Industrial Relations Dispute Settlement of PT Samindo Utama Kaltim by the Regional Office of Manpower and Transmigration Department of the Paser Regency, East Kalimantan

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ABSTRACT

East Kalimantan is an area in Indonesia rich in natural resources, and it undoubtedly has attracted many foreign companies to extract them. Certainly, the numerous companies extracting natural resources have led to the emergence of disputes. This study employed a qualitative method with data analysis obtained from the Regional Office of Manpower and Transmigration Department of the Paser Regency regarding the industrial relation disputes settlement in multinational companies. This working report explained the forms of industrial relations dispute settlement of a multinational company named PT Samindo Utama Kaltim in Paser Regency, East Kalimantan, by the Regional Office of Manpower and Transmigration Department and how the International Labor Organization (ILO) policies were related to the company’s disputes. It was revealed that the problem-solving carried out by PT Samindo Utama Kaltim followed the ILO policies.

Keywords: DISNAKER; ILO; MNC; Dispute; Conflict Resolution

ABSTRAK

Kalimantan Timur sendiri merupakan wilayah yang kaya akan sumber daya alamnya, dan tentu saja hal tersebut banyak membuat perusahaan asing tertarik dan masuk untuk mengambil sumber daya alam yang ada. Dengan banyaknya perusahaan yang mengambil sumber daya alam, tentu tidak sedikit juga terdapat sebuah perselisihan. Dalam penulisan laporan magang ini digunakan analisis kualitatif yang memfokuskan analisis penelitian dari data-data yang telah diperoleh dari Dinas Tenaga Kerja dan Transmigrasi Kabupaten Paser tentang penyelidikan dan penyelesaian hubungan industrial perusahaan multinasional. Dari Laporan Magang (Working Report) ini dapat diketahui penjelasan berupa penyelidikan dan penyelesaian hubungan industrial sebuah perusahaan multinasional yaitu PT Samindo Utama Kaltim yang ada di Kabupaten Paser, Kalimantan Timur oleh Dinas Tenaga Kerja dan Transmigrasi Kabupaten. Dan juga dapat diketahui bagaimana kebijakan dari ILO (International Labour Organization) terkait dalam perselisihan perusahaan tersebut.

Kata Kunci: DISNAKER; ILO; MNC; Perselisihan; Resolusi Konflik
1. Introduction

In Indonesia, the Regional Office of Manpower and Transmigration Department is an institution tasked with controlling and fostering transmigration by supervising human resources. It also provides training to prospective workers. It is intended for prospective workers to have special skills to help them find jobs. In addition, it takes care of both local and foreign workers who come to its area to work. Regarding foreign workers, the Regional Office of Manpower and Transmigration Department deals with licensing and supervision issues (Rizal, 2017).

Within the Regional Office of Manpower and Transmigration Department, there are several sections: manpower placement, transmigration, and industrial relations. The manpower placement section has the task of fostering, placing the workforce, conducting job training, and registering job seekers and unemployed. The transmigration section has the duty of fostering the community in developing skills, culture, economic development, and disseminating programs from the central government regarding transmigration. Meanwhile, the industrial relations section has the primary role of managing industrial relations development, wages, and work requirements and helps to resolve industrial relations disputes (Metro, 2017).

Specifically, one of the tasks often carried out by the Regional Office of Manpower and Transmigration Department is assisting in resolving industrial relations disputes. According to Law No. 13 of 2003 in Article 1 Number 22, industrial relations disputes occur due to differences of opinion, which resulting in a conflict between workers and employers, or between a combination of entrepreneurs and a trade union or labor union, a conflict of interest, a conflict of rights, disputes on the start of employment relations, and disputes between trade unions within a company (Yunarko, 2011).

Moreover, dispute resolutions between companies and employees assisted by the Regional Office of Manpower and Transmigration Department cover disputes with both local and multinational companies. In this case, a dispute between workers and multinational companies has occurred in the Paser Regency, East Kalimantan. As it is known, East Kalimantan Province has abundant natural resources, such as oil, coal, and forest products, i.e., palm oil. Accordingly, many foreign companies unquestionably come to take natural resources by investing in local companies. It happens in almost all regencies in East Kalimantan, including the Paser Regency. Paser Regency is deemed as the home of several multinational companies of which the majority of owners are foreigners. Therefore, with many multinational companies in this regency, many disputes emerge between workers and multinational companies.

