

## Analysis of Legal Protection for Contract Employees in Cases of Unilateral Termination of Employment Based on Social Justice (Case Study of Layoffs in Central Java Region)

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**Abstract.** *Unilateral termination of employment (PHK) is still a serious problem in Indonesia, as seen from several cases in Grobogan, Brebes, and Jepara in 2023. These cases involve layoffs without clear reasons, not extending contracts, or dismissing workers due to lack of orders. Although there settlement mechanisms regulated in the Manpower Law, ranging from bipartite negotiations to the Industrial Relations Court (PHI), their effectiveness is still questionable. Trade Unions play an important role in fighting for workers' rights, but workers' positions remain vulnerable. Further research is needed to assess the effectiveness of legal mechanisms in protecting employee rights, especially contract employees, and preventing similar problems from recurring in the future. The approach method used in writing this law is the normative legal approach. The data collection technique in writing this law is carried out by means of literature study (Library Research). This study uses qualitative data analysis techniques, qualitative data analysis, namely the data obtained will be analyzed qualitatively from a legal perspective. The results of the study concluded that the analysis of legal protection for contract employees in the case of unilateral termination of employment in Central Java based on the principle of social justice is highly dependent on the fulfillment of strict legal procedures and the existence of an effective dispute resolution mechanism. Legal efforts that can be taken by contract employees are to submit negotiations or bipartite deliberations with employers, submit joint agreements, resolve cases in industrial relations courts and sanctions that can be imposed on companies that unilaterally terminate employment in Central Java are administrative sanctions.*

**Keywords:** *Employment; Justice; Protection.*

## 1. Introduction

Humans have various needs, in order to meet their living needs and survival in the future, they are required to work either independently or under pressure from others. In a task there is a relationship between workers and employers, where the business relationship is communicated in a form of agreement or work contract, in the work contract contains all the freedoms and commitments of workers and their superiors such as salary and stability of superiors. Recent employment problems are still often found in Indonesia and attract the attention of many parties. Labor problems that cause conflicts among workers/laborers, such as cases of fraud, violence, discrimination, wages that are not in accordance with standards, unilateral dismissal, are increasingly complex.<sup>1</sup>In every industrial relationship that contains elements of employers, government, and workers, there are often cases of industrial relations disputes between employers and workers. One of the industrial relations disputes in the world of work is the Termination of Employment (PHK).<sup>2</sup>

Unilateral Termination of Employment refers to the act of terminating employment carried out by a company without agreement or adequate notification to the worker. Unilateral termination of employment is usually carried out without clear reasons, without going through a negotiation process, or without prior mediation efforts. In many cases, unilateral termination of employment ignores workers' rights guaranteed by law, such as the right to compensation or severance pay. This injustice often places employees in a weak position, so that workers feel they do not have adequate protection and this is a form of violation of the principle of social justice regulated in various employment regulations.<sup>3</sup>

Unilateral termination of employment or layoffs is still a serious problem in Indonesia as seen from several cases in Grobogan, Brebes and Jepara in 2023. The unilateral layoff case occurred in Grobogan Regency in 2023, the SPRING Workers Union again reported PT. SAI Apparel Grobogan Regency, Central Java to the Work Supervisory Unit (Satwasker) of the Central Java Provincial Manpower Office for carrying out unilateral termination of employment (PHK). A number of administrators who are members of the SPRING workers union were unilaterally laid off because they defended the workers at the garment factory. The layoffs were carried out by not extending the work contracts that should have been signed by the workers every three months. In addition to the cases above, unilateral layoffs also occurred at PT. Berill Jaya Sejahtera. As many as 80 percent of PT Berill Jaya Sejahtera production employees were unilaterally laid off by the

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<sup>1</sup>Aldiyansyah. "Workers and Never-ending Problems". Jawa Pos Article, February 12, 2020

<sup>2</sup>Ismi Pratiwi Podunge. "The Role of Trade Unions/Laborers in Settling Disputes over Unilateral Termination of Employment Carried Out by Companies Against Workers/Laborers". Lex Generalis Law Journal, Vol. 2 No. 5, p. 386.

