



Wage System for Workers in The Confectionery Company

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Abstract

The payroll and wage accounting system is crucial for calculating, paying, and recording the salaries and wages paid by the company. The amount of money distributed to employees is categorized into two groups: wages and salaries. Wages are paid irregularly to workers upon completion of tasks, such as overtime pay. To address this, the government has established regulations to ensure that the wages received by workers meet their basic living needs. This study aims to examine the wage system in Indonesia, specifically the wage system for workers at PT Wedanata Industri Nusantara in Badung, Bali. The methodology used in this research is a legal-empirical approach, which focuses on investigating the facts occurring in the field related to the legal issues being studied. The research findings indicate that the regulations governing wages and the wage system are outlined in Law Number 6 of 2023 concerning the Establishment of Government Regulations in Lieu of Law Number 2 of 2022 on Job Creation, specifically in Article 88. However, the wage system at PT Wedanata Industri Nusantara in Badung, Bali, has not been fully optimized in accordance with the wage system stipulated in Article 88A of Law Number 6 of 2023 on Job Creation.

I. Introduction

A decent living for humanity is a right of every citizen, being a fundamental need¹. The government participates in enhancing public welfare and efforts to reduce poverty in Indonesia². This aligns with national development goals, which aim to promote the general welfare of all Indonesian people fairly and prosperously³.

¹ Sanjiwani Giri, Made Ayu Ratih, Wiryawan, I Wayan, Pelaksanaan Upah Minimum Regional (Umr) Bagi Pekerja Alih Daya Pada Pt. Delta Duta Dewata DiPT. PLN (Persero) Distribusi Bali. Kertha Semaya : Journal Ilmu Hukum 7 Nomor 2, (2019): 3.

² Rizki Citra Pratiwi, Siti Hajati Hoesin, Perlindungan Hak Pekerja Terkait Pemberian Upah Di Bawah Upah Minimum Kota. Pakuan Law Review : Journal Unpak 08 Nomor 01, (2022): 541-551

³ Udytama, I. Wayan Wahyu Wira, Made Emy Andayani Citra, Kadek Apriliani, and Ida Ayu Tuti. "Akibat Hukum Terkait Harga Yang Tidak Dicantumkan Oleh Pelaku Usaha Di Kecamatan Kuta Utara." Jurnal Yusthima 4, no. 1 (2024): 215-227.

Employment involves all matters related to labor before, during, and after work periods. Labor law, formerly known as labor law, regulates labor matters. Labor law is a set of rules created to facilitate human resource development⁴. Workers are individuals capable of performing tasks to produce goods and/or services, either to meet their own needs or for the community⁵. Therefore, protection, maintenance, and improvement of their welfare are essential to enhance national productivity.

To increase worker productivity in achieving development success, comprehensive protection for labor is necessary. The employment relationship established between workers and employers arises from an agreement, whether written or unwritten, where workers express their willingness to work for a wage, while employers express their commitment to employ workers at that wage. A good working relationship can only be achieved if both employees and employers understand and appreciate the rights and obligations of each party⁶.

Law Number 13 of 2003 concerning Employment clearly regulates labor matters, including wage systems. The wage system serves as a means to allocate wages to employees based on production, working hours, duration of employment, and living needs⁷. However, the types and distribution of wage systems do not have to be the same, as wages are compensation for the services provided by employees in exchange for the labor they have performed, manifested in monetary form⁸.

The wage system for workers arises from an employment relationship through a work agreement between workers and employers. This work agreement includes terms of employment, rights, and obligations of both workers and employers. Both parties must adhere to the work agreement and company regulations that have been mutually agreed upon, and such agreements must not contradict applicable laws⁹.