The existing case is an industrial relations dispute between a multinational company named PT Samindo Utama Kaltim and two of its workers regarding termination of employment (PHK). PT Samindo Utama Kaltim is a company that offers support services for coal mining transportation activities and is a subsidiary of Samindo Resource Tbk. The holding company of Samindo Resource Tbk is Samtan Co. Ltd., an energy company from South Korea with 59.03% of share ownership (Pertiwi, 2018).

The dispute began when two Indonesian workers from PT Samindo Utama Kaltim went on strike. It ended with the issuance of a termination letter of employment by PT Samindo Utama Kaltim against the two workers because they violated three rules: Manpower Law No. 13 of 2003 concerning illegal strikes, KEP.232/MEN/2003 stipulated
on October 31, 2003, concerning the legal consequences of illegal strikes, and collective labor agreements (PKB/CLA) regarding severe violations.

The two workers did not accept the termination of employment by PT Samindo Utama Kaltim. On the one hand, the company adhered to the CLA, where its contents consider the strike action a severe violation, which has a penalty of termination of employment. On the other hand, the workforce believed that the existing CLA was arbitrary and should follow the laws and regulations. In Law No. 13 of 2003, no article states that a strike is a serious and severe violation. Therefore, the company has made rules against the law. Moreover, the two workers deemed the layoffs unilateral and asked for a dispute resolution by the Regional Office of Manpower and Transmigration Department in the Paser Regency. (Dinas Tenaga Kerja dan Transmigrasi Kab. Paser, 2020)

Furthermore, as a multinational company, PT Samindo Utama Kaltim must follow the International Labor Organization (ILO) rules, a world institution that regulates labor. In Convention 87 in Chapter 1, Article 8 No. 1, “In exercising their rights under this Convention, workers and employers and their organizations and other individuals or organizations must comply with applicable national law.” It indicates that all matters relating to union and company activities must comply with applicable laws. (International Labour Organization, 1948). The above background has raised the question of “How did the Regional Office of Manpower and Transmigration Department of the Paser Regency resolve the PT Samindo Utama Kaltim industrial relations dispute?”

2. Theoretical Framework

2.1 Conflict

In the book Organization Behavior, Stephen P. Robbins mentions that conflict has many definitions with different meanings. The presence or absence of conflict is determined by perception. If no one is aware of the conflict, it does not exist. Thus, conflict can be defined as a process where there are parties who perceive that other parties influence something negatively. It will later become the starting point for the process of conflict, and it is necessary to explain the relationship between conflict, conflict resolution, and mediation in this part of the framework (Wahyudi, 2015).

According to Webster, in the book “Social Conflict Theory” by Dean G. Pruitt and Jeffrey Z. Rubin, “conflict” means war, struggle, and fight between several parties. After including the term “disagreement over ideas, interests, and others,” the word “conflict” has developed, which only has the meaning of physical conflict at first. With the inclusion of the term, “conflict” refers to disputes that touch on the psychological aspect.

Then, as asserted by Lewis A. Coser in his book “The Functions of Social Conflict,” conflict has the meaning of a struggle that fights for demands or values for power, status, and resources. Lewis A. Coser also divides conflict into in-group and out-group. In-group conflict occurs within a group or a society. An example is a conflict between fellow employees in a company. Conversely, out-group conflict happens
between groups with other groups. An example is a conflict between a company and another company (Mustamin, 2016).

