

# The absolute competence of the industrial relations court resolving employment termination disputes

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## Abstract

**Purpose:** The jurisdictional scope or competence of the Industrial Relations Court is elaborated in Section 56, Law Number 2, Year 2004. However, Section 56 Number Law 2 Years 2004 has spurred further debate regarding the proper competence of the Industrial Relations Court because, under this law, the Court has issued ineffective and inefficient court decisions. In response to this debate, this study problematizes the competence of the Industrial Relations Court in presiding over the termination of employment contracts.

**Method:** In analyzing the problem, this research uses a normative juridical method that has a systematic way of conducting research, focusing on competency theory, the theory of justice and supremacy of law, subjective justice, competency of the Industrial Relations Court according to existing laws and regulations, and experts' views regarding the contribution of the existing literature to the competency of Industrial Relations Court judges.

**Results:** This study argues that an excess of laws governs the termination of employment contracts, which supposedly lies under the competence of the Industrial Relations Court. Hence, to protect the rights of employees in the context of industrial relations, a judicial review of Law Number 2 Year 2004 on manpower is required.

**Limitations:** This research has a number of limitations, including the time required to search for additional references, such as the latest journals, and comparisons with the competence of industrial relations courts in various countries.

**Contributions:** It is hoped that the results of this research can provide information as a basis for consideration and contribution of thought to policymakers in formulating laws and regulations more effectively and efficiently to bring justice, legal certainty, and benefits to society.

**Keywords:** *Subjective Justice, Industrial Court*

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## 1. Introduction

Everyone needs a source of income. To do so, one is dependent upon others to draw income (Asikin & Adha, 2023). Someone who lacks capital requires a source of employment from others, while others who have obtained sufficient capital need employees to maintain the productivity of their capital. This relationship of dependence is known as an employment relationship, which occurs when a person (worker or employee) provides expertise and energy to another entity (employer or leader) in return for money (Amin, 2023). An employment relationship is defined as the relationship between employers and employees after an employment agreement is reached. Workers play an important role in achieving

national development goals, increasing the quality of national development, and protecting their rights and interests through the principles of dignity and humanity (Sastrohadiwiryo, 2002).

In line with the new era of governance in Indonesia, namely the Reform Era, which has renewed all arenas of national and state life, Presidential Decree Number 83 of 1998 ratified International Labour Organization (ILO) Convention Number 87 of 1948 concerning the Freedom of Association and Protection of the Right to Organize/Convention Concerning the Freedom of Association and Protection of the Right to Organize (Suratman, 2019). The Regional/Central Labor Dispute Settlement Committee under the auspices of the Ministry of Manpower, which was established in 1957, no longer has the jurisdictional authority to preside disputes regarding employment termination, which has been governed by District Courts under the provisions of Law Number 2 Year 2004 concerning Industrial Relations Dispute Settlement since January 14, 2005. By the Regional/Central Labor Dispute Settlement Committee, these cases were tried by summoning the disputing parties, namely employers and workers/labor unions (Damayanti, 2023). The provisions in Law Number 2 of 2004 state that the Industrial Relations Court is a Special Court that functions as a general court (Article 55). If the disputing parties agree to settle in court, Article 55 of Act Number 2 of 2004 governs the right to examine, hear, and decide on an industrial relations dispute under the Industrial Relations Court, which is a special court within the scope of general courts. According to Article 56 of Act Number 2 Year 2004, the Industrial Relations Court has the duty and authority to examine legal disputes and issue decisions.

However, the provisions of Article 56 of Act Number 2 Year 2004 have been much debated because the jurisdictional scope or competence of the Industrial Relations Court in resolving industrial relations disputes remains unclear. The scope of the Industrial Relations Court's jurisdiction is contained in the provisions of Article 56 of Act Number 2 Year 2004, which is considered redundant by some legal scholars. For example, according to Soepomo (1978) (which is further elaborated by Marzuki (1996)), employment termination disputes are part of a dispute over employment rights, such that employment termination disputes are contained only in the provisions in Paragraph 1 of Article 56. The provisions of Article 56, paragraph (1), state that the Industrial Relations Court is authorized to examine and decide upon the settlement of industrial relations disputes regarding labor rights. Regarding paragraph (3) of the same article, Soepomo and Marzuki interpreted employment termination disputes as part of a dispute regarding labor rights; thus, paragraph (1) of the same article should be sufficient. Furthermore, concerning paragraph (2) of the same article, some scholars argue that the Industrial Relations Court is not authorized to examine and decide upon disputes over vested interests because such disputes have been sufficiently elaborated in employment agreements or collective labor agreements. This situation has resulted in legal uncertainty, especially for workers who fight for their right to obtain legal certainty and justice.

