

Oversight on the Execution of Fixed-Term Employment Contracts at the Makassar City Labor Department

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Abstract

This study delves into the procedures and regulatory frameworks governing PKWT, alongside scrutinizing the oversight mechanisms in place to ensure adherence to labor laws, safeguard worker rights, and maintain a balance between employer interests and employee protections. Through empirical legal research, involving interviews, document analysis, and a thorough review of legal statutes, the study unveils the intricacies of PKWT registration at the Makassar City Labor Office and assesses the effectiveness of labor oversight practices. Findings reveal that the registration process for PKWT, whether conducted online within three days or offline within seven days post-signing, necessitates the submission of specific documents to ensure legal and administrative compliance. This mechanism not only provides clarity and accountability but also serves as a foundational aspect of labor law enforcement. However, the research identifies a gap in the legal framework concerning sanctions for non-registration of PKWTs, underscoring a potential area for legislative enhancement to reinforce worker protections. The study further examines the role of labor oversight, conducted by the Makassar City Employment Office and other relevant bodies, in maintaining a fair, transparent, and regulated employment landscape. It categorizes oversight into preventive and repressive measures, each playing a critical role in promoting compliance with labor regulations and safeguarding worker rights. Despite the proactive efforts in education and socialization to foster compliance, limitations in authority at the city level underscore the necessity for coordinated efforts with provincial labor authorities to bolster oversight efficacy.

Keywords: Fixed-Term Employment Agreements (PKWT), Labor Law Enforcement, Labor Department Oversight, Worker Rights Protection, Regulatory Compliance.

1. Introduction

The scope of labor law is expansive, dynamic, and complex, due to the intricate and multifaceted conditions encountered in practice. It's argued that labor law goes beyond governing the relationships between employees and employers to encompass regulations affecting non-employment contexts. Recognizing this breadth is crucial for all stakeholders and necessitates protection for third parties, including governmental bodies, particularly when there are aggrieved parties.

Labor plays a pivotal role in national development, interacting with other development components like natural resources, technology, and development initiatives. These interactions aim to bolster economic development programs and enhance societal welfare. Given the workforce's crucial role and position, it's imperative to focus on labor sector development to enhance labor quality and their contribution to comprehensive development efforts. Additionally, increasing protection for workers and their families in alignment with human dignity and values is essential.

This link to national development is echoed in Article 27 Paragraph (2) of the Indonesian Constitution of 1945, asserting every citizen's right to work and live with dignity. Legally, this ethos is further articulated in Law No. 13/2003 on Manpower, which, across five articles, stresses the importance of

protecting every worker, including the provision of equal employment opportunities without discrimination.

The labor force encompasses individuals within the working age range, defined in Article 1 paragraph (2) of Law Number 13 Year 2003 on Manpower as those capable of performing work to produce goods and services, fulfilling personal or societal needs. Over time, Law Number 13 of 2003 on Manpower has seen amendments, notably through Law No. 6 of 2023, which codifies Government Regulation in Lieu of Law Number 2 of 2022 on Job Creation into law.

In the labor world, the relationship between workers/labor and employers forms a legal bond known as the employment relationship. This relationship between employers and workers is constituted by employment agreements, which may be for a fixed term (PKWT) or an indefinite term (PKWTT) as stipulated in Article 81 number 12 of Law No. 6 Year 2023 About the Establishment of Government Regulation in Lieu of Law Number 2 Year 2022 on Job Creation into Law.

The provisions regarding fixed-term employment agreements are regulated in Article 81 numbers 13, 14, 15 of Law No. 6 Year 2023, and are further detailed in Government Regulation of the Republic of Indonesia No. 35 Year 2021 on Fixed-Term Employment Agreements, Outsourcing, Working Hours and Rest Periods, and Termination of Employment. Such agreements must be made in writing, using the Indonesian language and Latin script, without requiring a probation period, and must be registered with the Labor Office.