Wages are a significant incentive for employees within a company. However, this does not mean that the wage level is the primary driver, particularly when wages do not sufficiently meet employees' living needs. Wages are actually a condition of the work agreement governed by employers and workers, as well as the government¹⁰. Wage regulations must respond to the challenges of globalization and information technology

⁴ Apriliani, K. Pelaksanaan Pelatihan Kerja Di Lembaga Pelatihan Kerja Bali Aviation and Tourism Center (Batc) Menurut Undang-Undang Ketenagakerjaan. *Khatulistiwa Law Review* 1 No. 1 (2020): 93-108.

⁵ Edward Christoph Stephanus, Stevany Salim, Pelaksanaan Kenaikan Upah Berkala Dihubungkan Dengan Perundang - Undangan Ketenagakerjaan, *Jurnal Kertha Semaya* 10 Nomor 3 (2022): 641- 655.

⁶ Lidia Febrianti, Pelaksanaan Pengupahan Pekerja Menurut Undang-Undang 13 Tahun 2003 Tentang Ketenaga Kerjaan, *UIR Law Review* 1 No. 1, (2017) 2548-7671.

⁷ Indrayani, Ni Putu Febby, and I. Wayan Gde Wiryawan, "Kajian Yuridis Terhadap Pekerja Yang Dirumahkan Akibat Pandemi Covid-19 Menurut Undang-Undang Nomor 13 Tahun 2003 Tentang Ketenagakerjaan." *Jurnal Hukum Mahasiswa* 2, No. 1 (2022): 188-204.

⁸ Wulandari, Virgianty Febri, Perlindungan Hukum Tenaga Kerja Dalam Sistem Pengupahan Tenaga Kerja Pt. Citra Bangun Karya. *SIBATIK JOURNAL* 2 No. 1 (2022): 264.

⁹ Ariani Oktavia, Lu Sudirman, Junimart Girsang, Kebijakan Pemberian Kompensasi Terhadap Pekerja Perjanjian Waktu Tertentu di Kabupaten Karimun, *Jurnal Hukum dan Pranata Sosial Islam* 5 No. 2 (2023): 1831-1844.

¹⁰ Angelica P. Pattiwael, Victor P.K Lengkong, Rita N. Taroreh, ; PT Indofood Sukses Makmur Tbk Manado, *Jurnal EMBA* 5 No. 2 (2017): 1520 -1531.

transformation, which affect changes in social and economic order, including changes in labor relations¹¹.

The company's operations play a crucial role in establishing a system expected to enhance its overall performance. At the operational stage, there are supporting factors, one of which is human resources that need to be utilized by the company. The workforce required by the company must, of course, be compensated with salaries or wages.¹²

The payroll and wage accounting system is used to calculate, pay, and record salaries and wages paid by the company. The amount of money distributed to employees by the company is divided into two groups: wages and salaries. Wages are paid irregularly to workers after completing specific tasks, such as overtime pay. Meanwhile, salaries are paid regularly according to contractual agreements, such as monthly salaries scheduled at the end of each month.¹³

The implementation of the payroll and wage accounting system aims to safeguard assets, ensure the accuracy and validity of accounting data, promote operational efficiency, and prevent deviations from established policies. The payroll and wage accounting system helps the company carry out procedures in compliance with applicable regulations. This ensures that employee salaries and wages are distributed properly without any misappropriation of funds, which could harm the company's internal controls.¹⁴

A similar study was previously conducted by Citra Indah Merina and Mentari Bungas Herfazalesa, titled "*Analysis of the Payroll and Wage Accounting System for Employees in Improving the Effectiveness of Internal Control at PT. Tri Marbako.*" The issue explored was the analysis of the payroll and wage system at PT. Tri Marbako. The study found that the internal control system was not operating effectively, with overlapping roles identified. The administration department, which should have been focused on recording company activities, was also tasked with calculating employee wage payments. Additionally, the authorization system and recording procedures for payroll and wages at PT. Tri Marbako relied solely on attendance lists. Cases of manipulation were discovered, including employees being marked as present despite being absent and being recorded as working overtime even when they had not.¹⁵