In carrying out the provisions contained in Article 56 of Act Number 2 of 2004 concerning the Settlement of Industrial Relations Disputes, the Industrial Relations Court, as a judicial institution that has the competence to resolve industrial relations problems, failed to provide legal certainty and a sense of justice for both employers and employees. The Court's excessive jurisdictional scope has resulted in ineffective and inefficient decisions. For example, during a hearing that is part of a lawsuit, a plaintiff often misinterprets the case being experienced. Frequently, the plaintiff submits a lawsuit regarding improper termination of employment; however, in the positive description, the problem is not the mechanism and procedure for employment termination. Rather, the grounds for the plaintiff's dispute are the improper fulfillment of their rights after employment termination. Such inappropriate handling of disputes impacts the purpose of the Industrial Relations Court in settling industrial relations disputes. Thus, employers and workers will not achieve legal certainty or a sense of justice through the Industrial Relations Court (Anwar, 2007).

Apart from the research above, the author also found research on "renewing employment dispute resolution in industrial relations courts based on the principles of simple, fast and low cost as an effort to realize legal certainty" written by Sherly, Karsona, and Inayatillah (2021). This research was published in the Bina Mulia Hukum Journal, Volume 5, Number March 2, 2021. From the results of the

research above, it is necessary to revise Law Number 2 of 2004, namely, that the existence of industrial relations conciliation and arbitration institutions needs to be considered. Through the revision referred to, the law becomes more comprehensive so that it can reflect the legal ratio of legal certainty and justice to realize the principles of fast, precise, fair, and cheap justice based on the values of Pancasila (Sherly et al., 2021). The author also found other research regarding the analysis of Indonesian labor laws in facing the challenges of the 4.0 industrial revolution, " written by Nuraeni (2020). This research was published in the Employment Journal, Volume 15, Number January 1 Edition - June 2020. From the results of this research, it was found that, to protect workers in the digital era, it is necessary to readjust labor laws in Indonesia. By developing more flexible work relationships in the digital era, labor laws need to re-regulate the types of relationships and social protection (Nuraeni, 2020).

Referring to the two research results above, the author agrees that the revision of Law Number 2 of 2004 must primarily start from the authority of the Industrial Relations Court in the process of resolving industrial relations disputes so that it can provide legal certainty, justice, and legal benefits, not only for workers. but also for entrepreneurs, the government, and all parties involved.

## **2. Literature review**

### **2.1 Competency Theory**

Competence is also referred to as the authority (power) to find (decide something). The competence of a particular court to examine, hear, and decide on a case depends on the type and level of court according to applicable laws and regulations. Based on the type and environment of the court, the General Courts are distinguished (including the Industrial Relation Court and the Corruption Court) into Military Courts, Religious Courts, and State Administrative Courts. According to its level, Indonesian courts consist of the First Level Court, the High Court (Appeals), and the Supreme Court (Cassation Level Court). The first-level court is determined by the number of regional level II governments (regencies/municipalities), the number of high-level court cases, and the number of provincial-level administrations, while the Supreme Court (cassation) only exists in the national capital as the culmination of all existing court environments. The main pillar of the state of law is the principle of legality. Legality implies that it is the source of authority for the government (Tjandra, 2018). Theoretically, there are three ways to obtain authority from legislation (Gadjong, 2007): 1) attribution, 2) delegation of authority with delegates, and 3) delegation of authority with a mandate. Each judiciary has two competencies: relative and absolute (Musthofa, 2005). The division of absolute and Relative Competencies is as follows.

#### **1. Absolute Competence**

Regarding the authority of the judicial body to examine, hear, and decide on a particular case that is impossible for other judicial bodies to do, as known in Law Number 48 of 2009 concerning Judicial Power, we know 4 (four) judicial environments: general, religious, military, and state administrative courts.

