

# Optimization of Wage Payments in PT Unitex Bogor in Efforts to Improve Workers' Welfare

*By* Endeh Suhartini

# Optimization of Wage Payments in PT Unitex Bogor in Efforts to Improve Workers' Welfare

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*ABSTRACTS--Labor's salary payment in a company is important and requires further attention for company's continuous business and ability of the company to improve good Working Relationship between labor and company, entrepreneur in particular. This research has a purpose to check and to analyze the optimization of salary payment at PT Unitex Bogor and its working relationship system. The research uses normative method and empirical method as supporting data. As a result, the salary payment at PT Unitex Bogor has been optimum and has complied with prevailing laws and regulations. The working relationship has been made amicably and full of trust between the labor and the company.*

**Keywords:** salary payment, working relationship, labor and company

## I. INTRODUCTION

Noting the Preamble of the 1945 Constitution, fourth paragraph stating that to create a just and democratic society, legal development plays an essential role in guaranteeing and protecting the life of people's endeavors achieving justice, prosperity and wellness. The direction and purpose of legal development must be continuously focused and steadily run towards the direction and goals of the state as envisioned. The 1945 Constitution of the Republic of Indonesia can be used as the constitutional basis of the national legal system and politics or what is called the grand design of the legal system as well as the state administration and governance system. The constitution is not only the basis for the judicial order but also social, political, cultural economy and others.[11]

To fulfill and realize the State's goals, especially for citizens, who as humans being, need jobs in their life to fulfill their family needs. By working, one's needs can be met. Working is an obligation that must be done to get a wage or salary to continue life and living.

In practice, there were workers' strikes and demonstration which automatically stop the company's operation. Strikes by workers usually arise over employees' rights disputes, interest conflicts e.g. low wage-payment systems. The low-wage payment system is caused

by several factors, including the expected standard of economic needs, due to family needs and an increase in the price of goods and services that chases the developments in society.[12]

Worker/laborers concerned manifested in the form of demonstrations or strikes demanding an increase in wages or salaries are a series of internal and external weaknesses of the actors related to the production process of goods and services. Internally, in the company, aspects of concern, togetherness as a working-partner, caring, openness and managerial skill, are very inadequate. Externally, guidance and supervision from the government agencies in the field of labor, both directly and indirectly, is not optimal or as expected of a good working relationship. In reality, the provisions of labor regulations are comprehensive enough but have not been fully implemented yet.[12]

The technical aspects of wages are not limited to how to wage calculations and payments are carried out, but also involve how the wage rate is determined which begin from setting the provincial minimum wage (UMP), sector and provincial minimum wage (UMSP), district/city minimum wage (UMSK) and wages head-off (*upahsundulan*).[1]

In consideration of the problems mentioned above, the researcher is interested in doing the study entitled: "**Optimization Of Wage Payments In Pt. Unitex Bogor In Efforts To Improve Workers' Welfare**".

## II. PROBLEMS IDENTIFICATION

The main issues are as follows:

1. How to optimize wage payments at PT. Unitex Bogor?
2. How is the employment relationship system established in PT. Unitex Bogor?

### III. RESEARCH OBJECTIVES

The research objectives are to review and analyze:

1. The optimization of wage payments at PT. Unitex Bogor;
2. The work relationship system built at PT. Unitex Bogor.

### IV. RESEARCH METHOD

The research method used a normative juridical research method, namely research on legal materials that are relevant to labor laws related explicitly to employee-employer relations and remuneration. The data are obtained through literature studies and analysis, as empirical research methods are used to complete and support the data gained in the field, namely from PT. Unitex Bogor.