Government intervention in the realm of labor law aims to achieve a balance in the employment relationship. Government involvement is crucial through a legal framework established to guarantee the rights and responsibilities of all parties involved in the labor relationship. By utilizing legislation, the government provides a foundation that solidifies the rights and responsibilities of the parties, thereby enabling a fair situation in the employment relationship.

Recording fixed-term employment agreements is one of the mechanisms implemented in the employment relationship to regulate the contract duration between workers and companies. In fixed-term employment agreements, provisions regarding the contract's expiration date according to the agreed employment period can offer flexibility for companies to adjust their labor needs to market demand fluctuations.

Cases of companies not recording PKWT with the Labor Office are frequent in Indonesia. Workers from PT. Internusa Food, PT. Monysaga Prima, PT. Yoon Young Shell Button, PT. Sungwon Button Indonesia, for example, were never given copies of their PKWT and had approached the Labor Office to check whether their PKWT had been recorded. Upon investigation, it was found that these companies had never recorded their fixed-term employment agreements. Therefore, the workers under PKWT at these companies felt they did not receive legal certainty and protection regarding whether their PKWT met the legal requirements of employment law. (Decision of the Constitutional Court of the Republic of Indonesia Number 6/PUU-XVI/2018)

In Makassar, a key economic hub in Indonesia, the industrial and business sectors are rapidly expanding. This growth has led to a high demand for labor across various sectors, including manufacturing, trade, information technology, and others. Companies in Makassar often utilize fixed-term employment agreements (PKWT) to hire employees for specific durations, tailored to production needs or particular projects.

Such employment arrangements are prevalent among private companies in Makassar, including Fajar Graha Pena, Bank Mandiri and other banks, Sunmart, Ace Hardware, Informa, Jamesons, Misi Depo Bangunan, outsourcing companies, companies in the KIMA industrial area, and other private enterprises. These companies employ workers through agreements that predominantly benefit the private entity.

State-Owned Enterprises (SOEs) like Wika Beton also resort to outsourcing services for security, cleaning, and manual labor needs. The three outsourcing companies serving Wika Beton—Mitra Duta Mahakarya, Dinar Wisesa Mahakarya, Adiva Rahmat Engineering—almost daily require laborers for

fieldwork. However, some PKWT workers from these outsourcing firms have not been registered with the Makassar City Labor Office.

The government and related institutions play a crucial role in ensuring that the practice of recording fixed-term employment agreements in Makassar aligns with relevant laws and regulations to protect workers' rights. A concrete example of this government role is through labor supervision. The primary goal of this oversight is to implement and enforce labor regulations according to legal provisions (Labor Law Number 13 Year 2003, Articles 176-178).

These provisions are regulated by the Minister of Labor Regulation of the Republic of Indonesia Number 1 Year 2020, amending Minister of Labor Regulation Number 33 Year 2016 on Procedures for Labor Inspection. Proper supervision and high awareness among all stakeholders about the importance of recording fixed-term employment agreements can help create a fair and stable working environment for workers.

To some extent, the government is responsible for overseeing PKWTs, primarily aiming to balance rights between workers and employers and protect workers from unfair employment practices or those contrary to legislation. (Decision of the Constitutional Court of the Republic of Indonesia Number 6/PUU-XVI/2018).

Behind the explanation above, companies employing labor or staff under fixed-term employment agreements (PKWT) should be aware of their responsibility to register these agreements, as mandated by the Explanation of Article 14 of Government Regulation No. 35 of 2021 on Fixed-Term Employment Agreements, Outsourcing, Working Hours and Rest Periods, and Termination of Employment. However, the practice of registering fixed-term employment agreements also has potential issues, especially concerning companies not fully complying with the legal obligation to register these agreements with the Labor Office. This non-compliance could be due to service procedure barriers at the Labor Office, companies' misunderstanding or negligence, an intention to avoid responsibilities or obligations, or complete unawareness.

Non-compliance in this registration can be considered a legal violation subject to sanctions. Labor regulations often contain provisions designed to protect workers' rights and welfare. Registering fixed-term employment agreements is crucial to ensuring workers' rights, including rights related to wages, working hours, leave, and other benefits, as well as the government's ability to monitor and enforce labor regulations. Non-compliance can hinder supervision effectiveness and decrease the credibility of the regulatory system.

