

## CORPORATE RESPONSIBILITY IN IMPROVING THE WELL- BEING OF THE WORKFORCE

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**Abstract:** *The paradigm of development in the field of Labor does need to change, where workers only tend to be seen as a factor of production or part of the commodity must be converted into workers as a whole Indonesian people or as subjects or actors of the production process in development with all dignity and dignity. Between the entrepreneur and the workforce an employment relationship is born. The employment relationship can be held for a certain time as well as an indefinite time. The employment relationship is set forth in an employment agreement that contains a statement of rights and obligations between the parties and their legal consequences. An obligation is a contractual burden or liability. In another sense, duty is something that is duly obliged to be given. The world of employment knows corporate ethics which concerns the relationship between companies and employees as one unit in the corporate environment. For this reason, in order to realize what is labor rights, realize welfare for workers, and realize corporate obligations, employers and workers must understand the labor law that has been regulated.*

**Keywords:** *Corporate Responsibility, Workforce Welfare*

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## Introduction

In this life humans have diverse needs, to be able to meet these needs humans are required to work, various writings “work” is often found adagium reads “Workers/labor is the backbone of the company. Why workers / labor is said to be the backbone of the company if examined more deeply, we will know the truth because indeed Labor has an important role in the company, without workers or labor the company will not run smoothly and the company will not be able to participate in development.(Hanifah, 2020a). In carrying out the development required several supporting factors such as capital, natural, and labor factors. These three factors are very important things that cannot be separated from each other. Of the three factors, the labor factor is a role that is no less important than other supporting factors. It is supported by a very large population, is one of the very important capital. Considering the labor factor in the development process must be considered, because it is necessary efforts to foster, direct and protection for the workforce to create welfare related to what it does. MHumans have diverse needs, to be able to meet these needs humans are required to work. In terms of striving to meet the diverse needs, there are 2 (two) types of working understanding, namely: 1. Self-employed work means working on Business, Capital and own responsibility and the results for their own interests. Such work without being bound to the commands of others and not dependent on others. 2. Working for someone else means working while depending on someone else who gives orders, and one must comply with all the rules or provisions set by the employer (Rachmad Abduh, 2020).

The paradigm of development in the field of employment indeed needs to change, where workers are often seen merely as factors of production or part of a commodity, it should be transformed into workers as complete Indonesian human beings or as subjects or actors in the production process in development, with all their dignity and honor (Fithri, 2020).

In general, there are several rights of workers that must be protected, including the right to work, the right to fair wages, the right to association and Assembly, the right to protection of security and health, the right to due process of law, the right to be treated equally, the right to privacy, the right to freedom of conscience. The rights of employers, among others, make regulations and labor agreements, the right to layoffs, the closure of the company, the right to form and become a member of the company's organization, the right to hand over part of the work to other companies. To realize the protection of workers' rights, it can also be achieved through development, supervision, and law enforcement in the field of employment (Sinaga, 2003). Based on the description above, it can be understood that the company is emphasized to be responsible for providing rights that guarantee welfare to the workforce in order to create a productive workforce so that the company can develop and participate in development. The obligation of the company in being responsible for the welfare of its workforce to the maximum extent possible to the welfare facilities of the workforce. Labor law Relations in the legal system in Indonesia has a goal to prosper the workforce in labor relations. Welfare facilities are raised so that the workforce can maximally do the work so as to make a mutual relationship between employers and workers. Between the entrepreneur and the workforce an employment relationship is born. The employment relationship can be held for a certain time as well as an indefinite time. The employment relationship is set forth in an employment agreement that contains a statement of rights and obligations between the parties and their legal consequences. An obligation is a contractual burden or liability. In another sense, duty is something that is duly obliged to be given.

The world of employment knows corporate ethics which concerns the relationship of companies and employees as one unit in the corporate environment. There are still many companies that often ignore the existing provisions. The labor law exists and was created to provide protection, empower and provide employment opportunities to the workforce, be IT workers, laborers and employees. For this reason, in order to realize what is the right of Labor, realize welfare for labor, and realize the corporate obligations of employers and workers.

Employment includes everything related to work before, during and after the period of employment that begins with an employment agreement. The work agreement is a derivative of the agreement in general, where each agreement has specific characteristics that distinguish it from other agreements. Article 1601 explains that an employment agreement in which the First party, namely the worker, binds to be under the leadership of the other party, namely the employer for a certain time by receiving wages in return. In the employment agreement required the element of work, orders and wages.