<sup>3</sup>Feby Egatri Gulo. "Legal Protection for Workers in Unilateral Termination of Employment". Kertha Semaya Journal, Vol. 12 No. 4, p. 608.

company, after going on strike. The company has even brought in new employees to fill the vacancies.<sup>4</sup>

As explained in the case example above, unilateral termination of employment (PHK) often causes disputes between workers and employers, which require legal resolution through mechanisms regulated in Law Number 13 of 2003 concerning Manpower and other related regulations. Settlement of PHK usually begins with bipartite negotiations between employers and workers, which aim to reach a mutual agreement without the need to involve a third party. However, if the negotiations fail, the dispute can be continued to the mediation stage involving a third party, such as the local Manpower Office. At this stage, mediation aims to find a fair solution for both parties, and if mediation also does not produce an agreement, the PHK dispute can be brought to the Industrial Relations Court (PHI). The PHI functions to adjudicate dispute cases that cannot be resolved through negotiation or mediation. PHI decisions are binding and must be obeyed by both parties, both employers and employees. In decisions related to layoffs, PHI often emphasizes the protection of workers' rights, such as the right to severance pay, compensation, and other rights stipulated in the employment contract. In addition, the process at PHI aims to ensure that layoffs carried out by employers do not violate the principles of social justice and applicable laws.

However, the effectiveness of PHK settlement in PHI is often questioned, especially if the employer does not comply with the decision or if the implementation of workers' rights is delayed, so that the problem can continue even after the decision. Based on several examples of cases above, workers are in great need of legal protection and social justice that aims to eliminate the slavery system and to maintain workers to be more humane as fellow human beings. The purpose of this labor legal protection is also to guarantee the rights of workers and the basics of labor.

## **2. Research Methods**

The approach method used in writing this law is a normative legal approach. The specifications used in this study are descriptive analytical, The data used in this study were obtained through secondary data through literature from various libraries, The data collection technique in writing this law was carried out by means of a literature study (Library Research). This study uses qualitative data analysis techniques.

## **3. Results and Discussion**

### **3.1. Legal protection for contract employees based on the principle of social justice**

Termination of employment (PHK) is a problem that often becomes a major

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<sup>4</sup>KarimunToday. "Due to the Strike, 80 Percent of PT. Berill Jaya Sejahtera Employees Unilaterally Laid Off, <https://karimuntoday.com/gegara-mogok-kerja-80-persen-karyawan-pt-berill-jaya-sejahtera-di-phk-separty/>, accessed May 3, 2024.

concern in employment relations. In Indonesia, PHK is one of the most stressful events for workers, especially when it occurs unilaterally by the company. Based on Law No. 13 of 2003, it has been regulated that termination of employment must be attempted by the company not to be carried out. Companies are expected to improve work methods, savings, and coaching for workers. In Article 1 paragraph 3 of Law Number 13 of 2003 concerning Manpower, it states that regarding employment, workers or laborers are everyone who works by receiving wages in other forms.

Along with economic development and industrialization. Companies are often faced with pressure to remain competitive, which sometimes leads to decisions to reduce the number of workers through layoffs. Mass layoffs are often carried out without going through the correct procedures and without paying attention to workers' rights as stipulated in the law.<sup>5</sup>This creates uncertainty and injustice for workers who are victims of unilateral layoffs. Therefore, legal protection of workers' rights is very necessary to ensure that every act of layoff is carried out in accordance with applicable provisions.<sup>6</sup>Unilateral layoffs by companies are often carried out on the grounds of efficiency, restructuring, or declining company performance. However, these reasons are often used as an excuse to avoid obligations towards workers.