Legal Protection for Workers in Employment Agreements

The fundamental principle of contract law in the Civil Code (KUHPerdata) is the freedom of contract principle. The basis of this principle lies in Article 1338 of the Civil Code along with Article 1320, stating that every legally made agreement has binding power between the parties involved (*pacta sunt servanda* principle), thus holding the same legal force as law (Anshori, 2018). An Employment Agreement refers to a contract made between a worker and an employer. This agreement lists various work conditions, rights, and obligations that both parties must adhere to (Sholihin et al., 2022).

The protection of employment agreements is an effort to ensure that the rights and obligations listed in the employment agreement are respected and protected by both parties, namely the employer and the worker. This includes ensuring that wages and benefits promised to the worker are paid in accordance with the agreed terms, working hours and rest times are properly regulated, and other rights such as leave and health insurance are respected and implemented. Additionally, the protection of employment agreements also covers the safety of workers in performing their duties, including protection against harassment, discrimination, or actions that harm employees physically or psychologically (Parinduri, 2019).

Theory of Supervision

Supervision is the action of managers striving to ensure that tasks are carried out in accordance with the established plan and the desired outcomes (Nengsih et al., 2021; Sumarni et al., 2021). According to Schermerhorn, supervision can be defined as a process that involves setting performance standards and

taking necessary actions to support achieving results in line with those established standards. Meanwhile, Henry Fayol and Harahap describe supervision as encompassing the concept of checking whether everything is proceeding according to the plan, commands, and principles that have been set. Furthermore, supervision aims to identify weaknesses and errors in order to prevent future problems (Al-Mzary et al., 2015; Elqadri et al., 2015; Miriti et al., n.d.). Supervision entails making sure that what is planned aligns with what is expected or becomes reality. Therefore, supervision is crucial as a safety measure for planning, with the goal that the planned activities can proceed with the best possible results, as collectively hoped for (Jailolo et al., 2023).

Theory of Authority

Authority encompasses the right to issue commands and the power to demand obedience, but it applies only to a particular part of the overall authority. The Theory of Authority concerns the origin or source of governmental power in executing legal actions, both in the context of its relationship with public law and in relation to private law (Witasari, 2016). The authority held by an organ/body or government official is limited by a time frame. Such authority is confined by the area or region where it is applicable. Additionally, the authority of an organ/body and/or government official is also limited by a specific scope or subject matter that falls within its purview. Other limitations include a specific period and deadline within which the authority can be used or executed.

Theory of Effectiveness

The theory of legal effectiveness as a principle can be regarded as a standard for evaluating attitudes, actions, or behaviors that conform to legal norms. The approach used in this theory is the deductive-rational method, which produces dogmatic thinking. On the other hand, there is another viewpoint that sees law as a pattern of behavior or action that is regulated. The mode of thinking applied in this viewpoint is inductive-empirical, where the law is considered as an action repeated in the same form, aiming for a specific purpose (Mayhew, 1966; Meares, 2000).

The effectiveness of law in action or legal reality can be assessed by stating whether a legal rule succeeds or fails in achieving its goal. This is usually discernible from its impact on regulating certain attitudes, actions, or behaviors so that they align with the desired objectives or not. Legal effectiveness, in this context, refers to the extent to which a legal norm achieves its goal (Ituarte-Lima et al., 2014; Palupy, 2011).

In this context, research on the registration of fixed-term employment agreements at the Makassar City Labor Office becomes relevant and important. Nonetheless, the registration process conducted by the Labor Office seems to fail in its supervisory function over the application of legal rules, especially regarding the registration of fixed-term employment agreements. Therefore, the main issues to be addressed in this research are:

1. What are the procedures for registering Fixed-Term Employment Agreements at the Labor Office?
2. How is the supervision of the registration of Fixed-Term Employment Agreements conducted at the Labor Office?

