



Legal Implementation of the Provisions of Working Hours for Workers Who Receive Wages Under Umk (Case Study of Coffee Shops in Cirebon City)

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ARTICLE INFO

Keywords: Legal Protection, Wages, MSMEs.

Received : 20, April

Revised : 15, May

Accepted: 09, June

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ABSTRACT

Labor's role and position in national development are crucial. Therefore, employment development aims to improve the quality of labor and its participation in development. In addition, employment development also aims to increase protection for workers and their families, in line with human dignity and as mandated by the 1945 Constitution Article 27, paragraph 2: Every citizen has the right to work and a livelihood that is worthy of humanity. This study aims to examine the enforcement of legislation concerning MSME workers, specifically on working hours and salaries, in alignment with existing laws and regulations, while taking into account the constraints encountered by business operators in adhering to government policies. The research employed is empirical. Normative research is an investigative methodology that integrates normative and empirical viewpoints. The research on three coffee shops in Cirebon reveals a common issue concerning salaries, specifically that workers receive compensation below the Regency/City Minimum Wage (UMK). These data suggest that several business owners encounter similar issues with the remuneration provided to their employees. This contradicts the pay regulations stipulated in the Labor Law (Law No. 13/2003). The study's results indicate that research on the MSME sector reveals persistent issues in applying labor legislation concerning wages. The primary impediment to enforcing legal protections for workers in MSMEs arises not from employers' errors or ignorance but from the prevailing wage standards.

INTRODUCTION

Article 1, paragraph (3) of the 1945 Constitution of the Republic of Indonesia explicitly states that Indonesia is a rule of law state. The rule of law constitutes the state's bedrock, wherein all citizens' actions are governed and constrained by legal statutes. This establishes legal certainty as an essential human right for all Indonesian citizens. Consequently, unwavering adherence to the law is a constitutional need for enhanced national development.

The objective of national development in Indonesia is to enhance the quality of life for all citizens by achieving optimal welfare, justice, prosperity, and equality (Indriyani, 2016). The function and status of labor in national development are essential. Consequently, employment development seeks to enhance labor quality and its involvement in development. Furthermore, employment development seeks to enhance protections for workers and their families, under human dignity as stipulated by Article 27, paragraph 2 of the 1945 Constitution: "Every citizen has the right to work and a livelihood that is worthy of humanity" (Maulida & Mariana, 2020). The government has initiated human resource development to enhance workers' welfare by increasing employment, ensuring equitable opportunities, elevating quality and skills, and safeguarding workers' rights. This is a vital element of social fairness and economic sustainability, particularly for employees in micro, small, and medium enterprises (MSMEs). The entitlement to a just and adequate salary is essential for workers' well-being and the nation's socio-economic equilibrium.

Law Number 20 of 2008 regarding Enterprises categorizes Micro, Small, and Medium Enterprises based on net worth and annual sales revenue. Micro Enterprises are defined as firms with a net worth not exceeding Rp. 50,000,000.00 (fifty million rupiah) or yearly sales not surpassing Rp. 300,000,000.00 (three hundred million rupiah), excluding the value of property and structures associated with the business. Small businesses possess a net worth ranging from Rp. 50,000,000.00 (fifty million) to a maximum of Rp. 500,000,000.00 (five hundred million rupiah), or generate annual sales exceeding Rp. 300,000,000.00 (three hundred million rupiah) up to a maximum of Rp. 2,500,000,000.00 (two billion five hundred million rupiah). Medium-sized enterprises possess a net worth exceeding Rp 500,000,000 (five hundred million rupiah) and not surpassing Rp 10,000,000,000 (ten billion rupiah), or generate annual sales ranging from over Rp 2,500,000,000 (two billion five hundred million rupiah) to a maximum of Rp 50,000,000,000 (fifty billion rupiah). The nominal value of these criteria may be adjusted under national economic changes, which are further governed by governmental rules. The ministry/agency can employ supplementary criteria alongside capital and annual sales revenue for designated purposes. The supplementary criteria may encompass the investment value, labor force size, supplied incentives and disincentives, product local content, and/or implementing environmentally sustainable technologies. Implementing this ramp criterion is tailored to the specific characteristics of each business sector.

