordance with the rules to achieve financial benefits as much as possible. This also applies to Bank Mandiri, which is earning as much profit as possible and increasing every year while reducing operating costs.

This norm problem is also recognized by the relevant government agencies namely the Padang City Manpower and Transmigration Office (hereinafter abbreviated to Disnakertrans). The City of Manpower and Transmigration Office in Padang does have to supervise the implementation of regulations related to Manpower including PKWT. This authority is in accordance with the provisions in Article 1 of Law No. 23 of 1948 which states:

- 1. Oversee the enactment of labor laws and regulations in particular;
- 2. Gather materials regarding labor issues in order to improve the Manpower Act;
- 3. Performing other work according to the law.

However, by not accommodating the sanctions instrument for violating rules related to PKWT, the Manpower Office said it could not do much to follow up on the violations that have so far occurred. It is also based on the prudence carried out by the Manpower Office so that the actions they take are not acts that are not classified as acts that exceed the authority and also because there is no legal basis for taking action and imposing sanctions for violating PKWT rules committed by business actors<sup>9</sup>.

However, the Manpower Office issued a policy to reprimand the business actor for complaints from workers or the public and / or because of the findings of the monitoring activities carried out by the Manpower Office. However, if there are individuals or workers either personally or in groups who have legal standing and at the same time report to the Disnakertrans regarding violations of the PKWT rules, then the Disnakertrans can mediate between the workers and the company. If no agreement is reached through a mediation process facilitated by the Manpower and Transmigration Office, then the worker can file a lawsuit with the Industrial Relations Court for violating the rules regarding PKWT contained in the Manpower Act.

Based on the research conducted, it can be concluded that in the case of the implementation of Bank Mandiri PKWT, the following are carried out:

- 1. Violating Article 59 paragraph (1) and paragraph (2) of the Manpower Act for carrying out PKWT for permanent work that should be done by permanent workers and work given to workers or implementing employees at Bank Mandiri cannot be done with PKWT but must be done with PKWTT.
- 2. Violating Article 59 paragraph (5) of the Manpower Act for not giving written notice regarding the extension of PKWT at least 7 (seven) days before PKWT ends.
- 3. Violating Article 59 paragraph (7) of the Manpower Law for not transferring PKWT to PKWTT. Workers or implementing employees with PKWT at Bank Mandiri still have the status of workers with PKWT or contract employees according to the period of PKWT held

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<sup>&</sup>lt;sup>9</sup> Wawancara dengan Mediator Disnakertran Kota Padang Yusmalinda pada tanggal 11 Juli 2018.

by Bank Mandiri and its workers. Article 59 paragraph (1), paragraph (2) and paragraph (5) of the Manpower Act should not be fulfilled by Bank Mandiri, so the PKWT held must turn into PKWTT and means that Bank Mandiri must make the appointment as a worker with PKWTT or permanent employees of implementing employees with the PWKT.

Bank Mandiri is a state-owned company that also carries out practical work relationships based on PKWT. Certainly it is not without reason that Bank Mandiri has a working relationship based on PKWT. However, based on the research that the author did and as I have previously described regarding the implementation of PKWT in Bank Mandiri, it turned out that a violation occurred or the implementation and implementation of PKWT were not in accordance with the provisions contained in the Manpower Act. Based on research conducted and after reviewing Bank Mandiri's internal regulations related to employment and implementation of PKWT namely the Joint Work Agreement, Bank Mandiri Operational Policy and the Standards of Human Resource Procedures (SPSDM) of the Bank, the author will explain the reasons of Bank Mandiri to apply PKWT to the work that should be PKWTT. First of all the writer wants to get rid of the ignorance factor of the rule of law because there is an adage that states that everyone is considered to know all the laws. That is, since a statutory regulation is enacted then everyone is considered to know the rule. Moreover, Bank Mandiri as a state-owned company certainly gets top priority in the dissemination of information and socialization of a statutory provision.

Article 59 The Manpower Act is the main guideline in determining the type and nature of work that can be done with PKWT. Types of work outside those stipulated in this Article can not be done with PKWT. Article 59 of the Manpower Act has consequences if PKWT is not implemented as determined. Article 59 paragraph (1) and paragraph (2) of the Manpower Act is an article that regulates the nature and type of work carried out with PKWT. In the verses of the article, it can be seen what types and nature of work can be done with PKWT. This means that the type and nature other than those stipulated in the paragraphs of the article cannot be done with PKWT. Then Article 59 paragraph (3), paragraph (4), paragraph (5) and paragraph (6) of the Manpower Act regulates the extension and renewal of PKWT and its procedures.