- a) Absolute Competence of General Courts is to examine, hear, and decide criminal cases committed by civilians and civil cases unless a statutory regulation determines otherwise (Article 25 Paragraph (1));
- b) Absolute Competence of the Religious Courts is examining, judging, and deciding cases of people who are Muslim in the fields of marriage, inheritance, will, grant, *waqf*, and *sadaqah* (Article 25 Paragraph (2));
- c) Absolute Competence of Military Courts is to examine, hear, and decide criminal cases committed by members of the military both from the army, navy, air force, and police (Article 25 Paragraph (3));
- d) The State Administrative Court's absolute competence is examining, adjudicating, and deciding on disputes arising in the field of state administration between a person or civil legal entity and a state administrative body or officials because of the issuance of a state administrative decision, including personnel disputes or the non-issuance of a decision within the time limit specified in statutory regulation, while the issuance of a decision has become the obligation of the relevant state administration body or official (Article 25 Paragraph (4)).

## 2. Relative Competence

The relative competence of the court is the authority of a particular judicial environment based on the jurisdiction of its territory, namely to answer the question "Which regional court is authorized to try a case?" In civil procedural law, according to Article 118 Paragraph (1) *Herzein Inlandsch Reglement*/HIR (Herzein Inlandsch Reglement (H.I.R) 1941), the court authorized to hear a civil case is a District Court (DC), whose jurisdiction covers the residence of the defendant (*actor sequitur forum rei*). Submitting a lawsuit to a court outside the jurisdiction of the defendant's residence was not justified.

The relative competence of the court is the authority of a particular judicial environment based on the jurisdiction of its territory, namely to answer the question "Which regional court is authorized to try a case?" In civil procedural law, according to Article 118, Paragraph (1), HIR, which is authorized to hear a civil case, is a District Court (DC) whose jurisdiction covers the residence of the defendant (*sequitur actor forum rei*). Submitting a lawsuit to a court outside the jurisdiction of the defendant's residence was unjustified.

However, what if a defendant had multiple official residences? In this case, the plaintiff can submit a lawsuit to the DCs in which the defendant lives. For example, a defendant in his identity card is said to live in Kupang City, where the defendant also owns a business, while, in fact, he also lives in Denpasar. In such a case, the claim can be submitted to both the DCs in the jurisdictions of Kupang City and Denpasar. Thus, the starting point for determining which DC is authorized to hear cases is where the defendant lives and not the place of the crime (*locus delicti*), as in criminal procedural law. If a case has several defendants and each defendant resides in a different jurisdiction, the plaintiff can file a claim to the DC whose jurisdiction covers the residence of one of the defendants. The plaintiff has the right to different options provided that the defendant consists of several people, each of which lives in a different DC jurisdiction. If the defendant consists of more than one person, where one defendant is the principal debtor and the other defendant is the guarantor, then the relative authority of the DC who hears the case falls to the DC whose legal area covers the principal debtor's residence.

Another option is a lawsuit filed with the DC, whose legal territory covers the plaintiff's residence, that is, if the defendant's residence is unknown. To avoid manipulation by the plaintiff, a claim that the defendant's residence is unknown requires a statement from the relevant official, such as a statement from the village head. If the object of the claim concerns an immovable object (fixed object) such as land, then the claim is filed with the DC whose legal area includes the immovable object. If the existence of immovable objects covers several jurisdictions, the claim is submitted to one DC at the plaintiff's choice. However, if the case is for claims of compensation based on Article 1365 of the Civil Code, whose source comes from immovable objects, then the principle of the *actor sequitur forum rei* applies (the immovable object is a "case source" and not a "case object"). For example, the demand for compensation over damages inflicted on plantations. In an agreement, sometimes the parties determine a particular DC who competently checks and hears their case. This, based on the principle of freedom of contract, can be included as an agreement clause, but if a dispute occurs, the plaintiff has the freedom to choose whether the choice of a DC is based on the clause designated in the agreement or the principle of *actor sequitur forum rei*. Thus, the choice of a particular place of domicile in an agreement does not exclude the principle of the *Sequitur Forum Rei actor*, and the defendant cannot execute such actions. For example, the Bandung District Court has the authority to try a crime that took place in Cimahi. Thus, it can be concluded that the term attribution of Sjarah Basah is equal to absolute competence, and the term delegation is the same as relative competence.