### V. FINDINGS AND DISCUSSION

1. *Wages Optimization at PT. Unitex Bogor;*
  - a. *PT. UNITEX Bogor*

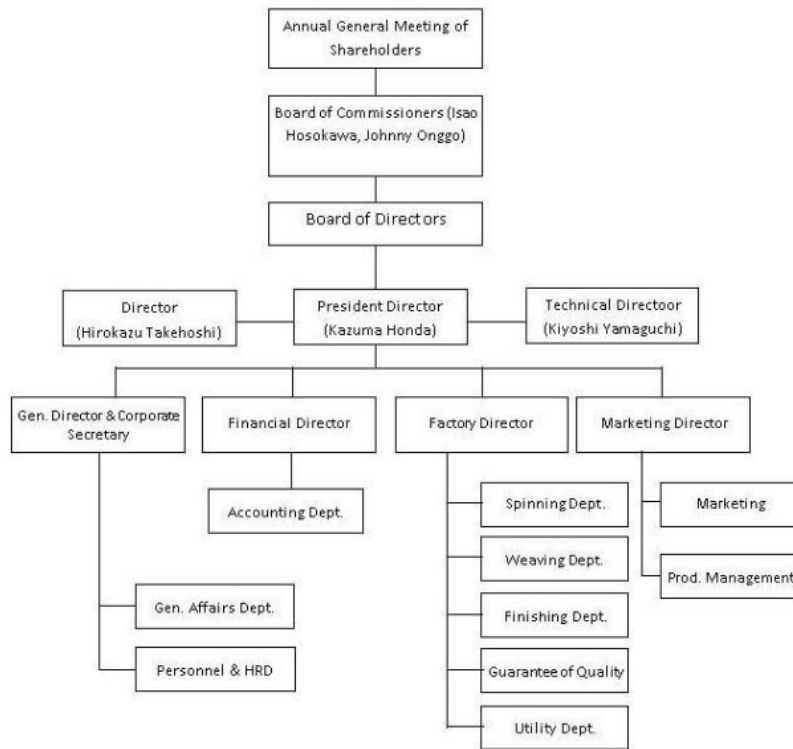
PT Unitex, established in line with the Foreign Investment Law No. 1/1967, was legalized based on Notarial Deed of Eliza Pondaag SH, No. 25 May 14, 1971. The Minister of Justice with Decree No. JA.5 / 128/14 Dated July 30, 1971, approved this deed of establishment. PT Unitex began its commercial production one year after undergoing several changes, most recently with Notarial Deed Sulaimansyah SH, No. 50 April 15, 1997, regarding amendments of the company's statute and addition of authorized capital, which had been approved by the Minister of Justice with Decree No. C2-6203.HT.01.Th 1997 Dated July 14, 1997.[13]

As an integrated textile company, PT Unitex carries out its activities ranging from spinning, weaving, dyeing. The spinning department is a part

of the production process that produces yarn made of cotton and polyester. The weaving part is the production part which processes wool into fabric. However, the fabric produced by this weaving part is still in the form of raw cloth (Gray Cloth). On the other side, the dyeing carries out the dyeing and refinement process from raw material to finished goods. The company's main products are yard, dyed and piece dyed. The company is located in Jakarta and including one factory which resides in Tajur, Bogor. PT Unitex's factory in Bogor is seated in a 150,700 square meters area, not including the housing for employees behind the factory.[14]

Additionally, the company committedly views employee welfare seriously. The facilities provided to employees include uniforms, meals served in the company's canteen, JAMSOSTEK (insurance) membership for all employees, provision of clinics and ambulances available for employee's relatives as well, the employee's Cooperatives providing daily needs, barber; specialized for employees only, sports facilities, buildings for SP (labors union), shuttle buses, housing managed by employee cooperatives, annual picnics, annual bonuses and THR (yearly religious off-days bonus), independence day celebration every 17<sup>th</sup> of August attended by all employees and their families and gifts in the company's birthday. Besides, the company gives awards to employees who have served for 10 years and 20 years, those who come up with useful ideas and healthy families. In addition to the things mentioned above, there are still other welfare facilities provided to employees, all of which have been arranged in a Collective Labor Agreement (KKB) between the company and the SP of PT Unitex.[15]

**(a) Organizational Structure of PT. UNITEX**



**(b) Human Resources**

**a. Table 1  
PT. UNITEX Employee Components**

Description	S1	D3	SMA	SMP	SD	Jumlah
Commissioners	2	-	-	-	-	2
Directors	6	-	-	-	-	6
Chief of Department	6	2	3	-	-	11
Supervisor	1	-	17	8	-	26
Ass. Supervisor	3	-	25	3	3	34
Chief of Units	-	-	45	16	9	70
Chief of Groups	1	1	84	18	7	111
Administrators	10	4	13	11	10	48
Operators	-	-	327	29	26	382
Total	29	7	514	85	55	690

- 9
- S1 : Bachelor Degree
  - D3 : Diploma
  - SMA : Senior High School
  - SMP : Junior High School
  - SD : Primary School

**b. Number of employees**

BKP : Male 5 Female 1
Spinning : Male 169 Female 23
Weaving : Male 357 Female 110
Dyeing : Male 80 Female 4
Yarn Dyeing : Male 33 Female 0
Technical Production : Male 28 Female 2
Guarantee of Quality : Male 28 Female 24
Utility : Male 56 Female 2
General & Personel : Male 57 Female 14
Accounting : Male 5 Female 2
Marketing : Male 13 Female 9
<b>TOTAL KARYAWAN : 1022</b>

**c. Optimization of PT.UNITEX Company's Employee Wage System**

Employee recruitment system at PT. UNITEX is excellent and family-friendly. The employee recruitment system prioritizes kinship and prioritizes employee acceptance of the surrounding environment. It is done to facilitate monitoring as well as the company's trust in employees to improve the welfare and progress of the company, employee responsibilities, ease of reprimand mistakes, company security, and prevention of demonstrations.