### **Literature Review**

The phenomenon experienced by workers is that the wages received are not proportional to the cost of living, the high cost of living makes workers far from prosperous. In addition to meeting basic needs, such as clothing, food and shelter, workers must also bear the cost of education for their children and must also set aside part of the wages to be used when workers can no longer work. According to Idan Hanifah “ ” viewed from the point of view of wages, there are differences between nominal wages, namely money and real wages, namely the number of goods that can be purchased with money (Hanifah, 2020b). Labor law is the law that regulates Labor, which was originally known as labor law. One of the functions of this regulation is to make a means of renewal in the framework of development which can be interpreted as channeling the activities yang mengarah of scientists who contribute to development. The development of labor law in Indonesia cannot be separated from the history of slavery carried out by the Dutch East Indies government, known as forced labor or rodi, which ended in 1819. Since then, the law that regulates special employment in Indonesia has continued to change until now. With the passing of Law No. 13 of 2003 on manpower (UUKK) this is because the UUKK replaces as many as 15 regulations of the kingdom, this makes the UUKK an umbrella for other regulations

There are various notions about well-being, since it is more subjective where each person with different guidelines, goals and views will give different values about well-being and the factors that determine the level of well-being. thus the level of welfare itself is something that is relative because it depends on the amount of satisfaction obtained from the results of social, material, and spiritual livelihoods that are overcome by a sense of safety, morality and inner peace Increasing the well-being of life that is balanced between material needs and spirituality raises various challenges and needs of life faced. With the increasing needs, the level of welfare of people is faced with increasing needs.(Batara, 2017). In general, the term social welfare is often interpreted as a condition of well-being (first conception), which is a state of fulfillment of all forms of life needs, especially those that are basic such as food, clothing, housing, education and health care. The definition of Social Welfare also refers to all activities of organizing and distributing social services for community groups, especially disadvantaged groups. The implementation of various social protection schemes, both formal and informal, is an example of social welfare activities. (Wijaya, 2021). According to Law No. 11 of 2009, social welfare is a condition for the fulfillment of material, spiritual, and social needs of citizens in order to live a decent life and be able to develop themselves, so that they can carry out their social

functions. Social welfare as a state formulated in Article 2 Paragraph 1 of Law No. 6 of 1974 on the basic provisions of Social Welfare, namely: Social Welfare is a system of life and material and spiritual social livelihood that is overwhelmed by a sense of safety, morality and inner peace, which makes it possible for every citizen to hold efforts to meet the physical, spiritual and social needs of the best for themselves, families and communities by upholding human rights and obligations in accordance with Pancasila.

### **The Level of Wages to The Welfare of The Workforce**

The Constitution of the Republic of Indonesia of 1945 (UUD 1945) has mandated the constitutional right of every citizen to a decent livelihood for humanity, including the constitutional right of Labor. Based on the above provisions, every Indonesian citizen has a constitutional right to the right to get a job, remuneration and fair treatment for his work. In accordance with the mandate in the Constitution of the Republic of Indonesia in 1945, then published Law Number 13 of 2003 on employment and Law Number 2 of 2022 on job creation. In this case, Employment Development is carried out in an integrated manner as a form of cooperation that supports each other. To support the realization of an integrated employment development, it takes a strong foundation that is often referred to as the principle. Related to the principle in labor law is to use the principle of integration through functional coordination across central and regional sectors. In accordance with the function and position of the workforce, labor development is needed to improve the quality of Labor and its participation dalain development and improving the welfare of workers and their families in accordance with human dignity. For this reason, it is very necessary for the protection of workers intended to guarantee the basic rights of workers and ensure equal opportunities and treatment without discrimination on any basis to realize the welfare of workers and their families while still paying attention to the development of the company's progress.

The presence of legislation in the field of Labor is a guarantee of legal protection of Labor. This legislation is philosophically used as a means of safeguarding, ensuring and guaranteeing the minimum rights that must be accepted by the workforce, the rights of workers as one of the human rights included in the socio-economic rights group and for the context in this research thesis related to the rights of workers labor. These rights are fundamental human rights for workers, so that these rights should be guaranteed their legal protection by the state in the strata of law, so that human rights law for workers is guaranteed and it has become an obligation of the state. The state as a stakeholder is obliged to provide guarantees of legal protection of human rights for the welfare of the workforce. The obligation of the state is also related to the concept or understanding of constitutionalism, the essence of the concept of constitutionalism both classical and modern is limited government (limited government). Where the concept of modern constitutionalism, the nature of limited government is expressed more specifically by giving emphasis to aspects of human rights protection for the people, especially labor and its protection institutionally and normatively through the hierarchy of legislation or strata. Labor rights as a special right or derivative of more general human rights, which in turn provide universal protection, fulfillment and respect for human rights, although ultimately what is required for the rights of wage labor is an element of the company's costs. Corporate profit orientation means that wages are lowered to the lowest level favorable to the company, making it difficult for workers (particularly irregular and unskilled workers) to achieve a decent standard of living. Based on this, the city/district and regional governments have established minimum wage rules. Establishing a minimum wage policy serves as a social safety net, preventing further wage declines due to labor market imbalances and lowering workers' wage levels due to their low bargaining power. This makes the goal of workers to improve welfare

