



Compliance of Business Actors Related to Legalization of Company Regulations in Gresik Regency

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Article	Abstract
Keywords: Company Regulations; Compliance; Labor Department	<i>In Article 108 paragraph (1) of Law no. 13 of 2003 concerning Manpower states that entrepreneurs who employ at least 10 (ten) workers/laborers are obliged to make company regulations which come into effect after being ratified by the Minister or appointed official. Referring to this article, business actors in Gresik Regency who have at least 10 (ten) workers/laborers are required to make and record company regulations with the Gresik Regency Manpower Office. In several companies, especially in Gresik Regency, there are still many companies that have not registered or ratified company regulations owned by the Gresik Regency Manpower Office. This is because business actors do not hesitate and comply with the applicable provisions in the Employment Law. This research uses empirical legal research methods with a qualitative approach to obtain primary data obtained and collected directly in the field by direct interviews with informants, namely industrial relations mediators and business actors. The research results show that: First, legal compliance among business actors is still at its lowest point, namely at the level of compliance where someone will comply with a rule because they are afraid of being sanctioned. Second, the efforts made by the Gresik Regency Manpower Office in complying with the law for business actors are preventive, where the Gresik Manpower Service carries out outreach to several companies with direct visits to companies in the Gresik area.</i>

INTRODUCTION

Company as a business entity created to seek profit or gain, where each company is created based on and has legal force. In running the company, there also needs to be order so that the company can run well and develop, therefore a rule is made which is better known as company regulations. Company regulations can be interpreted as a collection of rules made by a company leader in order to create order between leaders and workers so that harmony is created in working.

All these provisions are detailed in company regulations, aimed at ensuring that employees understand the limitations of their work, and are inspired to work better. Order is essential in running a company for optimal growth, and for that, company regulations are needed as a guideline. Workers/Laborers are the backbone of the corporation, often read from various texts on employment. This writing seems ordinary, as if it has no meaning. However, if explored further, the truth will be revealed. Workers are nicknamed the "backbone" because they have a very important role. The company will not be able to operate and participate in development without the presence of workers or laborers (Zainal asikin, 2016).

According to Law Number 13 of 2003 concerning Manpower, Article 1 number 16, " Industrial relations are a system of relations formed between actors in the production process of goods and/or services consisting of elements of employers, workers/laborers, and the government which are based on the values of Pancasila and the 1945 Constitution of the Republic of Indonesia ".

Industrial relations have certain methods to realize it, with means consisting of eight means . In accordance with Article 103 of Law Number 13 of 2003 concerning Manpower, it is stated that industrial relations are implemented through the following means :

- a. Trade unions/labor unions;
- b. Employers' Organization;
- c. Bipartite cooperation institution;
- d. Tripartite cooperation institution;
- e. Company regulations;
- f. Collective labor agreement;
- g. Employment legislation; and
- h. Industrial relations dispute resolution institution.

Based on this, the development of industrial relations must be based on a series of regulations that regulate the rights and obligations of each party. Of the 8 industrial relations facilities mentioned earlier, some are mandatory and others are more recommended. This study focuses on industrial relations facilities and company regulations, in addition to the 8 facilities that have been identified. According to Article 1 number 20 Law No. 13 of 2013 concerning Manpower, "Company Regulations are written regulations made by employers that include work requirements and company regulations." Company regulations also seek to build harmonious, safe, and dynamic working relationships between workers and employers, with the collaborative goal of advancing the company, as well as improving the welfare of workers and their families.

The creation of company regulations to regulate work conditions is strategic because it is mandatory for all companies that employ at least 10 workers. Therefore, most companies must create company regulations to provide clarity and certainty to

workers regarding their rights and responsibilities in the workplace (Putri Silvia Puspitasari, Sonhaji, 2015).

Article 188 paragraph (1) of the Manpower Law states:

"Anyone who violates the provisions as referred to in Article 14 paragraph (2), Article 38 paragraph (2), Article 63 paragraph (1), Article 78 paragraph (1), Article 108 paragraph (1), Article 111 paragraph (3), Article 114, and Article 148, shall be subject to a criminal fine of at least IDR 5,000,000.00 (five million rupiah) and at most IDR 50,000,000.00 (fifty million rupiah)".