2.2 Conflict Resolution

Conflict resolution is a method used by conflicting parties to resolve conflicts with or without external assistance. It suggests using democratic methods to solve problems by making the parties in conflict discuss together to solve existing problems independently without a third party or with a neutral third party, who will help both parties resolve the existing problems peacefully. (Marsudi, Rosalina, & Sunarso, 2019)

According to Eben A. Weitzman and Patricia Flynn Weitzman in the book “The Handbook of Conflict Resolution Second Edition”, one way to solve problems (conflicts) is to solve them together by making joint decisions. In addition, “problem-solving” and “decision making” are emphasized in this case. Eben and Patricia also argue that problem-solving and decision-making are sometimes considered the same. In this regard, Eben and Patricia distinguish between the two and clarify how they complement each other.

The “problem-solving” approach to understanding and resolving conflict has two fundamental parts to the problem-solving process. The first one is diagnosing the conflict or finding out what caused the problem. The second is developing alternative solutions to problems. In this case, an overview of some approaches to conflict resolution is required. Then, “decision making” is considered a series of types of decisions that must be made and agreed upon by the people involved in resolving the conflict, both individually and collectively (Deutsch, Coleman, & Marcus, 2006).

2.3 Mediation

Following Kenneth Kressel in the book “The Handbook of Conflict Resolution Second Edition,” mediation can be defined as a process in which the disputing parties try to resolve their problems with the help of an acceptable third party. The mediator aims to help the disputing parties find a mutually acceptable solution. Besides, the proponents of mediation argue that mediation should yield superior results because it is based on a cooperative conflict model rather than a hostile system, is win-lose oriented, and involves the disputants directly and actively seeking solutions. In the author’s opinion, this intensive participation should lead to a psychological commitment to any agreement reached and an agreement that lasts since it reflects the needs and circumstances of the disputing parties well. (Deutsch, Coleman, & Marcus, 2006).

2.4 ILO Industrial Relations Dispute Resolution

Based on Convention 151 concerning employment relations, the settlement of disputes must be resolved by negotiating between the two disputing parties through means such as mediation, arbitration, and conciliation to have trust among the parties involved. Then, in Convention 154 and Recommendation 163 concerning the promotion of collective bargaining, established principles, bodies, and methods for resolving disputes must exist to carry out negotiations. Here, appropriate actions are necessary to create dispute resolution procedures to assist the parties involved in finding the best solution for both parties. (International Labour Organization, 2006) It is in line with how the PT Samindo Utama dispute was resolved by the Regional Office of Manpower and Transmigration
Department of the Paser Regency, i.e., using mediation as a conflict resolution between the company and its terminated employees.

3. Research Methodology

This qualitative research focuses on data analysis obtained from the Regional Office of Manpower and Transmigration Department of Paser the Regency regarding the settlement of industrial relations disputes between PT Samindo Utama Kaltim and two of its workers. In this study, the author also employed data collected through interviews with the employees of the Regional Office of Manpower and Transmigration Department of the Paser Regency. They were mediators in settling industrial relations disputes between PT Samindo Utama Kaltim and two of its workers. In addition, the author utilized the data obtained from the industrial relations dispute settlement document of the Regional Office of Manpower and Transmigration Department of the Paser Regency. This research also employed descriptive analysis techniques to explain the data collected systematically and accurately (Ibrahim, 1989).

The international relations aspect of this study can be seen in how the Regional Office of Manpower and Transmigration Department of the Paser Regency helped resolve industrial relations disputes between PT Samindo Utama Kaltim and two of its workers. In this regard, industrial relations problems or disputes between two parties (labor and multinational companies) can be categorized as relations between two actors of international relations, namely the relationship between people/society (labor) and multinational companies (MNC) or better known as the people to MNC relationship. In addition, the settlement method used by the Regional Office of Manpower and Transmigration Department to handle industrial relations disputes between workers and multinational companies can be categorized as “conflict resolution” against the two actors of international relations, in this case, between PT Samindo Utama Kaltim as a multinational company and two of its workers, concerning termination of employment because they went on strike, and it followed what was set by the International Labor Organization (ILO).

4. Research Results

4.1 International Labor Organization Policy Regarding Termination of Employment Rights

As a multinational company, some rules must be followed by PT Samindo Utama Kaltim, where the ILO regulates these rules to promote workers’ rights at work, create opportunities for decent work, protect workers, and overcome all forms of labor problems in the world of work and responsible for developing and monitoring international labor standards and ensuring that these standards are respected in principle and practice (International Labour Organization, 2008).