2. Method

Research Design and settings

The research method used is empirical legal research, a type of study aimed at observing and analyzing how law is applied and functions within the context of the real world or community environment (Irwansyah, 2020). This research focuses on the empirical collection of data, such as through observation, interviews, case studies, or surveys, to understand how law interacts with society and how the implementation of law affects individuals, groups, or institutions. Empirical legal research helps to reveal concrete facts about how law works in practice, the extent of its effectiveness, and its impact on society. It is an important approach for evaluating the implementation of law, identifying issues within the legal system, and proposing improvements or changes that may be necessary to ensure justice and the effectiveness of law in daily life.

This research was conducted in Makassar City, considering that Makassar is a business and economic hub, hosting many companies domiciled in the city. The object of the study is the Makassar City Labor Office, given that the Labor Office is the department providing specialized services in the field of labor, especially related to the recording of Fixed-Term Employment Agreements (PKWT) within the Makassar City area.

Data Collection and Analysis

The data collection techniques used in this research include Interviews for directly gathering data at the research location, allowing the emergence of additional questions in response to the answers given by respondents (Alijoyo et al., 2021). During interview sessions, researchers can explore information more deeply. Additionally, Documentation involves the examination or analysis of documents created by the research subjects or other parties related to the research subject. As is commonly known, much information and data are stored in document form. In this context, researchers perform documentation by reviewing documents such as regulations and decisions, as well as involving images or data relevant to the research title. Lastly, Library Research involves the collection and search of documents and information relevant to this research. In this context, researchers will conduct an in-depth analysis of legal literature, legislation, internet sources, and all legal materials related to the issue being discussed. All collected data are subsequently analyzed using qualitative analysis methods with a normative-empirical approach. Qualitative analysis in this context refers to the detailed and clear explication of facts or situations related to the research object in sentence form, aiming to provide a more detailed and in-depth depiction of the issues, thereby facilitating the drawing of conclusions.

3. Results and Discussion

Obligation to Register Fixed-Term Employment Agreements

The procedure for registering fixed-term employment agreements follows a series of steps established to ensure compliance and protection for both parties, namely employers and workers. The first step in this procedure is the drafting of an employment agreement in accordance with applicable legal provisions, covering terms such as the period of employment, wages, workers' rights, and other conditions. After the agreement is drafted, the next step is the signing of the agreement by both parties, the employer and the worker, as evidence of a valid agreement. Subsequently, the agreement must be officially recorded by the Labor Department or the competent authority according to the applicable jurisdiction. This recording process ensures that the fixed-term employment agreement is properly documented and can be transparently accessed by all interested parties. Moreover, the recording procedure allows for supervision of the agreement's implementation to ensure that workers' rights are protected and legal provisions are adequately followed. By adhering to the correct recording procedures, fixed-term employment agreements can proceed clearly, fairly, and in accordance with the relevant regulations.

Recording of Fixed-Term Employment Agreements (PKWT) is a strategy used in employment relationships to determine the contract duration between employees and the company. In this agreement, it is established when the contract ends according to the agreed employment period, giving companies the flexibility to adjust labor needs to market demand changes. The recording of fixed-term employment agreements is regulated in the Explanation of Article 14 of Government Regulation No. 35 of 2021 on Fixed-Term Employment Agreements, Outsourcing, Working Hours and Rest Periods, and Termination of Employment.

1. PKWT must be recorded by the Employer at the ministry conducting government affairs in the field of employment online no later than 3 (three) working days since the signing of the PKWT.
2. In case the online recording of PKWT is not available, the PKWT recording is carried out by the Employer in writing at the district/city labor department, no later than 7 (seven) working days since the signing of the PKWT.

The recording of fixed-term employment agreements is also explained in Article 18 paragraph 2 of Makassar City Regulation No. 9 of 2004 on Regulation, Protection, and Employment Service Provision

within Makassar City Territory. "The enforcement of Fixed-Term Employment Agreements must first be examined and registered at the Labor Office."

In practice, many companies still do not register their employees' PKWTs with the Makassar City Labor Department. In 2023 alone, there were only 27 companies in Makassar City that registered their Fixed-Term Employment Agreements (PKWT) at the Makassar City Labor Department.

