



This Journal is available in Telkom University online Journals

Jurnal Manajemen Indonesia

Journal homepage: journals.telkomuniversity.ac.id/ijm



Employee Demonstration and Policy on Setting the Minimum Wage for East Java Province from the Aspect of Industrial Relations

Giovanni Sugianto¹, Eddy Madiono Sutanto²

^{1,2} School of Business and Management, Petra Christian University, Surabaya, Indonesia

Abstract

This research was conducted to determine industrial relations between the government, companies, and employees in determining the provincial minimum wage in East Java. This study uses a qualitative method. Data collection was carried out by interviews with the determination of three sources. Every aspect of industrial relations is used to see the role of each government agency, company, and employee. The validity of the findings is tested using source triangulation, and then every aspect of industrial relations that occurs is described. The study results show that the industrial relations between the three parties were quite good. The government views the phenomenon of labor demonstrations as caused by several things, one of which is related to establishing the provincial minimum wage. Workers hold demonstrations every Labor Day and when setting wages. The government acts as a mediator between employers and workers during a demonstration. Then, the company experienced problems related to wages caused by several factors. Taxes in operational costs, shipping costs, and incidentals are one of the reasons. In addition, companies must also provide health insurance for workers in the social security program in accordance with government regulations. The labor association feels that the aspirations have not been realized, especially on the issue of wages. Therefore, workers hope for a proper discussion forum, and the aspirations conveyed can be realized, not just accommodated.

Keywords—Provincial Minimum Wage; Employees; Industrial Relations; Government; Companies; East Java

Abstrak

Penelitian ini dilakukan untuk mengetahui hubungan industrial yang terjadi antara pemerintah, perusahaan, dan karyawan dalam penetapan upah minimum provinsi di Jawa Timur. Penelitian ini menggunakan metode kualitatif. Perolehan data dilakukan dengan wawancara dengan ditetapkannya tiga narasumber. Setiap aspek yang ada di dalam hubungan industrial digunakan untuk melihat peran setiap instansi baik pemerintah, perusahaan, dan karyawan. Hasil temuan diuji keabsahannya menggunakan triangulasi sumber, kemudian dipaparkan setiap aspek dari hubungan industrial yang terjadi. Hasil penelitian menunjukkan bahwa hubungan industrial yang terjadi antara tiga pihak cukup baik. Pemerintah melihat fenomena demonstrasi buruh disebabkan oleh beberapa hal, salah satunya terkait penetapan upah minimum provinsi. Buruh melakukan demo setiap hari buruh dan saat penetapan upah. Pemerintah berperan sebagai mediator antara pengusaha dengan buruh ketika terjadi demo. Lalu, perusahaan mengalami permasalahan terkait pengupahan disebabkan oleh beberapa faktor. Pajak dalam biaya operasional, ongkos pengiriman dan biaya tak terduga menjadi salah satu alasan. Selain itu perusahaan juga harus menyediakan jaminan kesehatan pekerja dalam program jaminan sosial sesuai dengan aturan pemerintah. Asosiasi Buruh merasa bahwa aspirasi belum dapat terealisasi khususnya padapermasalahan upah. Oleh karena itu, buruh sangat mengharapkan forum diskusi yang layak dan aspirasi yang disampaikan dapat direalisasi, bukan hanya ditampung saja.

Kata kunci— Upah Minimum Provinsi; Karyawan; Hubungan Industrial; Pemerintah; Perusahaan; Jawa Timur

Article info

Received (26/10/2023)

Revised (22/01/2025)

Accepted (25/08/2025)

Corresponding_author@email.com

DOI: 10.25124/jmi.v25i1.6820

Copyright©2019. Published by School of Economics and Business – Telkom University

I. INTRODUCTION

One of the most important components that have a great influence on the company is humans, especially employees (Daniel, 2019a). As the company develops, more employees are needed. A company that is able to utilize employees effectively and efficiently can support the achievement of its goals. The reason why employees are important to the company is because employees have the knowledge, talent, desire, and creativity needed by a company to fulfill its vision and mission. The success of a company is determined by the role of competent employees. Some of the roles of employees in the company are to fulfill the duties and responsibilities set out in their job descriptions (Bocean et al., 2022). In addition, employees must meet applicable performance standards and participate in training programs to achieve awareness and understanding of control standards. Then, employees must be able to take all reasonable steps to protect assets from waste, loss, and misuse.

In the world of work, employees will get a wage/salary paid by the company (Rizov et al., 2016). Many factors influence how to set employee salaries (Nguyen, 2018). The first thing to do is to conduct in-depth research or search related to how much salary is paid by competing companies with the same characteristics. Then, companies should also set minimum and maximum salaries for each position to maintain coherence across the company. Third, it is important to describe an employee's job responsibilities and clearly define his or her level of authority and in which areas to award higher salaries. Then, companies should also note that employees who have more expertise deserve better pay than those who are just starting out.

The determination of workers' wages has always been a hot topic of discussion between the government as the minimum wage setter for employees, companies, and employees who work in a company (Kasnely & Sucitra, 2022). The provincial minimum wage (UMP) is usually set at the end of November after the tripartite, namely labor, employers, and the government held several meetings. Hot air usually accompanies a series of discussions and protests to demonstrations on the streets almost always coloring the determination of the UMP amount every year (CNBC, 2023). According to Government Regulation in Lieu of Law Number 2 of 2022, the minimum wage must be determined by the Governor for both provinces and districts/cities. The minimum wage is the lowest monthly wage consisting of basic wages and fixed benefits and wages without benefits. UMP is determined based on the employment and economic conditions of employees without taking into account the need for a decent living according to Government Regulation Number 36 of 2021 concerning Wages. In Article 25, the basis for determining the minimum wage includes the level of employment, economic growth, median wages, purchasing power parity, and inflation obtained from authorized statistical institutions.