In the case of reasons for termination of employment, as regulated by the ILO in Convention 158 concerning termination of employment in Chapter 2 Part A Article 5 concerning invalid reasons, one of the reasons is that it is illegal to terminate the
employment relationship of the union membership or participation in union activities outside working hours or, with the consent of the employer, within working hours (International Labor Organization, 1982). Thus, it is invalid if the employment relationship was terminated because the worker carried out trade union activities. In this case, the activity in question is a strike (legally); however, in the case of PT Samindo Utama Kaltim, the stated reason for the termination of employment was an illegal strike. In other words, the company did not violate the provisions of the ILO.

In mediation between PT Samindo Utama Kaltim and its two workers, an important point discussed was the contents of the collective labor agreement (CLA). The two workers stated that the CLA contents were made arbitrarily and did not follow the law. The CLA content in question was in Point 4.12 regarding severe or serious violations (PHK), which states “participating in or encouraging directly or indirectly to hold a work strike.” The CLA content does not follow the law because, in Law No. 13 of 2003, no single article states that a strike is an act of serious violation as in the CLA. Indeed, it indicates that the company did not follow the rules stated in the law. There are differences in the content of the law with the provisions of the ILO. According to the provisions of the ILO, what PT Samindo Utama Kaltim did was not wrong, but according to the law, it was wrong.

The “Global Compact Labor Principles – United Nations” issued by the ILO in the “responsibility of government” section states: “Governments are responsible for ensuring that the legal and institutional frameworks exist and function properly. They should also help to promote a culture of mutual acceptance and cooperation. When governments do not honor their international obligations, efforts should be made to improve legislation and governance. In the absence of legislation that conforms to international labor standards, employers and trade unions should make every effort to respect the principles, at least in countries where honoring them is not specifically prohibited. In countries where legislation protects rights, but implementation is poor due to inadequate enforcement, employers should, nevertheless, obey the law.”

In other words, the government has a responsibility to ensure that a legal framework is in place, and employers must respect and comply with the law, even if the law does not follow what is set out by the ILO. In this case, PT Samindo Utama Kaltim, as a multinational company, must follow the rules and guidelines set both by ILO and the government. Furthermore, it can be seen from the CLA contents in point 4.12 regarding severe violations that PT Samindo Utama Kaltim did not follow the government’s laws and the principles set by the ILO as an international organization dealing with labor.

Moreover, Convention 98 concerning the application of the basics of the right to organize and collect bargaining collectively by the ILO in Article 1 Number 2 concerning protection states that “such protection shall apply more particularly in respect of acts calculated to cause the dismissal of or otherwise prejudice a worker because of union membership or because of participation in union activities outside working hours or, with the consent of the employer, within working hours.” This article aims to protect workers’ rights in organizing an association, including all forms of union activities. One of them is strike activity. Then, in Convention 87 on freedom of association and protection of the right to organize in Chapter 1 Article 8, it is stated that “In exercising the rights provided for in this Convention workers and employers and their respective organizations, like
other persons or organized collectivities, it shall respect the law of the land.” It means that all forms of activity must follow the rules established by law.

If seen more deeply, regarding the case of industrial relations disputes involving multinational companies held by South Korea, it was not only the case of PT Samindo Utama Kaltim but has occurred in various regions in Indonesia. According to the Investment Coordinating Board (BKMP) data in 2021, South Korea is one of Indonesia’s largest foreign investors. In January-June 2018, South Korean investors intended to invest USD 446. In addition, South Korea still has the potential to make more significant investments, but its goodwill must accompany the existing potential. In this case, goodwill means that South Korean investors must be willing to respect the existing laws in Indonesia. The reason is that there have been many cases of industrial relations disputes involving companies held by South Korea (Thea, 2019).