### 2.2 Competence Of The Industrial Relations Court

According to Kamus Besar Bahasa Indonesia, competence is the authority (power) to determine or decide upon an issue. The court's competence to examine, hear, and decide on a case related to the type and level of the existing court is based on applicable laws and regulations. Based on the type and environment of the court, general courts, military courts, religious courts, and Administrative Courts (administrative courts) are distinguished. Based on its level, the court consists of the First-Level Court, the High Court (Appeals), and the Supreme Court (Cassation Level Court). Thus, the number of first-

level courts is determined by the number of regional level II governments (regencies/municipalities), whereas the number of high-level courts (number) is determined by the number of first-level governments (provinces). The Supreme Court exists only in the national capital of all existing court environments.

Law Number 2, Year 2004, governs court competencies to examine and hear cases of Industrial Relations disputes or Labor Disputes. Previously, industrial relations disputes were governed by the Regional Labour Dispute Settlement Committee, but such disputes are now defined under the absolute competence of the IRC. Based on the provisions of Article 1 number 17 of Act Number 2 Year 2004, the IRC is a special court established within the district court that has the authority to examine, hear, and make decisions on industrial relations disputes. The limitation of the definition of industrial relations disputes based on the provisions of Article 1 number 1 of Act Number 2 Year 2004 is that Industrial Relations Disputes are differences of opinion that result in conflicts between employers or joint entrepreneurs and workers or trade unions due to disputes regarding rights, interest disputes, termination of employment disputes, and disputes between trade unions in one company. The provisions of Article 56 of Act Number 2 Year 2004 state that the Industrial Relations Court has the duty and authority to examine and decide:

1. At the first level, regarding rights disputes.
2. At the first and last levels of interest disputes
3. At the first level of employment termination dispute
4. At the first and last level regarding disputes between labor unions in 1 (one) company

In general, the procedural law that applies to the IRC is the Civil Procedure Law, which applies to courts in the General Courts environment, except those specifically regulated in Law Number 2 Year, 2004. This is explicitly stated in Article 57 of Act Number 2 Year 2004 and regulates the provisions and procedures of the procedure that constitute special provisions (*lex specialis*) and general procedural legal provisions that apply so that general civil procedural law only applies if it is not regulated in the special law. One exception in IRC's procedural law is the explicit determination of the settlement period of cases within a relatively short period. For the case of Industrial Relations Disputes in the first level, Law Number 2 Year 2004 mandated the issuance of court decisions within 50 (50) days after the first session (Article 103).

### **2.3 Theory Of Legal Certainty And Justice**

#### **1. Legal Certainty Theory**

According to Van Apeldoorn, legal certainty means the following.

- a) Determination of laws that apply to concrete problems. With the stipulation of legal regulations to define concrete problems, litigants will know from the outset what provisions are used in a particular dispute.
- b) Legal certainty refers to legal protection. Thus, parties to a dispute can be protected from judgment arbitrariness. Legal certainty ensures that only judges and lawmakers have the authority to determine life under law (PUSKUMHAM, 2022).

According to Utrecht (Moechthar, Poespasari, & Soelistyowati, 2023), the law is tasked with ensuring legal certainty in human relationships. Legal certainty is known in two ways.

- a) Certainty due to law. In this case, the obligations of one entity to another under law are certain. For example, with the existence of a temporal statute of limitations (*verjaring*) as stated in Article 78 of the Criminal Code, the right of the government to prosecute a crime is limited to a specific timeframe.
- b) Certainty in or from the law. Certainty can be achieved if the law is defined by statutes and codes. Certainty in law entails creating regulations or methods that can be used as definite guidelines, and these methods must be strictly enforced.

Legal certainty is aimed at providing certainty in three different legal spheres: (1) how individual citizens can solve problems or disputes that may occur; (2) which public roles and institutions can provide assistance to citizens at large; and (3) how the authority of these public roles is defined and

organized. Thus, legal certainty is inherent in the law itself. One way to achieve legal certainty is to adhere to written rules that can serve as guidelines. Legal certainty is one of the basic legal values, in addition to other basic legal values, such as the values of justice and religion, as stated by Radbruch.

## 2. Justice Theory

Among legal experts, it is generally understood that the law has three main objectives.

- a) Justice;
- b) Legal Certainty or *zekerheid*;
- c) Usability.