Minimum wage regulation is a legal requirement designed to safeguard workers from arbitrary wage payments by businesses focused only on profit maximization. The term "minimum" denotes withdrawals that deplete within a month. Employee pay are determined by determining the minimal monthly requirements, encompassing essential needs such as clothing, food, and housing. The term minimum denotes sufficient to satisfy the requirements for one month (Yosephus, 2010).

According to Article 1, paragraph (3) of Law Number 13 of 2003 regarding Manpower, workers or laborers are defined as individuals engaged in work for remuneration or other forms of compensation. Workers are categorized into three types: freelancers, contract workers, and permanent employees. The remuneration framework is governed by Government Regulation Number 36 of 2021 regarding Wages (hereafter referred to as PP Wages), a derivative of Law Number 11 of 2020 on Job Creation, enacted in October 2020. Enforcing wage laws inside the community's economy frequently encounters challenges. There is a distinction between legislation and situations in the workplace, wherein companies can face financial challenges in meeting their commitment to disburse payments to employees.

Business actors who want the most significant profit aim to protect workers from low-wage practices and excessive working hours through labor and wage laws and regulations (Anggia, 2017). As happened to the receipt of wages obtained by several MSME workers in the city of Cirebon, the Decree of the Governor of West Java Number 561.7/Kep.798-Kesra/2024 signed on December 17, 2024 stipulates the 2024 Cirebon City MSEs of Rp.2,533,038.00,- (Two Million Five Hundred Thirty Three Thousand Thirty-eight Rupiah). There is a regulation that stipulates the MSEs of Cirebon City, practice in the field shows that there is a discrepancy between the wages agreed by workers and employers on the employment contracts in several MSMEs in the city of Cirebon and the applicable policy on the amount of MSEs in Cirebon City. This discrepancy results in economic losses for workers, considering that expenses to meet needs continue to increase over time.

The Government Regulation, as per Law Number 2 of 2022 regarding Job Creation, specifically Article 77 paragraph (2), delineates two options for regulating working hours: 7 hours daily (totaling 40 hours weekly) across six working days, or 8 hours daily (totaling 40 hours weekly) over five working days. This provision aligns with Law Number 13 of 2003 regarding Manpower and Government Regulation Number 35 of 2021 concerning Fixed-Term Employment Agreements, Outsourcing, Working Hours, Employment Relations, Rest Periods, and Termination of Employment, which is a derivative of Law Number 11 of 2020 regarding Job Creation. Both regulations offer firms the opportunity to establish working time schemes, allowing a choice between a 6-day workweek of 7 hours per day or a 5-day workweek of 8 hours per day, totaling 40 hours per week. Nonetheless, firms are required to offer one day off per week for the six-day schedule and two days off per week for the five-day schedule. These adaptable measures enable the organization to modify work schedules according to

operational requirements, such as designating holidays on weekends or alternative weekdays. (Kalendi et al., 2023)

Article 77, paragraph (3), delineates an exception to the working hours regulations for specific economic sectors or occupations, as further elaborated in the Decree of the Minister of Manpower and Transmigration Number KEP-233/MEN/2003. Article 3, paragraph (1) of the decree delineates continuous work, encompassing: health services; transportation services; repair services for transportation equipment; tourism enterprises; postal and telecommunications services; provision of electric power, clean water networks, and oil and natural gas fuels; self-service and shopping center operations; mass media; security; conservation agencies; and activities that, if halted, would disrupt the production process, damage raw materials, or necessitate maintenance or repair of production equipment.

Legal protections for employees are predicated on an employment relationship, defined as a legal connection between employers and employees via a work agreement. In the contract, the employee commits to work for the employer in return for remuneration, while the employer must employ and compensate the employee. According to Article 1, paragraph 14 of Law Number 13 of 2003 on Manpower, a work agreement is a legal event that governs work conditions and produces legal consequences in the form of rights and obligations for the parties involved, specifically workers and employers. This concept highlights the consensual and contractual elements in establishing work relationships, wherein mutual agreement is the foundation for the legal connection. An employment agreement is not merely verbal; it becomes a legally binding contract with enforceable obligations for both parties.