Furthermore, Article 59 paragraph (7) of the Manpower Law states that PKWT that does not meet the provisions referred to in paragraph (1), paragraph (2), paragraph (4), paragraph (5) and paragraph (6) then by law become PKWTT. We can know that in paragraph (7) Article 59 expressly states the consequences that will occur if it does not fulfill paragraph (1), paragraph (2), paragraph (4), paragraph (5) and paragraph (6), PKWT by law will changed to PKWTT. The author has discussed in terms of implementing PKWT, Bank Mandiri has violated Article 59 paragraph (1), paragraph (2) and paragraph (5). So according to Article 59 paragraph (7) of the Manpower Act, the legal consequences of violating the PKWT rules by Bank Mandiri, namely PKWT between workers and Bank Mandiri, are null and void. The consequence of the cancellation of the PKWT is a shift in the form of a work agreement made by Bank Mandiri with its workers. The transitional form is PKWT which was initially valid then according to the Law null and void and changed to PKWTT. Another legal consequence of Article 59 paragraph (7) is that Bank Mandiri must appoint workers with PKWT to become permanent workers or workers with PKWTT at Bank Mandiri.

Although Bank Mandiri does not make the transition from PKWT to PKWTT for its workers, in the eyes of the workers or implementing employees with PKWT at Bank Mandiri who perform work outside of what is required by Article 59 paragraph (1) and paragraph (2) is deemed their status as Workers Permanent or Workers with PKWTT. The transition of status from PKWT to PKWTT as a result of the automatic enforcement of the provisions of Article 59 paragraph (7) of the Manpower Act makes the provisions applicable to workers change, one of them concerning the rules of Termination of Employment (hereinafter abbreviated as layoff). The layoffs at PKWT are marked by the end of PKWT

itself. The layoffs at PKWT, especially if the PKWT expires, the worker is not entitled to get severance pay, money for work tenure and compensation money and the company also has no obligation to give it because the provisions in the Manpower Act says so.

However, with the transfer of PKWT status to PKWTT due to the active or enactment of Article 59 paragraph (7) of the Manpower Act, the rules that apply to workers also change. That is, the rules regarding layoffs apply to these workers. The fact that the author found in Bank Mandiri, there are workers who do not know the rules of Article 59. The worker does not know that according to the law PKWT has been null and void and the status has changed from PKWT to PKWTT and the workers assume that the employment relationship ends in accordance with the term the time written in the PKWT is 2 (two) years. This means that for these workers, Bank Mandiri has carried out layoffs whose implementation of layoffs is not in accordance with the provisions in the Manpower Act.

Bank Mandiri seems to exploit the ignorance of workers regarding the provisions in the Manpower Act. Violations of Article 59 have led to a series of events and other legal consequences. The legal consequences that arise are the first transition from PKWT to PKWTT. Then the rules in the labor laws that apply to workers also change into rules against workers with PKWTT. Then the workers also did not realize that the end of PKWT was the same thing as layoffs. If the company continues to terminate the employment relationship on the grounds that the employment relationship ends because it is in accordance with the PKWT, the company has made a layoff that is not in accordance with the procedure for its implementation according to the Law. This happened to implementing employees with positions as Micro Credit Analyst in 2017 towards Adisa Rahmi Z. and Lusiana Rahayu whose work relationships are based on PKWT but do the type of work that should be done with PKWTT. The work relations between the two implementing employees ended according to the PKWT period and there was no extension or promotion to PKWTT employees because they were deemed not to provide good performance. The employment relationship between the two employees and Bank Mandiri ended. With the termination of employment, the company is obliged to provide the rights component that is entitled to be accepted by workers. However, due to ignorance from workers, the employment relationship just ended.

## **Conclusions**

1. There is a discrepancy in the application of the rules regarding PKWT carried out by Bank Mandiri, namely Article 59 paragraph (1) and paragraph (2) of the Manpower Act for implementing PKWT for permanent work that should be done by permanent workers and with PKWTT, namely at work with the position of Teller, Customer Service, Micro Credit Analyst, and others. Then do not carry out the extension of PKWT according to Article 59 paragraph (5) of the Manpower Act because it did not notify in writing about the extension of PKWT at least 7 (seven) days before PKWT ends. Violating Article 59 paragraph (7) of the Manpower Act for not transferring PKWT to PKWTT. Workers or implementing employees with PKWT at Bank Mandiri continue to have status as workers with PKWT or contract employees according to the period of PKWT. Article 59 paragraph (1), paragraph (2) and paragraph (5) of the Labor Law should not be fulfilled by Bank Mandiri, the PKWT is null and void and must convert to PKWTT and Bank Mandiri must appoint the worker to workers with PKWTT or permanent employees.

- 2. The main consideration of Bank Mandiri applying PKWT for work that PKWTT is supposed to be is to be able to get to know in depth the character of workers and PKWT in Bank Mandiri as if to be another form of probation.
- 3. The legal consequences of applying PKWT to workers who are supposed to be PKWTT are PKWT null and void by law. The consequence was a transition from PKWT to PKWTT. Then the rules in the labor laws that apply to workers also change into rules against workers with PKWTT. The workers are also not aware that the termination of PKWT is the same as the termination of employment and if the company continues to terminate the employment relationship on the grounds that the employment relationship ends in accordance with the PKWT then the company has made layoffs that are not in accordance with its procedures according to the law. This happened to implementing employees with positions as Micro Credit Analyst in 2017 towards Adisa Rahmi Z. and Lusiana Rahayu whose work relationship ended in accordance with the PKWT period. With the termination of employment the company is obliged to provide a component of the rights that should be received by workers, but due to ignorance of the workers, the employment relationship just ended.

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