Justice is commensurate with balance and propriety (equity) as well as fairness (proportionality), while legal certainty is related to order and peace. Meanwhile, usability can guarantee that all these values will bring peace to life. The Kemendikbudristek RI (*Kamus Besar Bahasa Indonesia*. 2017) justice comes from the word “just,” which means impartial, not arbitrary, and sensible.

The terminology of justice according to nature (deeds, treatment), that is fair, defends the rights and obligations of the community, a just situation in the life of the community. The purpose of the law cannot be separated from the ultimate goal of the life of the nation, state, and society, and can be separated from the values and philosophy of life of society itself, namely justice. In addition, there are also forms of good, namely, honesty, loyalty, and generosity. In another opinion, justice is seen as a good that includes all virtues such that justice approaches the notion of an ideal. For Aristotle, justice must be distributed by the state to all people, and the law must guard justice so that justice will reach everyone. Aristotle further stated that justice is a political stance that forms the basis of state regulations, and these rules are the rules of what is right. Here, people must control themselves from *pleonexia*, which is to benefit by seizing what belongs to others or refusing to give what should be given to others. Aristotle approached justice in terms of equality, distinguishing two forms of justice:

- a) Distributive justice or *justitia distributiva*: Distributive justice is given to each person based on their rights. Distributive justice plays a role in the relationship between society and individuals, and is the principle of justice according to equanimity rather than equality. Equity obliges the leader of a community to distribute responsibilities, functions, and rewards in proportion to the skills and services provided by each member of the community.
- b) Cumulative Justice or *justitia cummulativa*: Cumulative justice is the justice received by each member, regardless of their form of service. This justice is based on transactions (*sunallagamata*), whether voluntary. This justice occurs in the field of civil law, such as in agreements with exchange.
- c) Corrective Justice (*Iustitia creativa*): Corrective justice focuses on correcting wrongs. If a rule is violated or an error is made, corrective justice seeks to provide adequate compensation to the injured party. If a crime has been committed, then appropriate punishment must be given to the offender. However, injustice will result in the disruption of "equality," which has been established or formed. Corrective justice is tasked with restoring equality. From this description, it appears that corrective justice is a judicial area, whereas distributive justice is a field of government.
- d) Protective Justice (*iustitia protectiva*): Protective justice is justice that protects everyone in society, such that no one is treated arbitrarily.

### 2.4 Workers/Laborers

THE DEFINITION of workers/laborers is very broad, that is, every person who does work, both inside and outside of the employment relationship, the latter of which has been inappropriately referred to as “free laborers” (Soepomo, 1978). The definition of workers/labourers provided by Article 1 Paragraph (3) of Law Number 13 of 2003 includes anyone who works to receive wages or other forms of compensation. This definition is narrower than the definition of labor in Article 1, paragraph (2), which states:

*"Everyone who can do work to produce goods and/or services is good for meeting their own needs and for the community."*

Labor includes workers/laborers, civil servants, people who are looking for work, and people who are free professionals such as lawyers, doctors, traders, and tailors. In other words, a person is referred to

as a worker/laborer if he/she does work to fulfill the orders of another person and, in exchange, receives wages or other forms of compensation. Workers who work under the orders of others by receiving remuneration but not in an employment relationship are not workers.

### **3. Methodology**

To answer the problems and achieve the objectives of this research, researchers use a normative juridical research model that has a systematic way of conducting research. In collecting data, descriptive-analytical research was carried out; namely, this research only describes the situation or circumstances that occur regarding the problems that have been raised by limiting the study framework to an analysis of laws and regulations regarding employment, labor disputes, and trying to explain the role of the Court. Industrial Relations in guaranteeing workers' rights in resolving employment termination disputes between employers and workers. In legal research, there are several approaches to obtaining information from various aspects of the issue of trying to find an answer. This study used an approach called the statutory approach. A statutory approach (statute approach) is carried out to examine statutory regulations (Law of the Republic of Indonesia Number 2 of 2004 concerning the Settlement of Industrial Relations Disputes) that regulate matters related to the attribution of industrial relations courts.