Based on interviews with Ir.Sukoco as Human Resources Department PT.UNITEX that: employee acceptance is favorable for the company, the company environment is peaceful, cheap transportation is cheap for employees. While the weakness is due to the short distance after the break, theyback to work late and if there is a family event, the employee takes time off.

PT. UNITEX is a Foreign Capital company with 89 shares as PMA, and 11 percent are national. Even though the share capital in PT UNITEX is foreign-owned 89 percent, the management also trusts the national entrepreneurs and employees at PT.UNITEX

so that the working relationship is visible to this company owned by domestic investment even though it belongs to PMA. This change in share ownership was a joint venture, and in 1972 the company had an initial shareholding of 69 Percent of Japanese Companies, 12 Percent of Public and 18 Percent of Domestic. Currently, the Japanese company has 89 percent share capital. The number of Foreign Workers Employees is only 6, with the remaining Indonesian workers with the highest wages of Rp. 25,000,000.

Company Workers' Wage Payment System is based on Wages stipulated by the Government, and every year, PT.UNITEX follows the Government's recommendation to follow the UMK set by the Governor. In addition to the company's wages, it provides several supporting facilities for the welfare of company workers, including:

- a. Employee Housing;
- b. Salary and Bonus Increase Every Year;
- c. Pension plan;
- d. Positional allowance;
- e. Family Benefits;
- f. Overtime Allowance;



- g. Increase in Class and Years of Service;
- h. Substitution of Work SHIP according to working hours;
- i. Health benefits;
- j. etc.

At present, the number of active workers/employees is 684 and PT.UNITEX applies a pension age 55 years, and after retirement, the family concerned can come to work to replace his retired family.

## 2. The employment relationship system established in Company PT. Unitex Bogor.

A sound working relationship system that is established within the company is excellent and reflects family and togetherness that will bring sustainability and progress to the company.

Article 1 section (15) of the Labor Law determines that:

An employment relation or relationship shall be defined as a relationship between an entrepreneur and a worker/laborer based on a work/employment agreement, which deals with aspects relating to the job [that the worker has to do], the worker's wage, and orders and instructions [that the worker has to carry out].

Article 1 section (16) provides that:

An industrial relation shall be defined as a system of relations that take shape among actors in the process of producing goods and/or services, which consist of employers, workers/laborer and the government, which is based on the values of the Pancasila and the 1945 Constitution of the Republic of Indonesia.

Article 4 of the Labor development aims at:

- a. Empowering and making efficient use of people available for a job optimally and humanely;
- b. Creating equal opportunity and providing manpower (supply of people available for a job) that suits the need of national and provincial/ municipal developments;
- c. Providing protection to people available for a job for the realization of welfare; and
- d. Improving the welfare of people available for a job and their family.

Based on the articles mentioned earlier, it is understood that the employment relationship established at PT. UNITEX Bogor fulfills the provisions of the 1945 Constitution and the Labor Law.

Labor relations and work relationships that exist at PT. UNITEX Bogor always adjust to the development of labor relations following the provisions of the legislation in force.

Industrial Relations of PT. UNITEX, even though foreign companies and their foreign-owned capital in practice, give outstanding attention to workers and their families both from the beginning of hiring employees to being paid attention.

In the implementation of work relations, improving welfare and attention to workers is very good and follows the development of labor law provisions.

One of the concerns of the company is to improve the welfare of employees and their families, one of which is the payment of wages provided to increase employee welfare.

Wages are income received by workers following work agreements both in cash and following the cooperation and adjusted for all kinds of payments arising from the work contract.

Income received by employees is classified into four forms, namely, salary, benefits in kind (such as rice, sugar, and clothing), fringe benefits (in the form of funds set aside by employers for pension, health insurance, official vehicles, lunch), and environmental conditions work. The payroll system in Indonesia generally uses a base salary based on rank and tenure. This rank is based on the education level and work experience. In other words, the determination of basic wage is generally based on the principles of human capital theory, namely that wages or salaries a person is proportional to the level of education and training that he achieves. [14] Besides the basic wage, workers also receive various benefits, each as a percentage of the basic pay or a certain amount, such as position allowances, family allowances, and others. The amount of wages and benefits is called a gross wage. The net wage received is a gross salary deducted by deductions, such as deductions for pension funds, health insurance and so on. This net salary amount is called take-home pay.

## VI. CONCLUSIONS

1. *Optimization of Wage Payment Systems at PT. UNITEX Bogor* In the wage payment system at PT. UNITEX Bogor, the implementation is following the provisions of the applicable laws following legal developments in Indonesia, even though PT. UNITEX Company is a Foreign Capital System and is concerned with improving the welfare of workers and their families.

2. *The employment relationship system established at PT. UNITEX Bogor that:*

The employment relationship system established in the company PT. UNITEX Bogor is a family and trust system between Workers and Companies so that the sustainability and sustainability of the company are outstanding as a form of harmonious working relations between Workers, Companies, and the Government.

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