An excess of job seekers over available positions elevates the unemployment rate. This condition fosters the development of micro, small, and medium companies (MSMEs), particularly in the coffee shop sector, as a manifestation of individual entrepreneurship. The primary impetus for building coffee shops in Indonesia is the surge in demand and popularity of processed coffee products, in addition to the objective of job creation. Coffee shops, offering services from coffee bean processing to serving prepared coffee and snacks, are adapting to the evolving domestic coffee consumption trend (Kamila & Suheni, 2023). Numerous coffee establishments in Cirebon City hire employees yet adhere to a salary scheme contravening existing legislation. Numerous employees with extensive tenure receive inadequate compensation, as their wages fall below the minimum wage requirements established by Law Number 6 of 2023.

This research examines the implementation of legislation regarding working hours and salaries for MSME workers, under existing legal frameworks, while considering the constraints encountered by business operators in adhering to government directives.

RESEARCH METHODS

The research used is empirical normative research, a research approach combining two perspectives: normative and empirical. The normative perspective focuses on the rules, principles, and values that apply in a field. Normative research analyzes legal provisions, ideal standards, and how something should be done. Meanwhile, the empirical perspective focuses on the facts, data, and realities that occur on the ground. Through observation and interviews, empirical research analyzes actual situations, human behavior, and social phenomena. Empirical normative research combines these two perspectives to analyze norms in the context of empirical reality, providing a more comprehensive understanding and practical solutions.

Normative legal research methodologies will be applied, involving a comprehensive review of relevant laws and regulations, jurisprudence, and legal doctrines. This research aims to conduct an in-depth analysis of the legal framework that protects part-time working students, focusing on the right to adequate wages and their implications for fulfilling academic obligations.

This study employs a statutory method. The legislative method thoroughly examines laws and regulations pertinent to the legal issues under investigation.

RESULTS AND DISCUSSION

Implementation of the Law on MSME Workers Regarding Wage Rights and Working Hours Based on Laws and Regulations

Article 1, number 30 of Law Number 13 of 2003 regarding Manpower defines wages as the monetary rights of workers provided by employers in return for labor, computed according to the employment contract stipulations, including allowances for workers and their families. While pay agreements may be established orally or in writing, Article 54 of the Manpower Law mandates a formal format to guarantee legal clarity and avert possible infractions. This is predicated on the understanding that verbal agreements are susceptible to ambiguity and challenging to substantiate (Agusmidah, 2012). Although the authority of employers in formulating employment agreements is recognized, it must be in line with the principles of justice and law enforcement, require a negotiation process, and cannot be carried out unilaterally without considering workers' rights (Anggia, 2017).

Government Regulation 36 of 2021 delineates wages as the entitlement of workers to monetary remuneration from employers for services rendered or to be rendered, encompassing allowances for workers and their families. Article 88, paragraph (1) of the Manpower Law ensures the entitlement of workers to fair remuneration. The government has implemented wage policies to provide welfare and adequate livelihoods, encompassing minimum wage, basic living requirements (KHL), pay protection, and determining minimum wage.

The Regulation of the Minister of Manpower and Transmigration Number 07 of 2013 establishes a framework for the regulation of minimum wage in Indonesia, comprising three tiers: Provincial Minimum Wage (UMP), Regency/City Minimum Wage (UMK), and Regency/City Sectoral Minimum

Wage (UMSK). The three minimum wage levels demonstrate the government's attempts to align wage regulations with the economic situations of various regions and industrial sectors. The objective is to satisfy workers' requirements for a respectable livelihood and diminish wage inequalities between areas. This aligns with the provisions of Law Number 13 of 2003 regarding Manpower, which underscores the safeguarding of labor through dignified empowerment, equitable distribution of employment opportunities under national and regional development needs, and the enhancement of the welfare of workers and their families. This legislation seeks to establish an equitable, efficient, and sustainable employment environment.

Observations of the MSME sector indicate that enforcing labor legislation concerning wages continues to encounter numerous problems. Observations conducted in three coffee shops in Cirebon reveal a consistent issue concerning remuneration: employees get earnings that fall below the Regency/City Minimum Wage (UMK). This discovery suggests that business proprietors encounter identical issues about the remuneration provided to their employees.