Meanwhile, researcher Dinda Aulia Damayanti, in her study titled "*Analysis of the Implementation of Payroll and Wage Accounting Systems at PT. PLN (Persero).*" found that the procedures forming the system were not entirely supportive of the effectiveness of

¹¹ Abas, M. Dampak hilangnya upah minimum sektoral bagi pekerjapasca berlakunya peraturan pemerintah (pp) no. 36 tahun 2021 tentang pengupahan juncto undang-undang no. 11 tahun 2020 tentang cipta kerja (omnibus law). *Prosiding Konferensi Nasional Penelitian Dan Pengabdian Universitas Buana Perjuangan Karawang* 2 No. 1 (2022): 411-427.

¹² Anita Dwi Ratna Dela, "Analisis Sistem Informasi Akuntansi Penggajian dan Pengupahan Pada UD ADF," Doctoral dissertation, Universitas Muhammadiyah Malang (2022): 1-2.

¹³ Ni Kadek D. P, Laila, dkk, "Analisis Sistem Informasi Akuntansi Penggajian Dan Pengupahan PT. Andika SPA Kabupaten Badung Bali," *Visionist* 10, No. 2 (2021): 21.

¹⁴ Ade Nurdianto, "Analisis Sistem Akuntansi Penggajian dan Pengupahan Dalam Rangka Mendukung Pengendalian Intern Studi pada SPEKU Delivery Kota Samarinda" *Skripsi Universitas Mulawarman Samarinda*, (2021): 2

¹⁵ Citra Indah Merina dan Mentari Bungas Herfazalesa, *Analisis Sistem Akuntansi Penggajian Dan Pengupahan Karyawan Dalam Meningkatkan Efektivitas Pengendalian Internal Perusahaan Pada PT. Tri Marbako*, *Jurnal Aktual Akuntansi Keuangan Bisnis Terapan* 5, No 2 (2022): 255-265

internal control. This was evident from the lack of supervision over attendance records, salary lists not being authorized by the personnel department, and overlapping tasks where the person responsible for preparing the salary list was also tasked with salary payments.¹⁶

PT Wedanata Industri Nusantara in Badung Regency, Bali, is a company engaged in the textile industry, specifically in the production of clothing. The company's main products include t-shirts, polos, and other uniforms, with human resources (HR) that experience changes every year. Therefore, the payroll system implemented in the company should be adequate, meeting the company's needs while supporting internal controls over employee wages.

PT Wedanata Industri Nusantara employs a computerized payroll system. Salary payments are made once a month, while wages for contract workers are paid weekly. During the payroll process, there have been instances of errors in calculating the wages for contract workers due to employees reporting their work results in the Daily Work Card

Based on the data presented above regarding the wage system, which is a significant factor influencing employee performance, the researcher is interested in further examining this topic. The results will be documented in a study titled "*Wage System for Workers in the Garment Industry.*"

2. Research Method

This research is structured using an empirical juridical type of research. Empirical juridical research approaches issues that are juridical in nature and the realities related to these juridical matters. Knowledge in empirical juridical research is based on facts obtained from research and observation. The approach applied in this writing is a factual approach, which investigates facts occurring in the field concerning the legal issues examined. The data used in this empirical research consists of two types: primary data and secondary data. Primary data involves field research, which collects data using studies on institutions related to PT Wedanata Industri Nusantara in Badung, Bali. Secondary data involves library research, acquiring secondary data through reading legal materials. Legal materials consist of primary, secondary, and tertiary legal materials. In this research, data analysis is conducted qualitatively, linking the field data with the related issues.