One important aspect of legal protection against unilateral layoffs is the existence of an effective dispute resolution mechanism. In Indonesia, employment dispute resolution can be done through bipartite, mediation, conciliation, and arbitration. In addition, workers also have the right to file a lawsuit with the Industrial Relations Court (PHI). However, this dispute resolution process often takes a lot of time and money, so it becomes an additional burden for workers who have lost their jobs.

Legal protection of workers' rights in unilateral layoffs also includes the right to compensation. The law stipulates that workers who are laid off are entitled to receive severance pay, long service awards, and compensation. However, in practice, many workers do not receive appropriate compensation for various reasons, such as company bankruptcy or employers' non-compliance with legal provisions.<sup>7</sup>In addition to the right to compensation, laid-off workers also have the right to receive support in finding new jobs. The government has an important role in providing training and skills development programs for laid-off workers. However, these programs are often not running optimally.<sup>8</sup>

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<sup>5</sup>Smith. "Multinational Corporations and Employment Law, *Journal of Employment Law*". Jakarta, p. 57

<sup>6</sup>Jones. "Ensuring Workers' Rights in the Global Economy," *Journal of Employment Law*, Jakarta, p. 80

<sup>7</sup>Miller, J., 2021, *Adapting Employment Law to the Digital Economy*, Legal Publishing, Jakarta, p. 137

<sup>8</sup>Robinson, K., 2020, *Eradication of Corruption in Employment Law Enforcement*, Legal Publishing, Jakarta, p. 88

Protection of workers' rights must also take into account gender aspects. Women often face discrimination in employment relationships, including in terms of layoffs. Women are more vulnerable to unilateral layoffs than men, especially in times of economic crisis. In addition, women who are laid off often face greater difficulties in finding new jobs. In the context of globalization, many multinational companies operate in Indonesia. These companies often have different employment policies than local companies. This poses its own challenges in protecting workers' rights. In addition, technological developments and digitalization also affect employment relationships. Many jobs are now done remotely or through digital platforms. This poses new challenges in protecting workers' rights, especially in terms of layoffs.

In addition, workers also have the right to demand fair and non-discriminatory treatment in the termination process. Discrimination in termination can occur if the company terminates the employment based on factors that are not relevant to the employee's performance or work ability, such as religion, gender, or ethnicity. The right to fair treatment also includes transparent and objective procedures in carrying out terminations.

In addition to these rights, workers also have the right to receive support and assistance in finding new employment after being laid off. This support can take the form of training or skills enhancement programs that help workers improve their chances of finding new employment. In addition, workers also have the right to receive information about job vacancies and other employment opportunities that match their qualifications and experience. Thus, legal protection of the right to support and assistance in finding new employment must be strengthened to ensure that laid-off workers can return to work quickly and without significant difficulties.

Furthermore, workers also have the right to social security and welfare in the event of a layoff. The Indonesian Manpower Law stipulates that companies must provide social security to workers who are laid off, such as old age security, health insurance, and work accident insurance. These guarantees aim to protect workers from the risk of losing income due to layoffs and ensure that they still have access to the necessary health services. Therefore, legal protection of the right to social security and welfare in layoffs must be strengthened to ensure that workers receive adequate protection in layoff situations.

In addition to these rights, workers also have the right not to experience pressure or threats in the termination process. Companies may not use intimidation or violence to force workers to accept termination or to influence their decisions. The right to protection from pressure or threats is important to ensure that workers can make decisions that are in accordance with their interests and rights without fear of adverse consequences.

Furthermore, workers also have the right to claim additional compensation or damages for the losses they experience due to illegal layoffs. If a company carries

out illegal layoffs or violates the legal provisions governing layoffs, workers have the right to claim additional compensation or damages for the losses they experience, such as loss of income or reputation. The right to additional compensation or damages is important to provide incentives for companies to comply with the legal provisions governing layoffs and to prevent abuse of authority by companies in carrying out lay offs.