Although the government continues to set various regulations on wages, namely the Provincial Minimum Wage (UMP) and Regency/City Minimum Wage (UMK), employee demonstrations are inevitable (Akkus et al., 2019). In realization, the determination of the amount of employee salary is determined through an agreement between the employee and the company where they work. However, this does not mean that employers cannot get relief according to the company's ability (Salim, 2022). Based on a report by the Central Statistics Agency (BPS) in August 2022, most laborers, employees, and employees received salaries below the UMP, namely 23.49 million people (46.12%). Although this percentage is said to be the lowest from the previous two years, it is not a small number of all employees in Indonesia. In accordance with Law Number 11 of 2020 on Job Creation Article 81, companies that pay wages/salaries to their employees below the UMP will be sanctioned with imprisonment for one to four years and/or a fine of up to 100 to 400 million rupiah. There are six impacts of the enactment of the Job Creation Law as expressed by the President of the Republic of Indonesia, Joko Widodo. First, the business and investment licensing process becomes simpler and more accelerated. Second, illegal levies and corruption are cut by integrating the entire licensing process into an electronic licensing system through the OSS (Online Single Submission) system. Third, business and investment activities are made easier. Fourth, investing in special economic zones, free trade zones, and free ports is made easier. Fifth, Indonesia has also established a Sovereign Wealth Fund institution that will manage and place a number of state funds and or assets directly or indirectly, as well as cooperate with third parties. Sixth, the Job Creation Law protects and increases the role of workers in supporting investment in Indonesia, including providing legal certainty in the regulation of minimum wages and severance pay.

According to Government Regulation No. 78 of 2015 concerning wages. Wages must be paid to workers who are in the company and provide proof of payment and details when paid. In Article 18, it is explained that companies must pay employee wages on time in accordance with previously agreed promises. In addition, in Government Regulation No. 36 of 2021, it has also been well explained that every worker in Indonesia has the right to obtain income and fulfill a decent livelihood without discrimination. However, in accordance with the

Minister of Manpower Regulation No. 5 of 2023 concerning Adjustment of Working Time and Wages in Certain Export-Oriented Labor-intensive Industrial Companies Affected by Global Economic Change, companies are allowed to pay their employees at least 75% of the usual wage according to the agreement of employers and workers. According to Law No. 43 of 1999 concerning Amendments to Law No. 8 of 1974 concerning Civil Service Principles, the existing payroll system in Indonesia is divided into three, namely: single, multiple, and combined scale payrolls. The payroll system that is widely adopted by companies in Indonesia is the combined scale payroll. The company uses this system because all employees will have the same wage as those with the same rank. The only difference is the allowances given to those whose nature of work is different from one another. To look at it holistically, it needs to be seen from two sides, namely the company and the employees themselves.

From the company's side, determining the size of an employee's salary is influenced by several factors (Nguyen, 2018). According to the CNBC Indonesia Editorial Team (2022), employee salaries are influenced by several factors such as constituent components, employee status whether permanent or contract, and payment time of a month, quarter, semester, or year. According to the Minister of Manpower Regulation No. 1 of 2017 concerning wage structure and scale, employee salaries/wages consider five factors, namely class, position, length of service, education, and competence. Class is a grouping of positions based on the weight or value of work. This will determine how much salary will be received and the facilities that can be enjoyed by employees. A position in a company is a group of tasks and jobs that employees have. Each position has different risks, levels of difficulty, duties, and responsibilities. The period of work in a position also affects the employee's salary because it relates to the length of work experience of the employee. Furthermore, what is no less important/crucial is the level of formal education of an employee which will certainly affect the insight/knowledge of the employee. Almost all companies set minimum qualifications for the education level of a prospective employee. The last is competence which includes several aspects such as skills, knowledge, and attitudes when working in a position. The entire employee payroll system process is carried out by the human resources development (HRD), finance, and accounting divisions of a company (Hidayati, 2022).

Basically, companies also do not intend to pay minimum wages below the limit set by the Governor. However, there are several things that need to be considered, namely illegal levies from the government and hidden costs (Young, 2023). In 2023, there were illegal levies made by Surabaya City civil servants on the recruitment process of outsourced employees to be able to pass the recruitment of contract workers at the Surabaya City Government (Kartika, 2023). Then, in 2018, the Sakram group conducted illegal levies against expedition service companies with varying amounts ranging from two to five million per month. Fortunately, the EastJava Police immediately took action and managed to arrest six perpetrators after five years of action (Kominfo Jatim, 2018). Fees such as costs that must be incurred for products, obtaining business licenses, and others related to the company. This makes it increasingly difficult for companies to manage their finances, resulting in new problems, namely layoffs. In addition, it should be noted that decisions made by the government are actually the result of discussions between the government itself, labor unions, and employers/company owners (Izzaty & Sari, 2013). However, the next problem of the company is the employees who are unrealistic in asking for a wage/salary increase. In fact, the company has also tried to pay salaries in accordance with the regional minimum wage, provided by the Health Social Security Organizing Agency, and others. As it is known that workers/employees never think about the condition of the company which may one day change and be unstable in its financial condition.