The Republic of Indonesia Law Number 13 of 2003 about Manpower, Article 77 paragraph (1), stipulates that firms must adhere to working hour regulations as per applicable laws and regulations. Article 77, paragraph (2) elaborates on the stipulations for working hours as follows:

- (a) Seven hours daily (forty-two hours weekly) across six working days (often Monday to Saturday, with a distribution of hours as per corporate policy); and
- (b) Eight hours daily (forty hours weekly) across five working days (usually Monday to Friday).

Article 77, paragraph (3), exempts some business sectors or personnel from the stipulations for working hours. Moreover, Article 77 Paragraph (4) specifies that the employment contract, corporate policies, or collective bargaining agreement shall govern particular working hours. Article 77, paragraph (3), delineates an exception to the working hours regulations for specific economic sectors or occupations, as further articulated in the Decree of the Minister of Manpower and Transmigration Number KEP-233/MEN/2003. Article 3, paragraph (1) of the decree delineates continuous work, encompassing: health services; transportation services; repair services for transportation equipment; tourism enterprises; postal and telecommunications services; provision of electric power, clean water networks, and oil and natural gas fuels; self-service and shopping center operations; mass media; security; conservation agencies; and activities that, if halted, would disrupt the production process, damage raw materials, or necessitate maintenance or repair of production equipment.

Based on the results of interviews with the owners of several coffee shops in Cirebon City, it was determined that there was a discrepancy between the work schedule set for workers and the applicable laws and regulations. This shows a violation of the provisions for the working hours that have been set. The wage system in a number of Coffee Shop businesses in Cirebon City has not fully

complied with the applicable provisions of the wage calculation system, calculated from the number of working hours divided by the total working days of the period, multiplied by the total salary.

The average working hours system of coffee shops in Cirebon City is 9 to 12 hours per day for 6 working days; therefore, if you look at the hourly calculation, workers only get a wage of Rp. 7,550.00 per hour. Workers receive a monthly wage of only Rp. 1,963,000.00. This wage amount, when compared to the minimum wage standard set by the Decree of the Governor of West Java, is classified as below average and does not guarantee a decent standard of living.

In this case, the determination of the salary scale of employees must refer to the City Minimum Wage (MSE) that applies in the regions. Employers are obliged to consider local government policies related to MSEs in determining wages for wage practices that often occur due to the process of making work agreements carried out unilaterally by the employer (Mukhidin, 2010). This is because the work agreement given to workers has generally been standardized as a standard template, not due to negotiations or mutual agreements between the two parties (Priyono, 2017). A work agreement with a standard clause is not the result of a mutual agreement, but the result of one party imposing its will (Panggabean, 2012). This condition creates an imbalance in power relations, where entrepreneurs are the dominant party that tends to benefit. This practice is contrary to the provisions of the law that prohibit wages under MSEs.

Legal Review of Minimum Wage Exemption for Micro and Small Enterprises in the Job Creation Law

The minimum wage is an essential element of labor law designed to guarantee employees a respectable standard of living. To guarantee a humane standard of living, the normative establishment of the minimum wage must consider economic and social indices, including the necessity for a decent existence, inflation rates, and economic growth.

The Job Creation Law grants an exception from the minimum wage requirement. This is predicated on the constraints of low capital, the scale of small enterprises, and the necessity for operational flexibility to endure and expand. The exception seeks to foster a favorable business environment while yet upholding fundamental labor safeguards.

The remuneration framework in the MSME sector is founded on a contractual agreement between employees and employers. Per Article 1601 of the Civil Code (KUHPPerdata), an employment agreement is a contract wherein a worker consents to perform labor under the employer's direction for a specified duration in exchange for remuneration. This agreement is a legitimate foundation for creating a work relationship, expressed verbally or in writing.

A study of three coffee shops in Cirebon City found that two coffee shops had a written employment agreement with their workers, while one other coffee shop only had a verbal agreement. Although the oral work agreement is legally valid, the written form is considered to provide stronger legal protection for workers and employers, especially in proving each party's rights and obligations.