Furthermore, workers also have the right to continue the employment relationship if the termination of employment by the company is unlawful or not based on legitimate reasons. The Indonesian Manpower Law gives workers the right to file a lawsuit with the Industrial Relations Court (PHI) if they feel that the termination of employment by the company is unlawful or unfair. Through this process, workers can fight for their rights and ask the court to cancel the termination of employment or provide them with proper compensation. The right to continue the employment relationship is one form of legal protection for workers in unilateral termination of employment by the company.

Workers also have the right to receive protection from trade unions or labor organizations in the process of layoffs. Trade unions or labor organizations have an important role in representing the interests of workers and fighting for their rights in layoff situations. By joining a trade union or labor organization, workers can get support and assistance in fighting for their rights and facing companies that may be more economically and politically powerful. Therefore, legal protection of the right to join a trade union or labor organization must be strengthened to ensure that workers can fight for their rights effectively in layoff situations.

Workers' rights are obtained from the results of workers filing lawsuits with the Industrial Relations Court (PHI). For example, in the case of PT. Indah Desain Indonesia., from the results of the trial at the Industrial Relations Court (PHI), employees received a decision that granted their lawsuit in full. PHI stated that PT. Indah Desain Indonesia had unilaterally terminated its employees. In addition, the employment relationship between the two parties was officially declared ended on June 13, 2023. In its decision, PHI sentenced PT. Indah Desain Indonesia to pay the rights of employees who had been terminated with a total value of IDR 347,217,934 (Three Hundred Forty Seven Million Two Hundred Seventeen Thousand Nine Hundred Thirty Four Rupiah). In guaranteeing the payment, the court also placed a security deposit on the company's assets, both in the form of movable and immovable objects, which can be sold through an auction process by the Industrial Relations Court or the authorized District Court. Court costs are also determined in accordance with applicable legal provisions. This decision provides clarity and legal protection for employees regarding their rights which had previously been neglected.

In this analysis, the Theory of Legal Protection, as explained by Fitzgerald and Salmond, emphasizes the need to integrate and coordinate various interests in

society, as well as ensuring that the rights of individuals, especially the more vulnerable, are protected. In the context of contract employees, this theory proposes that the right of workers to obtain legal protection against unilateral termination of employment (PHK) is part of the arrangements that need to be made by law to maintain a balance of interests between workers and employers.

In the study covering unilateral termination of employment of contract employees, it is seen that the existing law has not fully provided adequate protection to these workers. This is in accordance with what Salmond said, that the law must be able to regulate and protect individual rights in a society, and in this case it is the right of workers to receive fair treatment regarding termination of employment.

### **3.2 Legal efforts taken by contract employees who are subject to lay offs**

Legal efforts that can be taken by contract employees who are unilaterally laid off are: submitting negotiations or bipartite deliberations with the employer, submitting a joint agreement, resolving the case in the industrial relations court.

In principle, employment agreements can be drafted freely, meaning they can be written or unwritten/oral. However, nowadays, employment agreements are generally drafted in writing, especially between companies and their workers or laborers, because written agreements provide a stronger guarantee of legal certainty. This is in line with the essence of law which must provide legal certainty. Legal certainty is a fundamental aspect of society that requires general rules. In any society, every interest must be taken into account, and the rule of law, which includes written laws and regulations, acts as a framework that guides social interaction.

According to Rachmact Trijono, there are a number of steps that can be taken by workers with contract status when refusing termination of employment by employers, including:<sup>9</sup>

1. Bipartite Negotiations, this process emphasizes the principle of deliberation to reach a consensus as the initial step in resolving disputes.
2. Furthermore, mediation in the context of industrial relations is a deliberation process guided by a neutral mediator or mediators.
3. Conciliation, which is also a method of mediation or conciliation resolution, has been successfully used to resolve disputes, so the dispute resolution process can be continued to the Industrial Relations Court stage without having to go through the two methods again.
4. Industrial Relations Court (PHI) The legal procedures used by the PHI are civil procedural laws that generally apply in general courts, with exceptions specifically regulated in the Law on Industrial Relations Courts (UUPPHI).
5. Furthermore, it should be noted that unlike the appeal process in ordinary civil