From the side of employees/laborers, the easiest way to voice opinions to be heard is through strikes and demonstrations (Riot, 2014). According to Article 1 Paragraph 23 of Law Number 13 Year 2003, a strike is an action planned and carried out jointly by a labor union to stop or slow down work. A strike is a right owned by workers/laborers that must be carried out in an orderly and peaceful manner due to an impasse in problem-solving with the company. According to Law Number 13 of 2003 Article 137, the implementation of a strike must be carried out without disturbing public order and security, threatening the safety of life and property both owned by the company and the community in general. In addition, one of the other alternatives that can be carried out by workers/employees is a demonstration. Demonstrations or demonstrations carried out by workers/employees at the end of each year have become the culture of several workers' organizations in Indonesia (Putra, 2020). This can be seen from the news on various online news portals that can be accessed easily via the internet. When approaching the end of the year, news often appears and it is possible that we immediately witness demonstrations carried out by laborers, employees, and company employees. In 2021, workers staged a massive demonstration due to the East Java UMP which only increased by IDR 22,790 (Baihaqi, 2021). The Indonesian Workers Union (SPSI) claimed to be dissatisfied because it was not in accordance with the initial proposal of an increase of IDR 300,000 and was considered the lowest among

provinces in Indonesia. In 2022, the workers again held a demonstration with the Gasper Alliance (Trade Union Movement) because they wanted to demand a 13% increase in the East Java UMP. According to them, this demand was quite reasonable considering the increase in the price of basic necessities such as Peralite and Solar fuel (Azmi, 2022).

Another strong reason why workers carry out demonstrations is the various government regulations that they feel are detrimental to them (Klein & Regan, 2018). As written in the Job Creation Law, there are several rules that are considered detrimental to workers/employees in a company. The first is about working time that is exploitative and not proportional to the overtime salary/wages given. The limit of working time was originally a maximum of three hours a day and 14 hours a week has changed to four hours a day and 18 hours a week. This will actually have a negative impact on the health of the workers themselves and will also have an impact on the company. In addition, the right to leave and rest time for workers/employees is decreasing and has a significant adverse impact. Employees only get one day of rest a week, are subject to mandatory overtime, and eliminate the right to long leave for workers/laborers who have worked for at least six years in the company. Therefore, with regard to this background, this research is to find out the payroll strategy and employee demonstrations in the determination of the East Java UMP.

Talking about salaries/wages, it will certainly not be separated from three things, namely employees as people who demand to be paid, companies as providers of employment for employees, and the government that sets the minimum wage for each employee and is the same in every company in Indonesia (Vazquez et al., 2017). This relationship is also called industrial relations, which according to Law No. 13 of 2003 is a system of relationships formed between employers, workers/laborers, and the government in the process of producing goods/services. When discussed more deeply, for the survival and progress of the company, a good relationship between workers/laborers and the company itself is needed. This is important to note so that when there are differences in perception until a conflict occurs, the rules and problem-solving are already contained in the regulations made by the government (Gramberg et al., 2019).

With industrial relations, it is necessary to determine the ultimate goal of the relationship, which is to improve the performance and productivity of the company along with the welfare of workers/laborers and employers. Therefore, industrial peace is needed to achieve this goal. Productivity can be achieved by fulfilling the welfare and expectations of workers/laborers but accompanied by work productivity in the company (Ozturket et al., 2020). The reality that we see to this day shows that industrial relations do not always run well and smoothly. Differences of opinion or interests will always occur between employer and employee relations, which can trigger conflicts/disputes (Usendok, 2022). On the one hand, companies feel that the policies they make are correct and beneficial to workers/laborers. On the other hand, workers feel that the policy is inappropriate and even detrimental to the workers. This is one of the triggers for industrial relations disputes. Again, referring to the definition of industrial relations proposed by Dr. Payaman J. Simanjuntak, industrial relations is a system between all parties involved in the process of producing goods/services in the company. The parties involved consist of the government, labor unions, and employers/company owners. Previous research has never discussed employee demonstrations and UMP setting policies in East Java from the aspect of industrial relations. Previous research has never examined the causal factors of employee/labor demonstrations, especially in East Java. Research conducted quantitatively by Warapsari et al. (2020) discusses the analysis of the effect of inflation, GRDP, and minimum wages on employment in East Java. In addition, Nurcholis (2014) conducted quantitative research on the analysis of economic growth, minimum wages, and the human development index on the level of unemployment in East Java from 2008 to 2014. The novelty of this research is that it combines employee demonstrations and the policy of setting the minimum wage in East Java. UMP in East Java which is based on the concept of industrial relations. Therefore, this research will examine in detail and in-depth the industrial relations in the process of determining and implementing the UMP in East Java from the three parties, namely the government, companies, and employees/laborers.

II. LITERATURE REVIEW

A. Labor

According to Law Number 13 of 2003, employment is all matters related to labor before, during, and after the working period. The labor referred to here is defined as everyone who is able to do work that produces goods and/or services that are useful for themselves or society in general. The regulation also regulates foreign workers who work in Indonesia. An important requirement for foreigners working in Indonesia is to have a work visa. In addition, work is an economic activity carried out by a person with the intention of obtaining or

helping to obtain income or profit, for at least one hour (uninterrupted) in the past week (BPS, 2023).

These activities include activity patterns of unpaid workers who assist in a business/economic activity.