Table 1. List of Companies in Makassar City conducting PKWT recording in 2023

Company	Documentation
PT.Prima Makmur Bersama	January
PT. Ibu Jero	February
PT. Nusantara Satria Agung	February
PT. Bumi Jasa Utama	March
PT. Full House Servindo	March
PT. Lambang Azas Mulia	April
PT. Mitra Duta Mahakarya	May
PT. Dinar Wisesa Mahakarya	May
PT. Swakarya Insan Mandiri	May
PT. Usaha Putra Lima	May
PT. Mitra Rajawali Perkasa	May
PT. Prima Armada Jaya	June
PT. Patra Jasa	June
Koperasi Pertamina Retail	June
PT. Daya Mitra Serasi	July
PT. Arina Multi Karya	July
PT. Dana Purna Investama	July
PT.Prima Makmur Bersama	October
PT.Swakarsa Insan Mandiri	October
PT.Alva Karya Perkasa	October
PT.Gas Security P & C Regional Bali & East Indonesia	October
PT.Beringin Karya Sejahtera	October
PT.Bravo Satria Perkasa	October & November
PT.G4s Security Servis	November
PT.Pentel Siporio	November
PT.Outsindo Prima Raya	November
PT.Brins Solusion Indonesia	November

Source: Primary Data (Makassar City Labor Office, 2023)

While the existing legislation does not prescribe sanctions for the non-registration of Fixed-Term Employment Agreements (PKWT), there is an absence of penalties related to regulations governing the obligation to record PKWTs. Explanation of Article 81 number 15, Article 59 paragraph (1) of Law No. 6 of 2023 on the Establishment of Government Regulation in Lieu of Law Number 2 of 2022 on Job Creation, and Article 14 of Government Regulation No. 35 of 2021 state that PKWTs are to be recorded at the responsible labor authority. Notably, the wording does not explicitly mandate this requirement. However, further provisions are regulated by the Government Regulation as explained in Article 81 number 15, Article 59 paragraph (4) of Law No. 6 of 2023.

Article 14 paragraph (1) of Government Regulation No. 35 of 2021 includes the term "must," implying an obligation. This suggests a mandatory duty for business operators to register the PKWT. Failure to record a Fixed-Term Employment Agreement indicates neglect of this obligation, thereby constituting a violation of applicable legal regulations.

Relating this to Article 52 of the Labor Law, which outlines the validity conditions for employment agreements, it can be concluded that an agreement must not contravene existing legal regulations. Hence, unregistered PKWTs could be considered a violation of the legal conditions for valid employment agreements, making them inconsistent with Article 14 paragraph (1) of Government Regulation No. 35 of 2021. Such unrecorded PKWTs are deemed invalid as they breach the stipulations of existing legislation.

Regarding invalid PKWTs, a solution is provided in Article 52 paragraph (3) of the Labor Law, stating that agreements made contrary to legislation are “null and void by law.” Consequently, PKWTs not recorded by the business operator with the Labor and Transmigration Office are legally null and void. Article 81 number 15, Article 59 paragraph (3) of Law No. 6 of 2023, clarifies that:

“A fixed-term employment agreement that does not fulfill the conditions referred to in paragraphs (1) and (2) legally becomes an indefinite-term employment agreement.”

If business operators fail to register PKWT with the Makassar City Labor Office, the legal consequence, according to Article 81 number 15, Article 59 paragraph (3) of Law No. 6 of 2023, is that the agreement legally becomes an indefinite-term employment agreement (PKWTT).

The linkage between the theory of legal effectiveness and the recording of Fixed-Term Employment Agreements (PKWT) at the Makassar City Labor Office is highly relevant in the context of labor supervision. The theory of legal effectiveness emphasizes the importance of consistent, enforceable law application providing certainty for all parties involved. In the case of PKWT recording, the application of legal effectiveness through strict oversight ensures that employment agreement-related rules are consistently adhered to by both employers and workers. By accurately and transparently recording each PKWT, the Makassar City Labor Office establishes a strong legal foundation to protect worker rights and ensure compliance with labor regulations. This also provides legal certainty to parties involved in employment relations, minimizing dispute risks and enhancing confidence in the labor system. Thus, the supervision of PKWT recording by the Makassar City Labor Office not only reflects the implementation of the theory of legal effectiveness but also supports the creation of a fair, transparent, and legally just work environment.