is very difficult to achieve. The increase in wages does not follow the increase in the needs of workers. The minimum wage is a concern for many groups in order to improve the welfare of workers. Labor legislation on wages. This protection is necessary because of the imbalance between the power of employers and the will of workers. Countries that implement low wages are under international pressure to raise the minimum wage or face trade sanctions. Sanctions may be an increase in export taxes to one country or another. In addition to the wages received by workers to meet the living needs of workers, workers should also be given facilities. Facilities or benefits provided in accordance with the level of need. Facilities can be in the form of educational benefits for children of workers and housing facilities. Due to the cost of education and housing costs are so large that for these needs already spent wages received each month. presented by David Ricardo. This theory simply suggests that the level of wages received by unskilled labor (unskilled workers) is only influenced by the interest to cover the cost of living needs of workers and their families. The state of wages in the labor market will fluctuate at subsistence level. Labor supply will not increase or decrease in the long run. If the wage rate rises above the worker's minimum cost of living, it will increase the labor supply and will decrease the wage rate. Apabila tingkat upah berada dibawah biaya hidup minimum maka hal ini akan menurunkan kekuatan penawaran tenaga kerja dan kemudian tingkat upah akan naikmenuju subsistence level kembali (Alatas, 2008).

### **Legal Protection of Equitable Wage Determination**

Islam does not explicitly define wages, this is evident from the absence of detailed provisions on the minimum wage in the Qur'an. But its application is based on an understanding and understanding of the text of the Qur'an and al-Hadith contained in the principles of justice and honesty. Allah SWT strictly obliges the employer to pay the wages of workers who work for him. In Islam, the level of wages that employers pay to their workers is based on the principles of justice and decency established by taradin-based contracts or the like between employers and workers.(Sandra Dewi, 2019). Ikhwan Fahrozi explained that legal protection of workers' rights is guaranteed and has been regulated in laws and regulations, both in the Constitution, laws and other regulations.(Fahrozi, 2016). The position of the workforce has a share in productivity efforts and also affects the performance of the company. For this reason, the workforce must receive the attention of companies that use labor services. This will have an impact on companies to compete in the industrial era. Legal protection serves to protect human rights for people who are harmed and protected by others society so that they enjoy all the rights that the law gives them, or in other words legal protection, is a legal means that very many law enforcement agencies must provide to provide a sense of security, both external and internal from interference and threats of other wherever (Raharjo, 2020). Legal protection is divided into two parts, namely preventive and repressive legal protection. Preventive legal protection, that is, the legal protection of laws designed to prevent that controversy guide the actions of the government.Be careful when making policy decisions during the protection of the rights of the oppressed, that is, legal protection is aimed at the end of the dispute.(Phillipus M. Hadjon, 1987). Legal protection is a narrowing of the concept of this protection only legal protection. the protection that is needed is also Here rights related to the existence of rights and obligations that people have as subjects of law when dealing with fellow human beings and their environment. Sebagai subyek hak, manusia memiliki hak dan wajib mengambil tindakan hukum (Muchsin, 2003). Wages as the main component in the employment agreement is considered necessary to get attention. A fair wage system has a positive impact on the workforce and the company. The company is a place to work for the workforce and also as a place to earn a living in the hope of getting a decent wage so that it can live in prosperity. Likewise, for entrepreneurs, the company is a container in investing its capital to get the maximum profit. If



the relationship between workers and employers runs with justice, it has a good impact on the government because the company has helped the government by absorbing labor to work in its company, this is called Good industrial Relations. Thus making the economic power that produces goods or services to meet the needs of society. The government as a legislator must be able to balance between the interests of the workforce and the company. Then industrial relations will be created based on the compatibility and harmony of the parties.

### Conclusion

The fact experienced by workers is that the wages received are not proportional to the cost of living, the high cost of living makes workers far from prosperous. In addition to meeting basic needs, such as clothing, food and shelter, workers must also bear the cost of education for their children and must also set aside part of the wages to be used when workers can no longer work. According to Idan Hanifah " " viewed from the point of view of wages, there are differences between nominal wages, namely money and real wages, namely the number of goods that can be purchased with money . Real wages are the most important for workers, because with the wages received workers hope to buy goods or meet the needs they need to be able to finance the needs of living with family. Because the main goal of each individual is well – being with different measures according to the views, religions and doctrines of each individual. To meet the objectives of each worker, the government issues laws and regulations that regulate labor relations with companies that provide workers with jobs.

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