Based on Article 108 paragraph (1) of the Law on Manpower, companies that have at least 10 (ten) workers are required to make company regulations, and if this is not implemented or violated, then based on Article 188 paragraph (1) will be subject to criminal sanctions in the form of a fine of at least Rp. 5,000,000.- (five million rupiah). The need for ratification of company regulations to the Manpower Agency provides the aim of legal compliance, with the legality and validity of the ratification of company regulations by the Manpower Agency providing legality and validity to the regulations, this ensures that the regulations implemented by the company are in accordance with applicable laws and employment regulations. The Manpower Agency acts as a supervisory body that ensures that company regulations are in accordance with the principles of transparency and accountability, this is very important to maintain trust between company management and employees.

According to Article 16 paragraph (1) of the Gresik Regent Regulation No. 72 of 2021 concerning the Position, Organizational Structure, Duties, Functions, and Work Procedures of the Gresik Regency Manpower Office, the responsibility of the "Industrial Relations and Social Security Division" is to carry out matters related to labor, such as fostering institutions and industrial relations, regulating salaries, work requirements, social insurance, worker welfare, and resolving industrial relations disputes. The Industrial Relations Division at the Gresik Regency Manpower Office is tasked with fostering and supervising industrial relations facilities, including fostering in the form of consultation on the creation of company regulations and ratification of company regulations in the Gresik Regency area, as well as supervision in the form of labor supervision.

Gresik Regency has three industrial areas: Gresik Industrial Estate, Maspion Industrial Estate, and Java Integrated Industrial Estate and Port Area JIPE). Due to the large number of business actors in Gresik Regency, the supervision problem must be intensified. Gresik Regency is home to investors in East Java because of its geographical location close to the city of Surabaya. Considering that Surabaya is already densely populated, Sidoarjo City is still constrained by the Lapindo mud problem, causing Gresik Regency to experience significant industrial development. In accordance with Government Regulation of the Republic of Indonesia Number 71

of 2021 concerning Special Economic Zones , Gresik has been added as a special economic zone so that investment policies in Gresik are easier and make investors comfortable running their businesses in Gresik Regency. The more businesses there are, the more workers/laborers must be protected (Basundoro.P, 2022)

Based on Law No. 7 of 1981 concerning Mandatory Reporting of Manpower in Companies, every company must report its company in the mandatory reporting system under the Ministry of Manpower. Based on the facts in the field, there are still companies that have not ratified their company regulations to the Gresik Regency Manpower Office. This makes the compliance rate related to industrial relations facilities not run optimally. Based on data obtained up to 2023, there are 1,811 companies in the Gresik area with a scale of micro, small, medium, and large companies. While the compliance rate for ratification of active company regulations is only 250 company regulations. Based on the explanation above, if described using table data, it is as follows:

Table 1
Number of Companies

No	Company Type	Friday
1.	Micro	1,372
2.	Small	116
3.	Intermediate	208
4.	Big	115
Total		1,811
Company Regulation Approval Compliance Score (Active Company Regulation)		250
Company Regulation Approval Compliance Rate (Company Regulation has not been extended)		150

Source : Gresik Regency Manpower Office

The problem in this case is increasingly complex. The compliance rate related to the creation and ratification is not comparable to the number of companies in the Gresik area, only reaching 13% of the total compliance rate. This could be due to the less than optimal supervision of Industrial Relations Mediator officers due to the lack of officers in supervising companies in the Gresik area. In my opinion, it is important to make improvements in the employment sector, especially in terms of supervision. This is necessary so that employment development can run in accordance with the values of Pancasila and applicable legal regulations

From the background of this study, it can be seen that the study was conducted due to deficiencies in company compliance with the process of making and ratifying Company Regulations, as well as in coaching and supervision by the Gresik Regency Manpower Office. The problems identified were the inconsistencies in the process of making and ratifying company regulations in Gresik companies with applicable laws

and regulations, which were caused by various factors. Supervision involves monitoring, evaluating, and if necessary, correcting various activities to comply with established standards. With effective supervision, management can ensure that the organization's operations are running according to the plans and objectives that have been set. achieved in accordance with applicable policies, directives, plans, and regulations (Purwadi, 2017). This supervision refers to the monitoring process to ensure that the activities carried out are in accordance with the established plan. It is important for supervision to run effectively and be bound by established procedures, without deviating from the established system. In addition to the role of supervisory officers, the role of the company in ensuring compliance with industrial relations facilities in the process of making and ratifying Company Regulations is also very important. This can create a harmonious, safe and dynamic working environment between workers, employers and the Gresik Regency Manpower Office, which can ultimately maintain good industrial relations conditions.