B. Wage

According to BPS (2023), wages/salaries are a receipt as a reward from employers to workers for work or services that have been or will be performed, expressed or valued in the form of money determined according to an agreement, or legislation and paid on the basis of a work agreement between employers and workers including benefits for both workers themselves and their families. Wages are divided into two, namely wages in the form of money and goods. Wages and salaries in the form of money include basic salaries and allowances, such as vacation allowances and allowances during temporary absence due to illness, living expenses allowances, and so on, as well as overtime pay, honoraria, special bonuses, and others. However, any payments made by employees to purchase work tools, equipment, or special clothing, based on agreements are not considered part of wages and salaries. Wages and salaries in kind for civil servants and the Armed Forces of the Republic of Indonesia (ABRI) are rice, sugar, and clothing, while for ABRI it also includes side dishes, uniforms, family housing, and others. These in-kind wages and salaries may be provided free of charge or purchased at a low price.

C. Provincial Minimum Wages

According to Government Regulation in Lieu of Law Number 2 Year 2022, minimum wage is the lowest monthly wage consisting of basic wage and fixed benefits and wage without benefits. According to BPS (2023), minimum wage is the lowest wage (including regular allowances but excluding overtime pay) paid to employees (per type of position/job). Meanwhile, UMP is the minimum wage that applies to all districts/cities in a province.

D. Employee Salaries

According to the Big Indonesian Dictionary/KBBI (2023), a salary is a work wage that is given/paid at a fixed time. Salary can also be referred to as compensation received by workers, either laborers or employees in the form of money within a certain period of time. Salaries received by employees, employees, or laborers can be weekly or monthly. Salary can also be referred to as a component of a person's income which consists of various kinds such as family allowances, incentives, basic wages, and so on.

According to Chaudry et al. (2017), salary or wage is a form of compensation in terms given by the company to workers, employees, laborers, or employees in accordance with the employment agreement. A salary is a form of payment that continues to be paid by the company to its employees during the period of working in a place/company. So, when the employee is still declared actively working in the company, the employee is obliged to get a salary that has been determined at the beginning before working.

According to Sharma and Bajpai (2011), salary is a form of periodic payment from an employer or company to its workers that is written/stated in the employment contract. In another sense, salaries are fixed in terms of amount and time according to the agreement between the company and the employee.

E. Demonstration

According to Law Number 9 of 1998, a demonstration is an activity carried out by one or more individuals to convey their thoughts in oral, written, and other demonstrative forms in public. According to KBBI (2023), a demonstration is a protest statement carried out en masse by people to oppose something or to demonstrate.

According to Whitehead (2021), demonstrations are defined as a form of unconventional action that disrupts daily routines to attract public attention and influence elites. However, in some societies, such protests may become so routine that they undermine unconventional descriptions such as strikes. Moreover, attracting attention is only one of the possible goals. Highly important political protests aim to pressure policymakers to change their behavior. Protesters may seek to persuade, but also to coerce.

F. Industrial Relations

Based on Law No. 13/2003 on manpower, industrial relation is a system of relationships formed between actors in the production process of goods and/or services consisting of elements of employers, workers/laborers, and government based on the values of Pancasila and the 1945 Constitution of the Republic of Indonesia.

According to the International Labor Organization (ILO) (2023), industrial relations deal with either the relationship between the state and employers' and workers' organizations or the relationship between workers'

organizations themselves. The entire field of relations exists because of the necessary cooperation of men and women in the modern industrial work process. It encompasses all laws, rules, regulations, court award agreements, customs, traditions, as well as policy frameworks established by governments.

III. RESEARCH METHODOLOGY

This research uses a qualitative method in the form of a case study. This method is done by deeply analyzing a case, which can be a program or process in one or more individuals in a particular event (Creswell, 2014). The approach used is phenomenology, which means a study to study a phenomenon experienced by a person. Phenomena can be studied to understand various things, such as the point of view of the original actors, the meaning of activities related to the phenomenon, and assessing events based on the information obtained (Santoso, 2022). The methods used to gain understanding related to the phenomenon experienced by the perpetrator are first-order and second-order understanding. According to Santoso (2022), first-order understanding is getting a clear and correct explanation through direct questions to the perpetrator. Meanwhile, second-order understanding is the researcher's understanding of the perpetrator's explanation to obtain a new meaning.

This research data was obtained through observation and interview methods. Observation is the process of making notes on the behavior shown by individuals at the research site (Santoso, 2022). The qualitative observation notes contain information that can be in the form of images, symbols, abbreviations, or other special codes understood by the researcher. An interview is a question-and-answer process conducted by two people to compile the meaning of a topic (Sugiyono, 2019). The interview technique used uses semi-structured interviews which are freer than structured interviews (Sugiyono, 2019). This interview requires open-ended questions with the aim of eliciting views and opinions from the interviewees (Creswell, 2014).

IV. RESULT / FINDING

East Java Manpower and Transmigration Office

Labor demonstrations that occur every year are caused by three main things: work, orders, and wages. The reason that is often aspired is related to the provisions or wage agreements between workers and companies.

"The main problem of the demonstration is on three elements, namely work, orders, and wages. This is because employees/laborers ask for an increase in UMP every year. Wages are a component experiencing the pull of two opposing sides, namely employers and workers. Employers want low wages, workers want high wages, the Minimum Wage set by the Governor will definitely not satisfy both parties."

The determination of the East Java Minimum Wage for Workers (UMP) is carried out every year and is determined based on Minister of Manpower Regulation No.18 of 2022 concerning the Determination of Minimum Wage in 2023 for the welfare of workers. However, in the findings, workers continue to hold demonstrations because of supply and demand.