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<sup>9</sup>Trijono, R., 2020, Omnibus Law: Job Creation, Review of Sinar Sinanti.



procedural law, decisions issued by the PHI cannot be appealed to the High Court. Instead, legal remedies against PHI decisions must be carried out directly through the cassation process at the Supreme Court of the Republic of Indonesia (MA). However, only PHI decisions related to disputes over rights and disputes over termination of employment are eligible for cassation. The UUPPHI provides clear regulations regarding the resolution of these disputes by the Cassation Judge.<sup>10</sup>

The requirements for filing a lawsuit with the PHI are as follows:

1. Filed at the Industrial Relations Court whose jurisdiction covers the worker's domicile;
2. The lawsuit must be accompanied by a settlement report through mediation or conciliation. If the report is not included, the court must return the lawsuit to the plaintiff.
3. The lawsuit must include the main issues in dispute along with the identities of the parties and documents that support the lawsuit.

The trial procedure is regulated as follows:

1. If the dispute involves a dispute over rights/interests followed by a dispute over layoffs, PHI decides first the dispute over rights and/or interests (Article 85 of Law No. 2 of 2004).
2. If the trial process is a fast process according to a written request from one of the parties, then within 7 (seven) working days after the request is received, the Head of the District Court will issue a decision on whether the request is granted or rejected. If the request is granted, the Head of the District Court within 7 (seven) working days after the decision is issued determines the panel of judges, day, place, and time of the trial without an examination procedure. The deadline for responses and evidence from both parties is determined not to exceed 14 working days (Articles 98 and 99 of Law No. 2 of 2004).
3. If with the regular procedure process, then within a maximum of 7 (seven) working days after the determination of the panel of judges, the Chief Justice will hold the first hearing. If in the first hearing it is clear that the employer has not carried out its obligations to pay wages and other rights while waiting for the completion of the termination of employment, the chief justice will immediately issue an interim decision ordering the employer to pay wages and other rights that are usually received by the worker concerned.
4. If the entrepreneur ignores the decision, the chief judge will order the Seizure of Collateral in a decision of the HI Court. The interim decision cannot be challenged or taken for legal action.
5. No later than 50 working days since the first hearing, the panel of judges shall issue its decision. The decision of the Panel of Judges regarding disputes of interest and disputes between labor unions in one company is final. Meanwhile, the

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<sup>10</sup>Anderson, M., 2019, *Legal Awareness in Industrial Relations*, Legal Publishing, Jakarta



decision of the Panel of Judges of the Industrial Relations Court regarding disputes over rights and termination of employment has permanent legal force if within 14 working days, no appeal is filed by the party present or 14 working days after the decision is received by the party absent.

Out of Court Settlement:

- **Settlement Through Bipartite:** Bipartite settlement is carried out so that disputes can be carried out amicably, which is expected that each party does not feel that they have been defeated or won, because Bipartite settlement is binding. The law provides a maximum of 30 days for settlement through this institution, if it is more than 30 days then the Bipartite negotiation is considered to have failed. However, if the negotiation reaches an agreement, a joint agreement must be made containing the results of the negotiation. Conversely, if no agreement is reached, a negotiation report must be made as evidence that Bipartite negotiations have been carried out. In failed Bipartite negotiations, one party is required to register their dispute with the local agency responsible for the field of employment, to be mediated. The authorized official at the agency is required to offer the parties to offer a settlement through conciliation for disputes of interest, termination of employment or disputes through arbitration for disputes of interest and disputes between trade unions/laborers in one company.