Requirements and Procedures for Registering Fixed-Term Employment Agreements

Discussing the procedures for registering Fixed-Term Employment Agreements (PKWT) at the Makassar City Employment Office entails addressing the systems and administrative mechanisms for recording such agreements. According to an interview conducted by the researcher with Ms. Sri Hari Astuti, S.Sos., M.Si., a Functional Mediator Officer in Industrial Relations at the Makassar City Employment Office, the procedure for recording a fixed-term employment agreement requires online submission within a maximum of 3 days after the PKWT signing, and offline submission at the Makassar City Employment Office within a maximum of 7 days after the PKWT signing. Applicants for recording submit a request letter directed to the Head of the Makassar City Employment Office, including several requirements such as:

1. A photocopy of the fixed-term employment agreement document, signed by the parties involved on a revenue stamp (Employer and Worker).
2. A list of employees along with their addresses, wages, positions, workplace/location, the duration of the fixed-term agreement, and a note if the PKWT is new or an extension.
3. A photocopy of the valid Mandatory Employment Report (WLKP) of the Company.
4. Photocopies of proof of payment for Employment and Health Insurance (BPJS Ketenagakerjaan and BPJS Kesehatan) from the company.

Upon completion of document preparation, the service officer receives the application files, which are then submitted to the Head of the Department through the secretariat. The Head of the Department receives, reviews, and assigns the files to the Industrial Relations (HI) division, and the Head of Industrial Relations further assigns them to a Functional Mediator Officer. The Functional Mediator Officer examines and verifies the completeness of the application documents and the content of the Fixed-Term Employment Agreement (PKWT) to ensure compliance with employment regulations.

The requirements for the Fixed-Term Employment Agreement (PKWT) must align with the stipulations of Articles 57, 58, and 59 of Law No. 6 of 2023 on the Establishment of Government Regulation in Lieu of Law No. 2 of 2022 on Job Creation, specifically detailed in Articles 4 to 13 of Government Regulation No. 35 of 2021 concerning Fixed-Term Employment Agreements, Outsourcing, Working Hours and Rest, and Termination of Employment.

In the registration process, specific details of the agreement agreed upon between the employer and the worker are registered. This includes detailed information on both parties' identities, including full names and addresses, along with company details and positions held by workers. Additionally, the validity period of the PKWT, including start and end dates, must be clearly recorded. Other registered details include the wage amount or salary received by the employee during the agreed employment period, as well as rights and obligations of each party, such as working hours, leave, and any other relevant additional clauses. All this information is crucial for complete and accurate registration of the PKWT to ensure clarity and compliance from both parties and serves as a legal basis in case of law enforcement or dispute resolution in the future.

If the Fixed-Term Employment Agreement (PKWT) application does not comply with employment regulations, the application documents and PKWT will be returned in writing, specifying the deficiencies for correction due to non-compliance with employment regulations. Once the Fixed-Term Employment Agreement (PKWT) requirements are complete and in accordance with employment regulations, the Functional Mediator drafts and prepares the PKWT Registration Evidence, which is then submitted to the Head of Industrial Relations (HI) for review, endorsement, and subsequent submission to the Head of the Makassar City Employment Office. The Head of the Makassar City Employment Office reviews and signs the PKWT Registration Evidence, which is then returned to the Head of Industrial Relations (HI) for further action.

The Head of Industrial Relations receives the signed Registration Evidence and assigns it to the Industrial Relations (HI) staff for numbering and stamping, archiving in a special file, and finally, handing it over to the service officer to be given to the applicant.