Regarding the legality status of the business, all coffee shops studied already have a Business Identification Number (NIB) and are registered as business actors, which means that administratively, they are qualified as MSMEs subject to national regulations, including provisions in the Job Creation Law and its derivative regulations.

The regulation of minimum wage exemptions for MSMEs is governed by Law Number 6 of 2023, particularly in Article 90B, paragraphs (1), (2), and (3). This exception permits employers and employees in micro and small firms to establish wages through mutual consent, adhering to specified minimum thresholds. The minimum salary for MSMEs, as stipulated in this article, shall be no less than 50% of the average consumption of the population in the relevant province, and at least 25% above the provincial poverty threshold, according to data from the Central Statistics Agency (BPS).

While some flexibility exists, Article 88C of the Job Creation Law asserts that agreements contravening the law's provisions are deemed null and void. This indicates that wages established unilaterally or significantly below the minimum threshold lack legal validity. Government Regulation Number 36 of 2021 about Wages stipulates that the minimum salary comprises basic wages and set allowances, and employers are forbidden from compensating below these standards, particularly for employees with a tenure of less than one year.

A case study in Cirebon City found that even though all coffee shops already have NIB and business legality, wage practices still do not fully refer to the principles and minimum limits set. For example, two of three coffee shops still pay their workers under the district/city minimum wage provisions, without making adjustments based on the formula or data from BPS as stipulated in the Job Creation Law. Wage agreements tend to be determined unilaterally by business actors, even though there is a form of employment agreement, and are not accompanied by an understanding of legal wage limits.

Thus, although regulations have provided a flexible wage mechanism for MSMEs, their implementation in the field still faces challenges. Low understanding of the content of regulations and weak labor supervision lead to practices that deviate from the provisions of the law. Therefore, steps are needed to coach, legal education, and strengthen institutional capacity for MSME actors, so that exceptions in the Job Creation Law do not become a loophole to ignore workers' rights, but remain in line with the goal of fair and humane labor protection.

CONCLUSION

Based on the research and discussion above, it was concluded that the practice in the field showed a discrepancy between the wages agreed upon by the employment contracts in several MSMEs in the city of Cirebon and the applicable policy on the number of MSEs in Cirebon city. This discrepancy results in economic losses for workers, considering that expenses to meet needs continue to increase over time.

Observations of the MSME sector show that implementing labor regulations related to wages still faces various challenges. The results of

observations carried out in three coffee shops in the city of Cirebon show the same problem regarding wages: workers are getting wages below the Regency/City Minimum Wage (UMK). These findings indicate that some business owners have the same problem regarding the wages given to their workers.

This contradicts the Job Creation Law (Law No. 6/2023), which stipulates that salaries are to be established with mutual consent between employers and employees/trade unions, provided they do not fall below the levels established by government laws. An understanding or illegal agreement is deemed null and invalid. The objective of establishing the minimum wage for MSEs/UMP is to guarantee employees a respectable standard of living. The primary impediment to instituting legal protections for workers in MSMEs arises not from company errors or ignorance but from prevailing wage regulations. The salary structure in Enterprises, Micro, Small, and Medium is established through negotiations between employers and employees, with wage amounts reflecting a specific percentage of the community's typical consumption. This restriction impedes the optimal realization of workers' rights.

Exceptions to the minimum wage provisions for MSMEs, as stipulated in the Job Creation Law, allow employers to set lower wages, provided they still meet the minimum limit set by regulations. However, implementing this exemption still faces challenges, especially related to the low understanding of the law's provisions and the lack of effective supervision from the authorities.

SUGGESTION

Employers must establish a working hours and wage structure that complies with relevant rules and regulations in Indonesia, ensuring the protection of workers' rights to prevent losses. This regulation's implementation seeks to safeguard workers' welfare under relevant legal protections.

The government must make clear policies regarding the legal protection of workers in the MSME sector, prioritizing the profits of business actors and balancing necessary policies, setting fair and decent work standards. Includes minimum wage and protection from exploitation. Comprehensive socialization and strict supervision ensure fair and effective policy implementation for all parties. Thus, sustainable economic growth can be achieved without neglecting the welfare of workers.

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