An example of the case is where a South Korean businessman left his industrial relations problem, namely the case of PT SS Print & Package. It is a case of violation of the termination of employment of 500 workers. This case began on April 16, 2015, when workers received verbal notification that the company had been abandoned by the owner named Mr. Ko Il Keun, with no clarity on whether the company had closed. This case was later reported to the Regional Office of Manpower and Transmigration Department of Bekasi City. It resulted in a recommendation issued by the Regional Office of Manpower and Transmigration Department of Bekasi City on May 29, 2015. The recommendation was that the Minister of Manpower had a veto right to say whether a termination of employment was allowed or not. Then, in the technical process during the mediation process, recommendations were made by the mediator at the sub-agency level or the human resources office. Then, on August 21, 2015, the workers registered the case with the Bandung Industrial Relations Court, but none of the company’s parties was present at the trial. Furthermore, on January 25, 2016, the Court Judge stated that the company had to provide severance pay, which had not been granted since 2015. However, the decision could not be made because the whereabouts of the entrepreneur were unknown (Indonesia For Global Justice, 2019).

Another example is the case of PT Selaras Kausa Busana. This case is where a South Korean businessman, a director, took away IDR 90 billion of company money, resulting in 3,000 employees not getting a salary. This case has been detected since August 2018, at which time 1,000 employees had not received their salaries. Instead of fulfilling the workers’ right to receive a salary, the company’s action was to terminate the employment of 1,000 workers in September 2018. Due to this incident, the case was finally brought to the Regional Office of Manpower and Transmigration Department of Bekasi City, where tripartite negotiations were carried out. After one meeting, instead of showing goodwill, the South Korean businessman disappeared with IDR 90 billion in cash. (CNN Indonesia, 2019)

4.2 Industrial Relations Dispute Settlement

Industrial relations disputes occur between employers and workers or workers and workers in a company. There are four types of industrial relations disputes. First, rights disputes occur due to the non-fulfillment of workers’ rights. Second, conflicts of interest
disputes occur due to differences in understanding company regulations or collective work agreements. Third, termination of employment disputes occur due to disagreements resulting from termination of employment between workers and the company. Fourth, disputes between unions occur between workers in a company.

In this case, the Regional Office of Manpower and Transmigration Department is the relevant agency that assists in resolving disputes. Still, in the case of industrial relations disputes, the Regional Office of Manpower and Transmigration Department cannot immediately assist when a dispute emerges. Some steps must be followed by the Regional Office of Manpower and Transmigration Department to resolve it.

The first stage in settlement of industrial relations disputes is conducting bipartite negotiations. Bipartite negotiations are between workers or trade unions and employers or companies to resolve industrial relations disputes between two disputing parties (internal). In this case, the party who feels aggrieved must take the initiative to communicate and ask for negotiations from the other party. Bipartite negotiations have a limited time, which is only 30 days. Within 30 working days of this bipartite negotiation, it must produce results.

The next stage in settlement of industrial relations depends on the outcome of the bipartite negotiations. A collective agreement will be drawn up if an agreement is reached and later registered with the Industrial Relations Court at the Regional Court to conclude a collective agreement. If the negotiations fail, one or both parties will register the dispute with the relevant agency, in this case, the Regional Office of Manpower and Transmigration Department, by attaching evidence that the bipartite negotiation efforts have been carried out and were unsuccessful. There is another condition where one party can immediately record the dispute at the Regional Office of Manpower and Transmigration Department even though it has not reached 30 working days. This condition can be conducted if one of the parties no longer wants to continue the bipartite negotiations.

After recording, checking, studying, and researching the completeness of the files, the Regional Office of Manpower and Transmigration Department will give the option to
proceed to the next stage of completion. The first option is arbitration. The choice of arbitration will only be given to conflicts of interest and disputes between trade unions. The outcome of the arbitral decision is final. Still, the Supreme Court can request cancellation if it meets the requirements. The second option is conciliation, which will only be given to cases of conflict of interest, disputes over the termination of employment, and disputes between trade unions. The conciliation results, if successful, will be included in a collective agreement. Otherwise, failure to do so will proceed to the Industrial Relations Court.