3. Result and Analyze

Wage System in Indonesia

The wage system is a framework for how wages are regulated and established. Etymologically, it comes from the Latin word "system" or Greek "sustema," meaning a unity consisting of elements or components interconnected to facilitate various matters. Meanwhile, wages, in a terminological sense, refer to a payment received as compensation from employers to workers for work or services performed or to be

¹⁶ Dinda Aulia Damayanti, Analisis Penerapan Sistem Akuntansi Penggajian Dan Pengupahan Pada PT. PLN (Persero). Prisma (Platform Riset Mahasiswa Akuntansi) 2 No 2 (2022): 11-20

performed, expressed or assessed in monetary form, set according to an agreement or regulatory law, and paid based on a work agreement between employers and workers.

According to Article 1, number 30 of Law Number 13 of 2003 concerning Employment, "Wages are the rights of workers received and expressed in the form of money as compensation from employers or employers to workers determined and paid according to a work agreement, agreement, or regulations, including allowances for workers and their families for work and/or services performed or to be performed."

Government Regulation Number 78 of 2015 concerning Wages in Article 12 states that wages are determined based on time units and results, and Article 18 of the Minister of Manpower Regulation Number 15 of 2018 concerning Minimum Wages states, "(1) Minimum wages are paid monthly to Workers, and (2) Based on agreement between Workers and Employers, Minimum Wages can be paid daily or weekly with the calculation of Minimum Wages based on monthly wages."

A wage system determined solely by workers is referred to as a monopoly framework of unions, while a wage system determined by employers is called the efficiency wage hypothesis. Therefore, the wage system should be reinforced based on negotiation¹⁷. Factors considered in determining wage levels in Indonesia include government regulations, market wage levels, human resource qualifications, worker demands, wage offerings, and work productivity.

Indicators for wage regulation established by the government to protect workers are regulated in Article 88, paragraph 2 of Law Number 13 of 2013 concerning Employment, including minimum wages, overtime pay, wages for absence due to reasons, wages for absence due to other activities outside work, wages for taking work break rights, forms and methods of wage payment, fines, and wage deductions¹⁸.

Law Number 6 of 2023 concerning the Establishment of Government Regulation in Lieu of Law Number 2 of 2022 concerning Job Creation as Law regulates the wage system for workers in Article 88A of the Employment Law, which explains that:

1. Workers' rights to wages arise at the time of the employment relationship and end upon its termination.
2. Every worker has the right to receive equal pay for work of equal value.
3. Employers are required to pay workers according to the agreement.
4. Wages determined by agreement must not be lower than the wage provisions set by regulations.
5. If wage agreements are lower or contrary to the regulations, the agreement is null and void.
6. Delayed wage payments due to employer negligence or intentionality are subject to fines according to a certain percentage of the wage.
7. Workers who violate due to negligence or intent may incur fines.
8. The government regulates the imposition of fines on employers and/or workers regarding wage payments.

¹⁷ Fahmi idris, *Dinamika Hubungan Industrial*, Jakarta: CV. Budi Utama, (2012):. 70

¹⁸ Djoko Triyanto, *Hubungan Kerja di Perusahaan Jasa*, Semarang: Mandar maju, (2004): 128

In Article 88B of Law Number 6 of 2023 concerning the Establishment of Government Regulation in Lieu of Law Number 2 of 2022 concerning Job Creation as Law, wages set based on time units include:

1. Monthly wages, based on agreements between workers and employers but must not be lower than the applicable minimum wage.
2. Daily wages, based on employee attendance, calculated as monthly wages divided by 25 (for a 6-day workweek) or monthly wages divided by 21 (for a 5-day workweek).
3. Hourly wages, applicable only for part-time workers, calculated based on agreement but must not be lower than monthly wages divided by 126.

Articles 88C, 88D, 88E, and 88F of Law Number 6 of 2023 concerning the Establishment of Government Regulation in Lieu of Law Number 2 of 2022 concerning Job Creation as Law regulate the basic provisions of minimum wages. The minimum wage is the lowest monthly wage consisting of basic wages and fixed allowances. The key provisions for minimum wages include:

1. Provincial minimum wages (UMP) and district/city minimum wages (UMK) are set by the governor based on economic and employment conditions.
2. Minimum wages are calculated using a formula considering economic growth, inflation, and specific indices.
3. Minimum wages only apply to workers with less than one year of service at the company.
4. Employers are prohibited from paying wages below the minimum wage.