METHOD

This study uses an empirical legal research method that uses existing empirical facts, obtained from community behavior, verbal behavior obtained from interviews, and with applicable laws and regulations. In this study, researchers try to study the laws that are considered social behavior in community life and analyze the Legal Compliance of Business Actors related to the Legalization of Company Regulations in Gresik Regency.

RESULTS AND DISCUSSION

Legal Compliance of Business Actors Regarding Legalization of Company Regulations in Gresik Regency

Legal compliance is related to legal awareness, the difference is that in legal compliance there is a fear of sanctions (Rosana 2018) . A rule of law is said to be effective if society upholds and implements it properly. Legal compliance is the awareness and loyalty of society to the applicable law as a rule as a consequence of living together where loyalty is manifested in the form of behavior that is actually obedient to the law (between *das sein* and *das sollen* in fact are the same).

Nowadays, people are more daring to disobey the law for personal interests because they consider the law in its enforcement to no longer have authority, where law enforcers because of their personal interests are no longer good law enforcers, law enforcement is felt to be discriminatory. In this case, loyalty to personal interests becomes the starting point for why people do not obey the law.

Legal compliance has 3 (three) indicators, which cause society to obey the law, including (Soerjono 1977) :

- a) *Compliance*
- b) *Identification*

c) *Internalization*

The indicator is a sequential series to assess a person's legal compliance. A person is said to have high legal compliance if he knows, understands a legal rule and then followed by his attitude and behavior to comply with the legal rule. A person's legal compliance is said to be low if he only knows or even does not know a legal rule in his behavior.

Based on 3 (three) indicators of legal compliance, the author obtained research results regarding the legal compliance of business actors related to the legalization of company regulations in Gresik Regency, namely as follows:

a. **Compliance**

Compliance is an obedience based on the expectation of a reward and an effort to avoid punishment or sanctions that may be imposed if someone violates the law. The obligation to create and ratify company regulations itself has been explained in the laws and regulations, but the legal compliance of business actors in the legalization of company regulations is still not optimal. In order to find out the level of legal compliance of business actors, the author conducted interviews with industrial relations mediators and several research companies considering that the legal compliance of business actors in Gresik regarding the legalization of company regulations only reached 13% compliance from the total ratification of 250 active company regulations. Legal awareness is related to legal compliance, the difference is that in legal compliance there is a fear of sanctions (Rosana 2018). In the making and ratification of company regulations there is a legal awareness that will later give rise to legal compliance, because in the making and ratification of company regulations there is an obligation for employers to make company regulations in accordance with Article 108 paragraph (1) which states "Employers who employ at least 10 (ten) workers/laborers are required to make company regulations that come into effect after being ratified by the Minister or appointed official". Then if the company does not make and ratify its company regulations there are sanctions. This is in accordance with Article 188 paragraph (1) of Law No. 13 of 2003 concerning Manpower *in conjunction with* the Regulation of the Minister of Manpower No. 28 of 2014 which states:

"Anyone who violates the provisions as referred to in Article 14 paragraph (2), Article 38 paragraph (2), Article 63 paragraph (1), Article 78 paragraph (1), Article 108 paragraph (1), Article 111 paragraph (3), Article 114, and Article 148, shall be subject to a criminal fine of at least IDR 5,000,000.00 (five million rupiah) and at most IDR 50,000,000.00 (fifty million rupiah)".

Based on the interview conducted by the researcher with Mr. Puji Setyo Rahardjo as the industrial relations mediator of Gresik Regency on March 19, 2024, the following is the number of companies that registered their companies with the Gresik

Manpower Office, totaling 1,811 companies, with types of companies ranging from micro, small, medium, and large. However, only 400 companies have ratified their company regulations. Then the steps taken for companies that have not ratified their company regulations are:

- Sending of summons letter by Gresik Regency Manpower Office to the company.
- Conducting coaching and consultations related to the creation and ratification of company regulations.
- If the company regulations have not been made immediately, the Gresik Regency Manpower Office will send a copy of the letter to the East Java Province Manpower and Transmigration Office to carry out sanctions in accordance with statutory regulations.