The last option is mediation. For mediation, all types of disputes are welcome to choose a settlement through mediation if bipartite negotiations fail or there is no agreement between the two parties. The mediation result is the same as conciliation. If successful, it will be stated in a collective agreement, and if it fails, it will proceed to the Industrial Relations Court. Furthermore, the settlement by the Regional Office of Manpower and Transmigration Department also has a time limit, which is 30 working days. Within 30 working days, there must be a result of the negotiations, whether it will be stated in a collective agreement or a recommendation to proceed to the Industrial Relations Court (Latief, 2020).

4.3 Settlement of Disputes for PT Samindo Utama Kaltim

The dispute of PT Samindo Utama Kaltim belongs to the dispute over the termination of employment that occurred on January 10, 2020, due to an illegal strike. According to workers, what the company did was an arbitrary act and was not following the law. In the law, there is no mention that the punishment for carrying out a strike is the termination of employment. Due to disagreements between PT Samindo Utama Kaltim and the workers, bipartite negotiation was held to resolve the dispute between the two parties. This bipartite negotiation was held on January 17, 2020, or seven working days after issuing the employment relationship decision letter by PT Samindo Utama Kaltim, which resulted in industrial relations disputes and termination of employment. However, due to the bipartite negotiations, no agreement was found between the two parties.

It was because the wishes of each party conflicted with each other. The workers wanted a severance pay of 200 million rupiahs because, according to the workers, what PT Samindo Utama Kaltim did was included in the unilateral termination of employment for reasons not following the law. Meanwhile, PT Samindo Utama Kaltim disagreed with it since the severance pay requested by the workers was not following the multiplication in the law. Furthermore, PT Samindo Utama Kaltim kept up that the termination of employment was carried out following the collective labor agreement (CLA), which was made jointly and agreed upon by the company and the workers.

Therefore, the bipartite negotiation results did not reach an agreement. After that, the management of PT Samindo Utama Kaltim and the workers forwarded this dispute to the Regional Office of Manpower and Transmigration Department. Until no agreement was found between the two parties PT Samindo Utama Kaltim and the workers, it can be seen that what was performed by the two parties in the settlement of industrial relations disputes was following the stages stated in the Law of the Republic of Indonesia No. 2 of 2004 regarding settlement of industrial relations disputes. Starting from the beginning,
when the dispute arose, both parties decided to conduct bipartite negotiations and did not immediately ask for a settlement from the Regional Office of Manpower and Transmigration Department. Also, from the elapsed time of only seven working days, it has been determined that the bipartite negotiation results must be available no later than 30 working days. Therefore, what both parties carried out was appropriate because there was no agreement. After that, both parties decided to continue the settlement of industrial relations disputes with the relevant agency, namely the Regional Office of Manpower and Transmigration Department.

Since no agreement was made, the workers officially requested a dispute resolution from the Regional Office of Manpower and Transmigration Department through the industrial relations section on January 27, 2020. However, there was still no agreement between the Regional Office of Manpower and the Transmigration Department. Furthermore, on February 3, 2020, the Regional Office of Manpower and Transmigration Department issued a summons to both parties to be met on February 10, 2020, to conduct tripartite negotiations with the Regional Office of Manpower and Transmigration Department, a neutral third party.

On February 5, 2020, the workers were invited to mediate again to meet the company parties, but there was no way of deliberation or decision by both parties in the mediation. Furthermore, on February 10, per the summons issued by the Regional Office of Manpower and Transmigration Department, the two parties were met in the industrial relations meeting room to conduct tripartite negotiations with the Regional Office of Manpower and Transmigration Department as a third party who assisted in resolving the dispute. However, as a result of these negotiations, the company was adamant in its decision that there would be no negotiations with anyone. Due to the negotiation results in which the company decided no negotiation with any party, the industrial relations section of the Regional Office of Manpower and Transmigration Department of the Paser Regency decided that the settlement result of the dispute was a recommendation. (Dinas Tenaga Kerja dan Transmigrasi Kab. Paser, 2020)

With the result in a recommendation, it can be seen that PT Samindo Utama Kaltim remained adamant that what it did by deciding to terminate the employment of two workers was the right action and did not violate the provisions of the ILO even though it was different with the law. Although there are rules regulated in the ILO Convention 158 concerning termination of employment, Indonesia has not ratified it, where the Convention is not one of the Conventions ratified by Indonesia.