"...the number of workers is high, employment is low, as a result, the price is cheap. That's the function of the minimum wage, the price is not like in the market. People can fulfill their needs. Left to the market, it goes into free fall employers take the lower limit, productivity later, minimum wage maybe."

When there is a demonstration, the government acts as a mediator between the company and the workers. In addition, the government also accommodates the aspirations expressed during demonstrations in accordance with the SOP. The government also makes prevention efforts by supervising the implementation of the East Java UMP.

"Coordination with both parties to mediate to find a joint solution. It can be done before the demonstration takes place so that it is canceled, and it can also be done during and after the demonstration takes place the problem is related to government policy so it will be accommodated by following up on reports given by the community, especially workers. There are two ways that can be done, namely monitoring evaluation or community reports."

The demonstrations are not only about wages, but there are other reasons such as layoffs/reduction of labor and labor rights/obligations.

"Reduction of labor/layoffs most often occurs because of work efficiency. In addition, overtime, working hours are related to the rights and obligations of workers and companies."

Company

Labor demonstrations often occur because the wishes of the workers have not been fulfilled and are aspired every year through World Labor Day. However, companies have policies to manage company expenses.

"...Labor Day, what is conveyed, the request is not fulfilled...the economy in Indonesia is unstable, sometimes up and down. In terms of employees, employees are considered with a salary of 3.4 to 4 million will not be able to be fulfilled, because the needs of life are getting bigger. The company is adjusted to budgeting, it cannot fulfill the wishes of employees."

The tax system in government regulations has increased every year. Taxes are borne in the form of operational costs, shipping costs, and unexpected costs that must be incurred by the company. This causes companies to be unable to provide wages according to minimum regulations (UMP) to employees.

"The government is in the middle, but it never provides the best solution...we are talking about taxes in the company...taxes are minimized so that they can meet the company's budget for every expenditure made by the company, 10% tax, but in nominal Rupiah it can harm entrepreneurs. The tax increases every year, while the raw materials are imported from abroad. Imports alone increase including the cost of taxes, shipping costs, etc., unexpected costs that swell"

Companies and labor associations are not involved in the calculation of the UMP and only follow what is set by the government. There are labor laws that protect workers but in practice, in East Java, there are still companies that have not paid employees in accordance with the UMP in their employment agreements. In addition, there is an opinion that UMP should be equalized in each region, but there are certain considerations that it is not realized.

"The calculation is not in the realm of the company/entrepreneur. Every company always involves the Labor Law, never proving that the Labor Law is enforced. Because there is a work agreement, but it is not paid according to the UMP. Surabaya's UMR is around 4.8 million but at the time of the truth it did not reach that high, it was cut at 3.7 to 3.8 million. this is talking about personal tax and corporate tax, taken from employees/laborers. Deductions for Social Security, BPJS, etc... the application is not according to the UMP, but the work agreement between the company and the employee."

"Talking about the price of basic needs of employees if it is leveled, the Government should not suffer losses. In various regions, for example, East, West, and Central Java, the same tax is charged in each region, why can't UMP and UMR? It seems that graduates with higher levels of education do not accept that wages are equalized with lower graduates."

Until now, there is no best solution that the government can provide after a demonstration. If there is a conflict between the company and the workers, then both parties resolve the problem independently. When there is a demonstration, the government only accommodates aspirations but there is no further effort afterwards. However, the government still checks the implementation of UMP in the company.

"Everything goes back to each company according to the work agreement and the government cannot be blamed. The business with the government is tax, the company squeezes someone's sweat. When companies employ people but are not paid, does anyone want to work?"

"Aspirations given by employees are only accommodated, never considered in determining UMP, and so on. There is no real evidence that has been done to improve the welfare of employees."

"The government has checked the company regarding the determination of wages to its employees...why is there still no warning or assistance given to employees? Maybe because the government is worried that there are "costs" such as taxes that may not be paid/delayed by the company."

In the end, the industrial relations between the government, employers, and laborers are not going well. The company has not been open enough in informing the wage policy that is considered in the company's bylaws. In addition, there is no UMP standardization from the government, hence the labor demo.

"Lack of openness of employers to the by-laws agreement regarding salaries/wages given to employees. The most commonly used basis is company tax and employee tax. There is no standardization of UMP in every province in Indonesia, resulting in labor demonstrations."

Employee/Laborer

Labor associations are dissatisfied with the wages set. This is based on the factor that wage increases are not in line with inflation, one of which is the price of basic commodities. In addition, the level of social inequality is getting wider. Therefore, workers held demonstrations on two occasions, namely Labor Day and during wage determination.

"We are not asking for more but just more standardization, if there is an increase in goods balanced with an increase in wages...if goods increase, UMP does not increase, our purchasing power as a society will be less. Finally, there will be a social gap between one region and another. This is what we are actually voicing to the government."

The determination of the UMP is deemed inappropriate in accordance with the conditions experienced by workers. The determination of UMP, which is different in each region, is considered unsatisfactory because the basic prices of each region are quite similar but the UMP is much different. One of them is related to the transportation component in each region.

"Usually there is a problem when determining which of the 60 components there are three components that are the largest. The main component is transportation, so it was the most debated at that time. This has become a controversy between employers and workers as well as between regions, it seems that the prices of basic necessities and basic needs are the same throughout East Java. But why is the wage difference up to 120%? That is a problem that has not been solved to this day."

Demonstrations by workers are the only way to express their aspirations. The closed discussion space between workers and the government causes the aspiration channel to be less than optimal.