4. Discussion

Labor oversight is a vital process in ensuring worker welfare and rights protection while verifying corporate compliance with applicable labor regulations. Within this framework, labor regulatory bodies, such as the Employment Office, play a crucial role in monitoring various aspects of employment relationships. This supervision encompasses adherence to safety and health standards, implementation of minimum wages, employment agreements, and equitable treatment of workers (Dalimunthe & Fajri, 2023). Through regular inspections, audits, and investigations into worker complaints, labor regulatory agencies can identify violations and administer appropriate sanctions or corrective measures. The primary aim of this oversight is to foster a safe, healthy, and fair work environment for all parties involved, thereby promoting employment relationships grounded in justice and legal compliance principles. Consequently, labor oversight is paramount in balancing corporate interests and workers' rights, creating a productive and sustainable work climate (Lestari, 2022).

The Makassar City Employment Office's oversight of Fixed-Term Employment Agreement (PKWT) registration is crucial in maintaining fairness and protection for workers. Through meticulous supervision, the Employment Office ensures that fixed-term employment agreements between employers and workers comply with relevant regulations. This includes verifying that the agreements' terms, such as duration of employment, wages, and other worker rights, adhere to existing labor laws. Moreover, this oversight aims to prevent the misuse of fixed-term agreements by employers, such as employing them unjustly to avoid paying worker entitlements. Thus, effective oversight by the Employment Office guarantees fair, transparent, and principle-compliant employment relationships. As previously discussed, the obligation to register PKWTs is not specified in any legislation, nor are there sanctions for non-compliance. This lack of regulatory penalty contributes to many businesses failing to register their employees' PKWTs (Wulida, 2019). Undoubtedly, many jobs that should be permanent still utilize PKWTs, many of which go unregistered. PKWT registration should be mandatory. Without it, the government cannot provide adequate worker protection. Governmental oversight in enforcing PKWT registration obligations is essential.

Labor oversight, as defined in Articles 176-178 of Law No. 13 of 2003 on Employment, specifies:

1. Labor oversight is conducted by competent and independent labor inspectors to ensure compliance with labor legislation.
2. Labor inspectors are appointed by the Minister or designated officials.
3. Labor oversight is performed by a dedicated unit within the central, provincial, and municipal government labor departments.
4. The implementation of labor oversight is regulated by Presidential Decree.

Further details on Articles 176-178 of Law No. 13 of 2003 are elaborated in the Minister of Labor Regulation No. 1 of 2020, amending Minister of Labor Regulation No. 33 of 2016 on Labor Inspection Procedures.

Furthermore, the Employment Office's preventive oversight related to PKWT registration is a critical step in ensuring worker rights protection and employer compliance with labor regulations. In this endeavor, the Employment Office undertakes proactive actions, such as educating employers and workers on PKWT legal provisions and providing clear guidelines on drafting, signing, and registering PKWTs. Additionally, the Employment Office conducts routine audits on companies to directly verify PKWT registration compliance with regulations. These measures aim to prevent legal violations from the outset, reducing future disputes between employers and workers. Effective preventive oversight ensures a fair, transparent work environment where employment relationships are based on applicable labor principles (Putra et al., 2020).

The Makassar City Employment Office's preventive oversight includes educational measures as outlined in Minister of Labor Regulation No. 1 of 2020, focusing on prevention through the dissemination of Labor Standards, technical advice, and support to prevent labor norm violations. The Employment Office's efforts in PKWT registration include conducting outreach to companies, inviting them to participate in training sessions where obligations for PKWT registration are explained.

PKWT registration holds significant importance in establishing fair and transparent employment relations. Written PKWT registration provides both employers and workers with a clear basis for agreed employment terms, including duration, wages, worker rights, and other conditions. This record not only serves as legal proof of the agreement but also ensures worker rights protection according to applicable regulations (Tampongangoy, 2013). Additionally, PKWT registration is crucial for labor oversight by authorities like the Employment Office to ensure fair and lawful agreement implementation.