From the research results that the author presents above, it is very clear that the majority of business actors already know the regulations regarding the creation and ratification of company regulations and sanctions for business actors who do not create and ratify their company regulations. In this case, the author concludes that the level of legal compliance of business actors in Gresik is at the level of compliance, namely if someone obeys the rules only because he is afraid of being sanctioned. This means that the legal compliance of business actors is at a low level. This can be seen when entrepreneurs will obey the law when sanctions are strictly enforced, if there are no sanctions, then they will continue to commit these violations without caring about the losses suffered by workers/laborers.

b. Identification

Identification is compliance with legal rules that exist not because of their intrinsic value, but so that group membership is maintained and there is a good relationship with those who are authorized to apply the legal rules. The result of this will lead to compliance depending on the good or bad interactions (Azizah 2022).

Legal compliance of business actors depends on the Manpower Office, when the interaction process between entrepreneurs and industrial relations mediators runs optimally, then legal compliance can be realized. From the results of interviews conducted by researchers with industrial relations mediators, coaching and supervision of industrial relations are carried out for entrepreneurs to make and ratify company regulations. This is in line with Article 7 of the Regulation of the Minister of Manpower No. 17 of 2014 concerning the Appointment and Dismissal of Industrial Relations Mediators and Mediation Work Procedures which states that:

"The mediator's job is to:

- a) fostering industrial relations;
- b) development of industrial relations; and
- c) settlement of Industrial Relations Disputes outside the courts".

The guidance intended in the process of making and ratifying company regulations is by assisting the company in the form of consultation and providing control cards for making and ratifying company regulations. The following is an example of a control card provided by the Gresik Manpower Office through an industrial relations mediator:

**BINIS TENARIA KERJA
KABUPATEN GRESIK**

NAMA PERUSAHAAN : _____
 NOMOR SURAT : _____
 TANGGAL SURAT : _____

KARTU KENDALI LAYANAN PERATURAN PERUSAHAAN

Tgl Surat Diterima Mediator Hubungan Industrial _____
 Tgl Surat Revisi Kembali _____
 Tgl Surat Selesai Di Proses _____
 Tgl Surat Selesai Di Tanda Tangan Pimpinan _____

CHECKLIST KOREKSI PERATURAN PERUSAHAAN

1. Naskah Peraturan Perusahaan yang telah di tandatangi oleh Pengusaha	<input type="checkbox"/>	PASAL
2. Peraturan Perusahaan sekarang-kurangnya memuat :		
1) Hak dan kewajiban pengusaha	<input type="checkbox"/>	
2) Hak dan kewajiban pekerja/ buruh	<input type="checkbox"/>	
3) Syarat kerja (mohon diperhatikan) :		
a) Batas Usia Pensiun (diperjelas)	<input type="checkbox"/>	
b) Uang pisah (besaran)	<input type="checkbox"/>	
c) Jam kerja (tertulis, jam masuk, istirahat dan pulang)	<input type="checkbox"/>	
4) Tata tertib perusahaan	<input type="checkbox"/>	
5) Jangka waktu berlakunya Peraturan Perusahaan	<input type="checkbox"/>	
6) Hal pengaturan lebih lanjut dari peraturan perundang-undangan	<input type="checkbox"/>	

Paraf Kontrol

Kabid. HIJAMSOS	Mediator Hubungan Industrial
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Referensi :
 - Permenaker No.28 Tahun 2014 Tentang Tata Cara Pembuatan Dan Pengesahan Peraturan Perusahaan Serta Pembuatan Dan Pendaftaran Perjanjian Kerja Bersama

Picture 1 Regulatory Service Control Card

Source: Personal documentation, 2024

Based on the data obtained, the success of legal compliance is shown by companies that make and ratify company regulations, because in the process there is coaching and supervision carried out by industrial relations mediators, even though the process is still not running optimally. From the results of interviews obtained from several companies, the coaching carried out by industrial relations mediators resulted in a legal understanding, meaning that entrepreneurs understand how to make and ratify company regulations in accordance with applicable regulations. The coaching carried out by industrial relations mediators themselves is in the form of socialization related to the making and ratification of company regulations, this has an impact on business actors regarding the legal understanding of the making and ratification of company regulations.