"There are problems and needs that cannot be resolved, so the only way is to demonstrate. The discussion room is closed, and there is no gap in regulation...the local government must be able to provide objective input and have the courage to convey this fact to the central government. Forums should also be given more attention, not just used as a formality, but after that not used as a consideration."

The labor association hopes for a better and planned discussion forum so that more aspirations can be conveyed until they are realized. The most important thing is related to the realization of UMP implementation. It is hoped that the government can be consistent in its efforts to resolve this issue.

"The government should discuss the minimum wage not only near the stipulation because this wage is the right of workers who receive the results of their work and is continuous...the government should really look at it every period, maybe every three months there is a discussion. If you want to be fair, after signing in October, then in January it should be corrected again, "is what has been determined correct?"

V. DISCUSSION

The most common reason for aspirations in labor demonstrations is related to the provincial minimum wage (UMP). UMP is the lowest wage paid to employees and applies to all districts/cities in a province (BPS, 2023). UMP determination is based on calculations according to Government Regulation No. 36 of 2021. This calculation is based on economic conditions and inflation in Indonesia. This has led to labor demonstrations, especially during Labor Day, which is celebrated on May 1, and during wage determination. The government acts as a mediator during demonstrations in accordance with the SOP. The government accommodates the aspirations expressed by workers during demonstrations. As a preventive measure, the government also routinely visits companies and conducts monitoring and evaluation related to the application of wages to employees. In addition to the UMP, issues of labor rights and obligations such as overtime and working hours are also aspirations that are often conveyed during labor demonstrations. The policy on working hours has been compiled in Government Regulation No. 35 of 2021 Article 21.

Workers' demonstrations occur every Labor Day around the world, always aspiring for wages. When giving wages to workers, the company also pays attention to the company's financial condition which is stipulated in the Company's Articles of Association (AD-ART). However, the company is not open enough regarding the bylaws set out for employees who work in the company. In addition to providing wages, companies also need to prepare costs for taxes such as operational costs, shipping costs, and unexpected costs. Companies also need to prepare costs related to labor health protection such as social security programs or BPJS. This has been stipulated in Law No. 24 Year 2011 Article 14 on BPJS. Therefore, it is often found that some companies do not

pay workers according to the determined UMP. The UMP for each region is different but the basic needs of each region are quite similar. Companies feel that it should be equalized. However, several factors influence wages, one of which is related to competence and the level of formal education. This is also mentioned in the Minister of Manpower Regulation No. 1 of 2017. When wage problems occur between companies and workers, the current solution is for the two parties to agree independently. This wage is compiled in Government Regulation No. 36 of 2021.

The main factor that became the aspiration when the labor association held a demonstration was the realignment of the minimum wage. The minimum wage set is not in accordance with economic conditions that continue to experience inflation. In addition, the basic prices of each region are quite similar, but the UMP for each region is very different. As a result, the social gap in the community is getting wider. The realization of the UMP calculation has been stated in Government Regulation Number 36 of 2021. Demonstration is an effort that can be made by workers to convey their aspirations. Demonstration is a form of protest carried out en masse to oppose something by demonstrating (KBBI, 2023). This protest aims to pressure policymakers to change/consider what they have determined. Workers expect the government to be consistent in trying to resolve the UMP issue. Workers also want a proper discussion forum so that they can express their aspirations in a better way. One way to improve industrial relations consists of elements of employers, employees/laborers, and government based on the values of Pancasila and the 1945 Constitution of the Republic of Indonesia.

VI. CONCLUSION AND RECOMMENDATION

Industrial relations in employee demonstrations and the strategy of determining the East Java provincial minimum wage are quite good. This phenomenon is viewed from three perspectives: the government, the company, and the labor association. The government sees the phenomenon of labor demonstrations as caused by several things, one of which is related to the determination of the Provincial Minimum Wage. Workers conduct demonstrations every Labor Day and during wage determination. The government acts as a mediator between employers and laborers during demonstrations. In addition, the government also makes efforts to prevent demonstrations by routinely visiting companies to conduct monitoring and evaluation of the application of UMP to employees. The government also receives aspirations regarding working hours and leave permits stipulated in regulations to protect the rights and obligations of workers.

The company experienced problems related to wages due to several factors. Taxes in operational costs, shipping costs and unexpected costs are one of the reasons. In addition, companies must also provide health insurance for workers in the social security program in accordance with government regulations. Therefore, several companies were found to still find it difficult to pay wages in accordance with the stipulated UMP. The determination of UMP, which is different in each region, is considered less than optimal in resolving labor wage issues. Companies also resolve conflicts with workers through independent agreements between the two parties.

The Labor Association feels that aspirations have not been realized, especially on the issue of wages. Economic conditions that continue to experience inflation cause the wages earned to be considered insufficient. Therefore, workers always hold demonstrations, especially on Labor Day and when the UMP is set. When setting the UMP, demonstrations are the only way that workers can convey their aspirations. Therefore, labor associations are looking forward to a proper discussion forum where the aspirations can be realized, not just accommodated.

Based on the research conducted and conclusions obtained, there are several suggestions that can be considered by future researchers. Future researchers are expected to use/interview companies that are actually related to industries that have a large number of workers in order to represent the company. Future researchers are expected to contact the interviewees well in advance of the interview. This is done so that researchers can obtain information from sources that are more valid, authorized, and reliable.