Furthermore, the Employment Office's repressive oversight on PKWT registration enforces compliance with labor regulations. Through deep inspections of companies for PKWT registration compliance, the Employment Office can impose repressive actions, like administrative sanctions or legal proceedings, against non-compliant employers. These steps aim to deter violations and remind all parties of the importance of adhering to labor laws. Strict repressive oversight plays a vital role in maintaining justice and protection for workers, creating a fair work environment aligned with labor principles (Shalihah, 2016).

The Makassar City Employment Office's repressive oversight includes both non-judicial and judicial measures, as per Minister of Labor Regulation No. 1 of 2020. Non-judicial oversight involves coercive actions outside court proceedings, such as warning notices or commitments to fulfill labor regulations based on inspections. Judicial oversight involves legal enforcement through court proceedings for unresolved violations after non-judicial actions (Wulida, 2019).

In repressive oversight, the Makassar City Employment Office lacks authority as there is no Supervision Division within its scope, as seen in the organizational structure defined in the Mayor of Makassar Regulation No. 90 of 2016. The Employment Office only has the authority to handle industrial relation disputes between workers and employers. Regarding PKWT registration, the Makassar City Employment Office's authority is limited to preventive measures, educating employers on their obligation to register PKWTs according to legal mandates. However, it lacks the authority to enforce and inspect companies for PKWT compliance with labor legislation.

The relationship between oversight theory and authority theory is highly relevant in the Makassar City Employment Office's PKWT registration oversight. Oversight theory emphasizes the importance of effective control and monitoring mechanisms to ensure compliance with established regulations. In this case, the Employment Office acts as the supervisory body responsible for PKWT registration by employers in Makassar. However, the scope of the Employment Office's oversight authority is defined by authority theory, which outlines the rights and powers granted to the institution by applicable laws. The Makassar City Employment Office must ensure its oversight aligns with its granted authority, coordinating with the South Sulawesi Provincial Labor and Transmigration Office's Supervision Division to address any authority gaps.

5. Conclusion

The procedure for submitting a Fixed-Term Employment Agreement (PKWT) registration at the Makassar City Employment Office can be conducted online within a maximum of 3 days after the signing of the PKWT, or offline within a maximum of 7 days post-signing. Applicants must include specified documents, such as a photocopy of the signed PKWT, a list of employees, proof of Mandatory Employment Report (WLKP), and proof of payments for Employment and Health Insurance (BPJS Ketenagakerjaan and BPJS Kesehatan) from the company. The application files are then submitted to the Head of the Employment Office, approved, and forwarded to the Industrial Relations (HI) Division. Within HI, the Functional Mediator Officer reviews the completeness of the files and the PKWT content against labor regulation requirements. If the PKWT does not meet the requirements, the files are returned to the applicant for correction. If compliant, the PKWT Registration Proof is drafted by the Functional Mediator and submitted for verification to the Head of the HI Division. After verification, the Head of the Employment Office signs the Registration Proof, which is then returned to HI for numbering and archiving. Subsequently, the Registration Proof is handed over to the applicant. This procedure ensures that the submitted Fixed-Term Employment Agreement (PKWT) complies with applicable legal and administrative provisions, providing clarity and adherence from both involved parties.

Labor oversight, conducted by regulatory bodies like the Employment Office, is a vital process for safeguarding worker welfare and rights while ensuring corporate compliance with applicable labor regulations. Oversight of PKWT registration aims to ensure worker rights protection, fairness in employment relations, and adherence to legal provisions. PKWT registration also aims to provide legal certainty for workers. Oversight of PKWT registration can be both preventive and repressive. Preventive oversight involves proactive actions such as education, socialization, and routine audits, while repressive oversight involves rule enforcement actions through administrative sanctions or formal legal processes. The Employment Office's authority in PKWT oversight is limited to the provincial level. The Makassar City Employment Office can only undertake preventive measures and lacks the authority for direct inspection or regulation of companies regarding PKWT registration. Coordination between related agencies, such as the Makassar City Employment Office and the South Sulawesi Provincial Labor and Transmigration Office, is crucial to address authority gaps and ensure oversight effectiveness. Thus, oversight of PKWT registration is an integral part of maintaining fair and transparent employment relations, ensuring worker rights protection in accordance with applicable labor principles.

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