- a. **Settlement through Mediation:** Basically, industrial settlement through mediation is mandatory, when the parties do not choose settlement through conciliation or arbitration after the agency responsible for the labor sector offers it to the disputing parties. If the mediation settlement process does not reach an agreement, the mediator submits a written recommendation to provide a written response to the recommendation, which contains agreement or rejection of the recommendation. The party who does not provide a recommendation is considered to have rejected the recommendation. Furthermore, if the recommendation of the mediator employee is accepted, a joint agreement is made to be registered with the Industrial Relations Court in order to obtain a certificate of proof of registration. The government can appoint a mediator who is tasked with carrying out mediation or a peacemaker who can act as a mediator in resolving disputes between workers/laborers and employers. A mediator who is appointed has the requirements as stated in Article 9 of Law Number 2 of 2004 and must have a minimum of a Bachelor's degree.

Within 7 days of receiving a worker/laborer complaint, the mediator has held a case study of the dispute which will be held in a mediation meeting between the parties. The mediator is an employee of a government agency responsible for the field of employment who meets the requirements as a mediator appointed by the minister to carry out mediation and has the obligation to provide written recommendations to the disputing parties to resolve disputes over rights, disputes over termination of employment and disputes between worker/laborer unions in a company. Appointment and accommodation are determined by the Minister of

Manpower. If an agreement has been reached to resolve the dispute through the mediator, a joint agreement is made which is signed by the parties and the mediator, then the agreement is registered at the Industrial Relations Court at the Local District Court. Settlement through Industrial Relations mediation is the settlement of industrial relations disputes through deliberation mediated by one or more neutral mediators. Within a maximum of (7) seven working days after receiving a written request, the mediator must have conducted research on the case study and immediately hold a mediation hearing. In the event that a settlement agreement is reached through Mediation, a joint agreement (PB) is made which is signed by the parties and acknowledged by the mediator and registered at the Industrial Relations Court at the District Court in the area of the parties who entered into the joint agreement. In the event that mediation does not reach an agreement, the mediator issues a written recommendation no later than (10) ten working days from the first mediation session to the parties. The parties must provide their opinions in writing to the mediator no later than (10) ten working days from receiving the recommendation. A party who does not provide an opinion is deemed to have rejected the written recommendation.

In the case where the parties agree to the written recommendation from the mediator, within a maximum of (3) three working days since the written recommendation was approved, the mediator must have completed helping the parties to make a joint agreement (PB) to then be registered at the Industrial Relations Court at the District Court in the area where the parties made the joint agreement (PB). If the recommendation is rejected by one or both parties, the dispute resolution is carried out through the Industrial Relations Court at the local District Court by filing a lawsuit by one of the parties. The mediator must complete his/her task no later than (30) thirty working days from the date of the request for dispute resolution.

- Settlement through Conciliation: Conciliation is the settlement of industrial relations disputes through deliberation mediated by one or more neutral conciliators. The conciliation procedure is no different from mediation, namely resolving disputes outside the court to reach an agreement, concerning disputes of interest, disputes over termination of employment or disputes between trade unions/labor unions in one company by a conciliator. A conciliator is one or more persons who are given the authority to resolve industrial disputes who are required to provide written recommendations to the disputing parties. Unlike a mediator, a conciliator does not have the status of a government employee. A conciliator may provide conciliation after obtaining a registered permit at the office of the agency responsible for the district/city employment sector. Similar to the mediation settlement process, the Law provides a settlement period of no later than (30) thirty working days from the date of receipt of the request for dispute settlement.
- Settlement through Arbitration: settlement or decision of a dispute by a judge or judges with the aim that they will submit to or obey the decision that has been

given by the judge or judges they have chosen or appointed. So arbitration is the settlement of industrial relations disputes outside the Industrial Relations Court through an agreement of the disputing parties to submit the settlement of the dispute to an arbitrator whose decision is binding on the parties and is final (final and binding).

According to Article 1 number 15 of Law Number 2 of 2004, industrial relations arbitration is the settlement of a dispute of interests and disputes between workers' unions/labor unions in only one company, outside the Industrial Relations Court through a written agreement from the disputing parties to submit the settlement of the dispute to an arbitrator whose decision is binding on the parties and is final. Against an arbitration decision, one party may submit a request for cancellation to the Supreme Court within a maximum of (3) thirty days from the date the arbitration decision is made.