REFERENCES

- Akkus, B., Postmes, T., Stroebe, K., & Baray, G. (2019). Cultures of conflict: Protests, violent repression, and community values. *British Journal of Social Psychology*, 59(1), 49–65. <https://doi.org/10.1111/bjso.12328>
- Azmi, F. (2022). *25 ribu buruh tuntutan UMP - UMK naik 13% bergerak ke kantor Gubernur Jatim*. Retrieved May 23, 2023, from <https://www.detik.com/jatim/berita/d-6411382/25-ribu-buruh-tuntut-ump-umk-naik-13-bergerak-ke-kantor-gubernur-jatim>
- Badan Pusat Statistik (BPS). (2022). *Keadaan pekerja di Indonesia Agustus 2022*. Retrieved April 10, 2023, from <https://www.bps.go.id/publication/2022/12/07/2b8168cecb67a77ab7a6857d/keadaan-pekerja-di-indonesia-agustus-2022.html>
- Baihaqi, A. (2021). *UMP Jatim cuma naik Rp 22.790, buruh ancam demo besar-besaran*. Retrieved May 23, 2023, from <https://news.detik.com/berita-jawa-timur/d-5821225/ump-jatim-cuma-naik-rp-22790-buruh>

- Bocean, C. G., Nicolescu, M. M., Cazacu, M., & Dumitriu, S. (2022). The role of social responsibility and ethics in employees' wellbeing. *International Journal of Environmental Research and Public Health*, 19(14), 8838. <https://doi.org/10.3390/ijerph19148838>
- Chaudry, M. S., Sabir, H. M., Rafi, N., & Kalyar, M. N. (2017). Exploring the relationship between salary satisfaction and job satisfaction: A comparison of public and private sector organizations. *The Journal of Commerce*, 3(4), 1–14.
- CNBC Indonesia (2022). *Mengintip perbedaan gaji dan upah: Terlihat sama tapi beda*. Retrieved May 23, 2023 from <https://www.cnbcindonesia.com/mymoney/20220808143401-72-361968/mengintip-perbedaan-gaji-dan-upah-terlihat-sama-tapi-beda>
- CNBC Indonesia (2023). *Jadi bola panas tiap tahun, sudah adilkah upah buruh RI?* Retrieved May 23, 2023 from <https://www.cnbcindonesia.com/research/20230501100139-128-433397/jadi-bola-panas-tiap-tahun-sudah-adilkah-upah-buruh-ri>
- Creswell, J. W. (2014). *Research design: Qualitative, quantitative, and mixed methods approach* (4th ed.). Sage.
- Daniel, C. O. (2019a). Effects of incentives on employees' productivity. *International Journal of Business Marketing and Management*, 4(1), 41–48.
- Daniel, C. O. (2019b). Effects of organizational change on employee job performance. *Asian Journal of Business and Management*, 7(1), 22–27
- Gramberg, V. B., Teicher, J., Bamber, G. J., & Cooper, B. (2020). Employee voice, intention to quit, and conflict resolution: Evidence from Australia. *ILR Review*, 73(2), 393–410. <https://doi.org/10.1177/0019793919876643>
- Hasibuan, M. S. P. (2013). *Manajemen sumber daya manusia*. PT Bumi Aksara.
- Hidayati, N. (2022). Human resources management review on Netflix. *Atlantis Press: Advances in Economics, Business, and Management Research*, 207, 391–397.
- International Labour Organization (2023). Employment relationship. [Online] Available at: https://ilo.org/ifpdial/areas-of-work/labourlaw/WCMS_CON_TXT_IFPDIAL_EMPREL_EN/lang--en/index.htm [Diakses 10 April 2023].
- Izzaty & Sari, R. (2013). Kebijakan penetapan upah minimum di Indonesia. *Jurnal Ekonomi & Kebijakan Publik*, 4(2), 131–145.
- Kartika, H. (2023). Kejari Surabaya terima 2 laporan dugaan pungli di lingkungan Pemkot Surabaya. Retrieved May 23, 2023 from <https://www.tvonenews.com/daerah/jatim/98319-kejari-surabaya-terima-2-laporan-dugaan-pungli-di-lingkungan-pemkot-surabaya?page=2>
- Kasnelly, S., & Sucitra, M. K. (2022). Analisis upah kerja di Indonesia. *Al-Mizan: Jurnal Ekonomi Syariah*, 5(1), 61–70.
- KBBI (2023). Kamus Besar Bahasa Indonesia (KBBI). [Online] Available at: <https://kbbi.web.id/demonstrasi> [Diakses 29 Maret 2023].
- Klein, G., & Regan, P. (2018). Dynamics of political protests. *International Organization*, 72(2), 485-521. <https://doi.org/10.1017/S0020818318000061>
- Kominfo Jatim (2023). Polda ringkus kelompok Sakram spesialis pungli jasa ekspedisi. Retrieved May 23, 2023 from <https://kominfo.jatimprov.go.id/read/umum/polda-ringkus-kelompok-sakram-spesialis-pungli-jasa-ekspedisi>
- Kwak, J. (2022). Measuring and analyzing protest potential from a survey data recycling framework. *American Behavioral Scientist*, 66(4), 434–458. <https://doi.org/10.1177/00027642211021626>
- Miles, M. B. & Huberman, M. (1992). Analisis data kualitatif. Universitas Indonesia.