Based on the results of interviews conducted by researchers with the company CV. Karya Sukses Mandiri, related to questions regarding factors that are obstacles in the creation and ratification of its own regulations, the answers obtained were that:

"So far we have not had any really serious obstacles in the manufacturing process itself, because we are both cooperative with the workers. In terms of its ratification, the Manpower Office always accompanies the manufacturing and ratification process, we feel helped also by the socialization provided by the Manpower Office."

This shows that when a good communication pattern will get a good response. The interaction carried out by the Manpower Office will present a legal compliance, which is in accordance with the legal compliance indicator, namely *identification*.

a. Internalization

Internalization is defined as a form of legal compliance by society because society knows the purpose and function of the legal rules. The consequences caused by this *internalization* will lead to obedience because the applicable law is in accordance with the values adopted.

Based on the explanation above, business actors will create and ratify their company regulations when the company understands the importance of the values and objectives of the company regulations. Generally, these business actors have only heard about the obligation to create and ratify company regulations in accordance with the Regulation of the Minister of Manpower of the Republic of Indonesia Number 28 of 2014, but they do not know the limitations stipulated in the law. Of course, this will continue to happen when business actors do not understand it. In the context of the study, this study reveals that the understanding of the values and objectives of creating and ratifying company regulations has not been fully absorbed by business actors.

If not examined further, the gap in the ratification of company regulations between those who ratify and those who do not ratify their company regulations can be considered as a sign of business actors' non-compliance in making and ratifying company regulations. Factors that cause business actors to not know the value and purpose of company regulations are:

1. Business actors are not given adequate training or education regarding company regulations. The role of the Manpower Office should be able to handle the problem of compliance with the creation and ratification of company regulations, in this case the Manpower Office conducts training and education programs regarding the creation and ratification of company regulations, so that the number of legal compliance of business actors regarding the legalization of company regulations continues to increase in Gresik Regency.
2. Lack of awareness of the importance of compliance with company regulations in achieving overall company goals. Business actors do not yet have legal awareness regarding the rules for making and ratifying company regulations. A person is considered to have high legal awareness if his behavior is in accordance with applicable legal provisions, thus, a high level of legal awareness is based on legal compliance, but not everyone who obeys the law has legal awareness.
3. A corporate culture that does not support compliance. This results in someone not complying with the law, because the environment is very supportive of not complying with the law.

Looking at several factors that cause business actors to not know the value and purpose of company regulations, it is undeniable that external factors play a bigger role in the emergence of misunderstanding regarding company regulations than internal factors themselves. This can be seen from the supervision and guidance by industrial relations mediators to business actors has not been carried out as a whole, due to the lack of industrial relations mediators who have gaps with companies in the Gresik area.

CONCLUSION

Based on the results of research conducted by the author regarding legal compliance of business actors related to the legalization of company regulations in Gresik, it can be concluded that:

1. Legal compliance of business actors related to the legalization of company regulations in Gresik seen from three indicators that affect a person's legal compliance, including *compliance*, *identification*, and *internalization* shows that legal compliance of business actors is still at the lowest point, namely at the level of *compliance* where someone will obey a rule because they are afraid of being sanctioned. Based on the legal compliance figures from the ratification of company regulations, only 13% of compliance has been achieved. Judging from the results of the study, there are 1,811 companies that register their companies in Gresik, in contrast to 400 companies that have ratified their company regulations. This shows that business actors have not implemented legal behavior patterns which are the key to legal compliance indicators.
2. Several preventive and repressive efforts made to improve legal compliance of business actors related to the legalization of company regulations by the Gresik Regency Manpower Office are conducting socialization and legal education related to the legalization of company regulations to business actors in Gresik. Providing technical guidance to business actors who create and ratify their company regulations. Law enforcement against companies that do not ratify company regulations, and conducting compliance audits to ensure they comply with all applicable regulations.

Suggestion

Based on the results of research conducted by the author regarding legal compliance of business actors related to the legalization of company regulations in Gresik, the author provides the following suggestions:

1. For the Gresik Regency Manpower Office, especially industrial relations mediators, it is hoped that they can be more optimal in carrying out coaching and supervision of employment as well as efforts to improve preventive and repressive methods for legal compliance of business actors related to the legalization of company regulations in Gresik.

2. For entrepreneurs who employ at least 10 (ten) workers/laborers, it is mandatory to make company regulations which come into effect after being ratified by the Minister or appointed official, as regulated in Article 108 paragraph (1) of Law Number 13 of 2003.

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