### **4. Results and discussions**

#### ***4.1 The scope of the absolute competence of the Industrial Relations Court in employment termination cases***

The Settlement of labor disputes in Indonesia after independence was initially regulated by the Republic of Indonesia Emergency Law Number 16 of 1951 concerning the Settlement of Labour Disputes, which affirmed the definition of labor disputes. Law Number 16 of the year 1951 was amended by the Republic of Indonesia State Law Number 22 of the year 1957 concerning the Settlement of Labor Disputes, which was amended again by the Republic of Indonesia State Law Number 2 of the year 2004 concerning the Settlement of Industrial Relations Disputes. Law No. Two years 2004 instituted several changes, including the formation of the Industrial Relations Court, which replaced the Regional Level Labor Relations Dispute Settlement Committee and the National Labor Relations Dispute Settlement Committee because these committees have been deemed inadequate for resolving labor relations disputes nationally. However, these changes have been inadequate in defending the rights of workers and laborers. While the competence of the Industrial Relations Court to resolve industrial relations disputes is contained in the provisions of Article 56 of Act Number 2 of 2004, this is contrary to the 1945 Constitution of the Unitary State of the Republic of Indonesia. According to Article 56, Law Number 2 of 2004, the Industrial Relations Court has the duty and authority to examine and decide:

1. at the first level regarding rights disputes.
2. at the first and last levels of interest disputes
3. at the first level regarding termination of employment disputes.
4. at the first and last levels regarding disputes between trade unions/labor unions in one company.

The definition of rights disputes is regulated in the provisions of Article 1 rate 2 Number 2 Year 2004, which is a dispute arising from differences in interpretation between workers and employers on matters that have been regulated in laws and regulations, whether in law, agreements work, company regulations, or collective labor agreements. The difference in interpretation could occur because of the ambiguity of explanations in the laws and regulations in question or differences in the assessment of a legal fact (legal facts). For example, a termination of employment that is carried out arbitrarily or against the law is null and void; hence, in such cases, dismissed workers/laborers must be re-employed by their respective employers. However, in practice, employers tend to be reluctant to resume employment because of an acrimonious relationship with their employees. Hence, in this case, an employee remains dismissed, although the law stipulates that otherwise.

Article 1 rate 3 Number 2 of the Year 2004 governs disputes arising in employment relations due to causes that have not been regulated in laws, work agreements, company regulations, or any other legally binding agreements. Such disputes have included those regarding the provision of pickup buses for

workers and uniform procurement for workers or laborers. These disputes are non-normative insofar as they are unregulated in-laws, work agreements, company regulations, or collective labor agreements. The termination of employment disputes is most common in the Industrial Relations Court (IRC). Based on the provisions of Article 1 Rate 4 Number 2 of 2004, disputes regarding termination of employment arise from the lack of conformity of opinion regarding the termination of employment relations carried out by one of the parties (Muharam, 2006).

Based on the provisions of Article 1 rate 5 Number 2 of 2004, disputes between trade unions and labor unions are disputes between trade unions and other trade unions in only one company because there is no agreement regarding membership, implementation of rights, and work-union obligations. This occurs as a result of the Republic of Indonesia State Law Number 21 of 2000 concerning Trade Unions/Labor Unions, which does not impose restrictions on the number of unions or trade unions allowed in a single company. Based on legal theory, there are two labor disputes: disputes over rights and disputes over interests. Soepomo (1978) states that labor disputes consist of rights disputes (*rechtsgeshil*) and interest disputes (*belangengesgil*). According to Marzuki (1996), there are two types of disputes that characterize labor cases:

1. Cases of rights disputes (*rechtsgeschil*, conflict of rights) that adhere to the absence of such an agreement emphasize the legal aspect (*rechtsmatigheid*) of the problem, mainly concerning the imposition of promises (defaults) on work agreements, a violation of labor laws and regulations.
2. Cases of disputes (*belangeschillen*, conflict of interest) that adhere to the absence of understanding regarding the work conditions and/or conditions of labor, especially concerning the economic improvement and accommodation of the lives of workers. Such disputes emphasize the *doelmatigheid* nature of disputing parties (Marzuki, 1996).

Regarding the two opinions, the author concludes that the type of industrial relations dispute in letter (C.) Disputes regarding employment termination are arguably contained within rights disputes (Uwiyono, 2001). According to Aloysius Uwiyono, in a dispute over rights, the law is violated, not implemented, or interpreted differently by disputing parties. The author considers Article 56 of Act Number 2 of 2004 redundant in formulating the types of industrial relations disputes. Employment termination disputes arise as a result of working relationships, either because of defaults on employment contracts or violations of laws, company regulations, or collective labor agreements. Hence, employment termination disputes remain an inseparable part of the rights disputes.