- Sugianto & Sutanto (2025). Jurnal Manajemen Indonesia (Vol. 25(1), pp. 28-38, 2025)
- Nguyen, H. H. (2018). The study on factors influencing wages: The case of laborers in non-state enterprises in Travinh province, Vietnam. *Asian Journal of Science and Technology*, 9(9), 8719–8721.
- Ozturk, M., Durdyev, S., Aras, O. N., Ismail, S., & Banaitiene, N. (2020). How effective are labor wages on labor productivity?: An empirical investigation on the construction industry of New Zealand. *Technological and Economic Development of Economy*, 26(1), 258–270. <https://doi.org/10.3846/tede.2020.11917>
- Putra, A. (2020, October 20). Demonstrasi anarkis menjadi budaya baru. Retrieved March 26, 2023, from <https://www.ganto.co/artikel/793/demonstrasi-anarkis-menjadi-budaya-baru.html>
- Rizov, M., Croucher, R., & Lange, T. (2016). The UK national minimum wage's impact on productivity. *British Journal of Management*, 27(4), 819–835. <https://doi.org/10.1111/1467-8551.12171>
- Republik Indonesia, Peraturan Menteri Ketenagakerjaan Nomor 1 tahun 2017 tentang Struktur dan Skala Upah.
- Republik Indonesia, Peraturan Menteri Ketenagakerjaan Nomor 6 Tahun 2016 tentang Tunjangan Hari Raya Keagamaan bagi Pekerja/Buruh di Perusahaan.
- Republik Indonesia, Peraturan Menteri Ketenagakerjaan Nomor 18 tahun 2022 tentang Penetapan Upah Minimum Tahun 2023.
- Republik Indonesia, Peraturan Menteri Ketenagakerjaan Nomor 5 tahun 2023 tentang Penyesuaian Waktu Kerja dan Pengupahan pada Perusahaan Industri Padat Karya Tertentu Berorientasi Ekspor yang Terdampak Perubahan Ekonomi Global.
- Republik Indonesia, Peraturan Pemerintah Nomor 78 tahun 2015 tentang Pengupahan.
- Republik Indonesia, Peraturan Pemerintah Nomor 37 Tahun 2021 tentang Penyelenggaraan Program Jaminan Kehilangan Pekerjaan.
- Republik Indonesia, Peraturan Pemerintah Nomor 36 tahun 2021 tentang Pengupahan.
- Republik Indonesia, Peraturan Pemerintah Nomor 35 Tahun 2021 tentang Perjanjian Kerja Waktu Tertentu, Alih Daya, Waktu Kerja dan Waktu Istirahat, dan Pemutusan Hubungan Kerja.
- Republik Indonesia, Peraturan Pemerintah Pengganti Undang-Undang Nomor 2 Tahun 2022 tentang Cipta Kerja.
- Republik Indonesia, Undang-Undang Nomor 24 Tahun 2011 tentang Badan Penyelenggara Jaminan Sosial.
- Republik Indonesia, Undang-Undang Nomor 11 Tahun 2020 tentang Cipta Kerja.
- Republik Indonesia, Undang-Undang Nomor 9 Tahun 1998 tentang Kemerdekaan Menyampaikan Pendapat di Muka Umum.
- Republik Indonesia, Undang-Undang Nomor 13 Tahun 2003 tentang Ketenagakerjaan.
- Republik Indonesia, Undang-Undang Nomor 43 tahun 1999 tentang Perubahan atas Undang-Undang Nomor 8 tahun 1974 tentang Pokok-Pokok Kepegawaian.
- Riot, E. (2014). The role of collective memory in shaping workers' relations to anarchism and work today. *Ephemera: Theory of Politics in Organization*, 14(4), 811–834.
- Roy, N. C. (2022). Factors influencing industrial relations in the Indian tea industry: Study in the Darjeeling, Terai and Dooars regions. *Int. J. Indian Culture and Business Management*, 25(1), 72–85
- Salim, M. P. (2022). Tak bayar upah sesuai UMP 2023, ini sanksi dan pengecualian bagi pengusaha. Retrieved May 23, 2023, from <https://www.liputan6.com/hot/read/5140682/tak-bayar-upah-sesuai-ump-2023-ini-sanksi-dan-pengecualian-bagi-pengusaha>
- Santoso, T. (2022). Metodologi penelitian kualitatif. Pustaka Saga.
- Sharma, J. P., & Bajpai, N. (2011). Salary satisfaction as an antecedent of job satisfaction: Development of a regression model to determine the linearity between salary satisfaction and job satisfaction in a public and a private organization. *European Journal of Social Sciences*, 18(3), 450–461. <https://doi.org/10.1111/j.1467-9221.2009.00732.x>

Sugiyono. (2019). Metode penelitian kuantitatif, kualitatif, dan R&D. Alfabeta.

Sutopo, H. A., & Arief, A. (2010). Terampil mengolah data kualitatif dengan NV-IVO. Kencana Prenada Media Group.

Usendok, I. G. (2022). Organizational conflict and employee job performance: A case study of Akwa Ibom State University. *European Journal of Business and Innovation Research*, 10(3), 10–25. <https://doi.org/10.37745/ejbir.2013/vol10no2pp.10-25>

Vazquez, R. M. C., Esquivel, G., & Hernandez, A. S. S. (2017). The impact of the minimum wage on income and employment in Mexico. *CEPAL Review*, 122, 189–216.

Whitehead, L. (2021). The politics of protest processes: A portrayal. *Protest*, 1(1), 7–28. <https://doi.org/10.1163/2667372X-01010001>

Young, S. G. (2023). Hidden costs of the COVID-19 pandemic response. *International Journal of Environmental Research and Public Health*, 20(8), 1–7. <https://doi.org/10.3390/ijerph2008>