In the case of unilateral PK, the government is also obliged to provide administrative sanctions for the company. Administrative sanctions as a form of administrative sanctions for the company. Administrative sanctions as sanctions implemented for violations of provisions or administration in laws with an administrative nature. Administrative sanctions have a Reparatory nature, meaning that they repair conditions as before. Through Article 61 of PP Number 35 of 2021 concerning Fixed-Term Employment Agreements, Working Hours, Outsourcing, Administrative Sanctions can be in the form of:<sup>11</sup>Written warning, Cancellation of business activities, Temporary suspension of all or part of production equipment, Freezing of business activities. However, in the PP, administrative sanctions are only applicable to several articles, as is the case in the Job Creation Law which does not provide explicit regulations regarding sanctions for companies that carry out unilateral layoffs.

The Pancasila Justice Theory, contained in the fifth principle of Pancasila, emphasizes social justice for all Indonesian people, including in the context of employment relations between employees and companies. In this case, Pancasila provides the basis that every individual, including contract employees, has the right to receive legal protection for their rights, as reflected in the provisions of employment law. Unilateral termination of employment (PHK) by a company, without a valid reason or without appropriate procedures, clearly contradicts the principles of justice stipulated in Pancasila. For example, in implementing PHK, companies are required to follow the procedures stipulated in the Employment Law, including providing sufficient notice, clarification, and payment of employee rights owed such as severance pay or compensation money. Employees who feel they have been unfairly or unilaterally laid off can take legal action by filing a

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<sup>11</sup>Guntur Putra Ramadhan, et al., 2023, Unilateral Termination of Employment Based on the Job Creation Law (Case Study at PT. Shopee Internasional Indonesia), Digital Business: Journal of Management Science and E-Commerce Publication Vol.2, No.3 September 2023 e-ISSN: 2962-0821; p-ISSN: 2964-5298, Pages 51-63

lawsuit with the industrial relations court or through mediation to obtain their rights. If these efforts fail, they can seek assistance from the Manpower Office or other authorized institutions. In addition, companies that terminate employment without proper procedures may be subject to legal sanctions, in the form of an obligation to pay compensation or damages for unlawful termination of employment, in accordance with the provisions of Law Number 13 of 2003 concerning Manpower.

Furthermore, in Islamic Legal Theory, which is based on the teachings of the Qur'an, Hadith, and *ijtihad* of scholars, there is an important principle that emphasizes the balance between rights and obligations, especially in transactions or social relations, including employment relations. Islamic law teaches that every action taken by the parties involved in a contract must be based on justice and not harm either party. Therefore, in the context of unilateral termination of employment, a company that lays off employees without a valid reason or without proper procedures is considered unfair. In the Islamic perspective, companies are required to provide the rights of employees who have worked in accordance with the agreement, and if termination of employment occurs, the company must provide these rights fairly. If the company does not fulfill this obligation, then employees have the right to demand their rights based on the principles of justice and equality in Islam. Legal remedies that can be taken by employees are by conducting deliberation or mediation, in accordance with the principle of *ash-shulh* (peace) in Islam, or taking the case to court. Islam also emphasizes that if employee rights are not given fairly, the company will be subject to sanctions in the form of an obligation to compensate for losses incurred by the employee, and can be punished based on the principle of *qishash* or compensation for the injustice committed.

#### **4. Conclusion**

Conclusion of Analysis Legal protection for contract employees in the event of unilateral termination of employment in Central Java based on the principle of social justice is highly dependent on the fulfillment of strict legal procedures and the existence of an effective dispute resolution mechanism. The Manpower Law provides a strong legal basis to protect workers from illegal termination of employment and ensures that they receive fair compensation and other rights regulated by law. Legal efforts that can be taken by contract employees are to submit negotiations or bipartite deliberations with employers, submit collective agreements, resolve cases in industrial relations courts and sanctions that can be imposed on companies that unilaterally terminate employment in Central Java are administrative sanctions.

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