This study argues that disputes between trade unions in a single workplace are disputes between one group of workers and another group of workers without involving employers. Thus, such disputes are outside the scope of the Industrial Relations Court because the IRC is a special court established in a district court that has the authority to examine, hear, and make decisions on industrial relations disputes (Article 1, No. 17 of Act 2 of 2004). When considering the judicial powers outlined for the General Courts, Religious Courts, Military Courts, and State Administrative Courts according to Article 10 Paragraph (1) of Law Number 14 Year 1970, such provisions contradict Article 1 Number 17 of Act Number 2 of 2004. Article 10, Paragraph (1) of Law Number 14, Year 1970, declares that disputes between trade unions in one company should only be resolved within a general court rather than an industrial court. Because employers have minimal industrial relations actors, disputes between trade unions in a single workplace should be resolved in the general court environment, namely, the District Court. The District Court's absolute competence is to examine, decide, and settle criminal and civil cases at the first level. (Article 50 of Law 2, 1986). Disputes between trade unions/labor unions in one company are classified as civil matters, so they should be the authority of the District Court.

Interest disputes cannot be resolved at the Industrial Relations Court because the IRC's authority is to examine, hear, and make decisions on industrial relations disputes. (Article 1, No. 17 of Act Number 2 of 2004). According to the author, conflicts of interest can only be resolved through non-litigation channels, namely alternative dispute resolution (ADR), which consists of mediation, conciliation, and arbitration. The existence of ADR is based on a paradigm to solve existing problems and not win cases. ADRs tend to solve disputes by finding a win-win solution in the form of policy. That is, one party does not insist on winning the case but resolves the problem. The author also found that the formulation of

Article 56 of Act Number 2 of 2004 is redundant and contrary to Article 24 Paragraph (2) of the 1945 Constitution of the Unitary State of the Republic of Indonesia, in conjunction with Article 10 Paragraph (1) of Law Number 14 of 1970 concerning the judicial environment. Article 24 of the 1945 Constitution of the Unitary State of the Republic of Indonesia is as follows.

1. Judicial power is an independent power that conducts justice to uphold law and justice.
2. Judicial power is carried out by a Supreme Court and a judicial body in the general court environment, religious court environment, military court environment, state administrative court environment, and by a Constitutional Court.
3. Other bodies whose functions are related to judicial power are regulated by law.

The formulation of Article 1 point 17 of Act Number 2 of 2004 does not properly equate General Justice with the District Court because the District Court is an agency that implements the judicial system in the form of examining and adjudicating cases. The General Court cannot be equated with the District Courts and vice versa because the General Court is a process of establishing and finding laws, while the Civil Court is an institution for enforcing the law.

The Industrial Relations Court should only be authorized to handle cases of rights disputes, including employment termination. Interest disputes can only be resolved through non-litigation channels, namely alternative dispute resolution (ADR), which consists of mediation, conciliation, or arbitration, by seeking a win-win solution in the form of wisdom and focusing on *doelmatigheid* aspects of the problems that occur. Disputes between trade unions/labor unions in one company are disputes between workers, without involving employers, so that they can be classified into civil cases, which should be the authority of the General Justice environment, namely, the District Court. Thus, the judicial overreach of the Industrial Relations Court results in a lack of legal protection for workers who deserve justice and legal certainty. The Industrial Relations Court is expected to be an institution intended by Article 24 of the 1945 Constitution of the Unitary State of the Republic of Indonesia (The Constitution of the Unitary State of the Republic of Indonesia Year 1945 1945) to conduct justice to enforce law and justice will not succeed in providing legal certainty and justice for workers.

## 5. Conclusion

The Authors draw the following conclusions: The competency scope of the Industrial Relations Court based on the provisions of Article 56 of Act Number 2 of 2004 concerning Labor is too excessive; thus, the Industrial Relations Court should only have the duty and authority at the first level to settle employment termination disputes.

The authors suggest the following steps to be taken to restore proper judicial competency: the Government and the House of Representatives need to conduct a legislative review for Law Number 2 of 2004 concerning employment. A judicial review should clarify the competency of courts in resolving labor-related disputes to provide legal assistance to workers/workers and maintain legal certainty and justice.

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