Subsequently, it can be regarded as a loophole in the Indonesian law, especially to attract foreign investors, because foreign investors who want to enter Indonesia must adhere to the rules set by the ILO. Furthermore, it can slightly influence the decision of these foreign investors to enter Indonesia. It is also certain that when foreign investors come in, they want to get the best results and not make them lose. One of the factors for getting the best results is seen in the workforce. When the workforce works well, the results obtained will also be good. On the other hand, if some workers make mistakes that investors think can be detrimental, what investors do is terminate the employment relationship of these workers. It is because foreign investors follow the rules of the ILO, and of course, terminating their employment is according to the rules set by the ILO.

Moreover, the differences in the rules regarding termination of employment by the ILO and the law in Indonesia can become an obstacle for these investors in terminating the employment relationship, causing them to lose money since they realize what they are
doing is not following the law. In addition, summons from the courts will create new problems for them, especially with the principles issued by the ILO that foreign companies must follow the rules that apply in the country concerned even if they do not follow what has been set by the ILO.

5. Conclusion

Based on the research, several conclusions were drawn. The problem formulation of “How did the Regional Office of Manpower and Transmigration Department of the Paser Regency resolve the PT Samindo Utama Kaltim Industrial Relations dispute?” can also be answered. First, in the industrial relations dispute of PT Samindo Utama Kaltim, the decision issued by the company to terminate the employment of its workers due to a strike could be considered a violation of the law. On the one hand, even if seen from the rules set by the ILO, what PT Samindo Utama Kaltim was doing was not wrong; the ILO also established the principle that every company must respect and follow the applicable laws even if these laws do not follow what has been stipulated by the ILO. It means that PT Samindo Utama Kaltim violated the law and did not follow the principles that the ILO has issued as a world institution regulating labor.

Second, it can be seen that PT Samindo Utama Kaltim, as a multinational company, still adhered to the rules set by the ILO, as seen from the company’s decision to terminate employment following what was regulated by the ILO in Convention 158 concerning termination of employment. However, it also did not follow the principles set by the ILO because the company did not follow the existing laws in Indonesia. Third, there are differences in the rules for decisions to terminate employment as stated in the ILO Convention 158 and Law No. 13 of 2003. It can further affect the decision of foreign investors to enter Indonesia because investors adhere to the rules regulated by the ILO.

Fourth, in settlement of industrial relations disputes, some procedures must be followed by the two disputing parties regulated in the law. Furthermore, suppose one looks at the chronology of the settlement of industrial relations disputes between PT Samindo Utama Kaltim and its workers. In that case, it can be seen that what was done by PT Samindo Utama Kaltim and its workers in resolving existing disputes has followed the procedures stipulated in the law. Fifth, as the negotiation results were conducted by PT Samindo Utama Kaltim and its workers, both disagreed with the decision from the industrial relations courtroom of the Regional Office of Manpower and Transmigration Department of the Paser Regency. It was stated that the company was adamant with its decision that there was no negotiation with anyone. In other words, the company remained firm in its decision to terminate the employment relationship. Furthermore, PT Samindo Utama Kaltim, as a multinational company, did not maintain its industrial relations in Indonesia because it terminated its labor relations due to going on strike, where a strike is one of the rights of workers. Subsequently, maintaining rights and not prohibiting workers from exercising their rights is one factor in maintaining industrial relations.

Sixth, looking at the statement issued by the Indonesian Minister of Manpower for the 2014-2019 period, Muhammad Hanif Dhakiri asked South Korean entrepreneurs to maintain industrial relations. In this case, PT Samindo Utama Kaltim was not the only multinational company involving South Korean businesspeople who did not maintain
industrial relations in Indonesia. However, many other South Korean multinational companies did not maintain industrial relations in Indonesia. Furthermore, it seems natural for South Korean businesspeople to not maintain their industrial relations in some of these cases.

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