Wage System for Workers at PT Wedanata Industri Nusantara Badung Bali

PT Wedanata Industri Nusantara Badung Bali is a company engaged in clothing production. The company's main products are t-shirts, polos, and other uniforms, with human resources (HR) experiencing annual changes. PT Wedanata Industri Nusantara Badung Bali has 26 workers categorized into three types: four workers under indefinite work agreements (PKWTT), ten workers under fixed-term work agreements (PKWT), and twelve workers under contract labor.

Due to the different types of work agreements, the wage procedures used by PT Wedanata Industri Nusantara Badung Bali vary. The wage systems implemented at PT Wedanata Industri Nusantara Badung Bali include:

Type of Worker	Wage System	Work Division
Indefinite Work Agreement (PKWTT)	<ul style="list-style-type: none">• Monthly Salary• Holiday Allowance• Incentives• Bonus• Overtime Pay	<ul style="list-style-type: none">• Manager• Accounting Staff• Administrative Staff• Design

	<ul style="list-style-type: none"> • Meal and Transport Allowance 	Division
Fixed-Term Work Agreement (PKWT)	<ul style="list-style-type: none"> • Monthly Salary • Holiday Allowance • Bonus • Overtime Pay • Meal and Transport Allowance 	<ul style="list-style-type: none"> • Accountan • Production Admin • Quality Control
Contract Workers	<ul style="list-style-type: none"> • Weekly Salary • Meal and Transport Allowance • Holiday Allowance • Bonus 	<ul style="list-style-type: none"> • Cutting Team • Sewing Team • Printing Team

One means to enhance employee performance is by understanding their needs and striving to fulfill them. Bonuses, incentives, and holiday allowances serve as motivational tools, providing assistance as encouragement to stimulate a greater spirit for organizational performance.

Regarding the provision of bonuses, incentives, and holiday allowances at PT Wedanata Industri Nusantara Badung Bali, incentives are given as additional payments beyond salaries. Bonuses are awarded when workers achieve job targets, with amounts adjusted based on the targets reached. The amount of incentives provided aligns with standard operating procedures (SOP).

PT Wedanata Industri Nusantara Badung Bali faces several external challenges in providing minimum wages, including a lack of orders/projects, payments not matching agreements from clients, and high production costs. Internally, obstacles include human resources (HR), machine maintenance and age, and material/raw material issues. Based on this issue, PT Wedanata Industri Nusantara in Badung, Bali, has not implemented a wage system in accordance with Article 88A of Law Number 6 of 2023 on Job Creation, which stipulates that workers are entitled to equal pay for work of equal value and that employers are obligated to pay wages to workers as per the agreed terms.

4. Conclusion

Indonesia has regulations governing wages, such as Law Number 13 of 2003 concerning Employment in Article 1, number 30, Government Regulation Number 78 of 2015 concerning Wages in Article 12, and Minister of Manpower Regulation Number 15 of 2018 concerning Minimum Wages in Article 18. More detailed regulations governing wages and wage systems are outlined in Law Number 6 of 2023 concerning the Establishment of Government Regulation in Lieu of Law Number 2 of 2022 concerning Job Creation in Article 88. The wage system at PT Wedanata Industri Nusantara in

Badung, Bali, has not been fully optimized in accordance with Article 88A of Law Number 6 of 2023 on Job Creation specifically stipulates that workers are entitled to equal pay for work of equal value and that employers are obligated to pay wages to workers in accordance with the agreed terms.

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Law No. 6 of 2023 on the Enactment of Government Regulation in Lieu of Law No. 2 of 2022 on Job Creation

Government Regulation No. 78 of 2015 on Wages

Minister of Manpower Regulation No. 15 of 2018 on Minimum Wage