Revitalization of Mandatory Employment Reporting to Support Implementation of Labor Inspection

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Abstract

Employers are obliged to report on labor conditions in their companies periodically. The data from this report is the primary source of data in organizing labor inspection. However, there are only so many companies that fulfill their obligations. This situation indeed correlates with the availability of valid labor data. This study aims to analyze the implementation of mandatory labor reporting in companies and the importance of revitalizing mandatory labor reporting in companies concerning the implementation of labor inspection. The approach used is a socio-legal approach. The results show that the implementation of mandatory labor reporting has yet to provide maximum results. Many employers still prefer to carry out their obligations to report on labor conditions in their companies. Therefore, it is necessary to revitalize mandatory labor reporting in companies by reformulating administrative sanctions, improving the socialization system with priority-based counseling and mentoring, and changing the mindset of entrepreneurs by providing tangible benefits.

Keywords: labor inspection, revitalization, WLKP.

1. Introduction

The development of a nation cannot be separated from labor issues. Employment is about the condition of the workforce and, at the same time, is one of the important elements in development. Therefore, data and development of employment conditions are needed to implement development in the employment sector. To obtain comprehensive data on increasingly complex employment, the Government has stipulated regulations on the obligation of companies to report on employment conditions in their companies regularly. The regulation is contained in Law of the Republic of Indonesia Number 7 of 1981 concerning Obligation to Report on Employment in Companies.

Mandatory reporting of company employment (In Indonesian, called Wajib Lapor Ketenagakerjaan di Perusahaan - WLKP) is a labor report that must be carried out whenever a company is established, stopped, run again, moved, or dissolved. This obligation is imposed on entrepreneurs, company managers, and companies that are branch offices or independent parts of a company (Winiarti, 2019). The obligation to report the employment situation in the company is seen as a form of corporate social...
responsibility to realize the common welfare of workers/laborers (Buyanaya, 2020). However, the empirical fact is that not all companies have conducted the WLKP. Only 24.67% of companies have conducted WLKP out of 4,193,364 companies recorded in Statistics Indonesia 2023.

Companies are reluctant to fulfill their obligation to conduct WLKP. They feel they do not benefit or suffer losses when not conducting WLKP. Moreover, sanctions by applicable regulations are not strictly applied to WLKP violations. The implementation of criminal law enforcement of mandatory labor reporting in companies by Civil Servant Investigators (PPNS) has not been carried out optimally (Rahmadewi et al., 2023).

Concerning the implementation of labor inspection, labor data is a crucial part of a unified, coordinated, and integrated system (Rianto, 2015). The implementation of labor inspection begins with the preparation of supervision planning, implementation of supervision, and reporting of supervision results. Labor inspectors are required to prepare a supervision plan every month. The data used as a reference in preparing the supervision plan comes from the WLKP. Through the data in this WLKP, labor inspectors look at the implementation of laws and regulations in the field of labor in companies.

The low number of companies conducting WLKP impacts the availability of data needed to provide a real picture of labor conditions. If WLKP as initial data is incomplete or even invalid, of course, it also impacts labor inspection. This is considering that WLKP data is the main data that provides an overview of the condition of companies related to implementing laws and regulations in the field of labor. From here, the labor conditions in the company can then be mapped to provide targeted guidance. The next direction of achievement is, of course, the fulfillment of the protection of workers’ rights, the conduciveness of industrial relations, and the making of appropriate policies in the field of employment. In terms of the demands of labor development, an invalid database can make it difficult to handle labor problems both preventively and repressively.

Given the importance of labor data in the implementation of labor inspection, in the context of providing justice, legal certainty, and benefits for all parties, it is very important to ensure that all companies in Indonesia are registered and report labor conditions through the WLPK. Based on these conditions, this research article discusses two main issues, namely how the implementation of WLKP in Indonesia and the revitalization of WLKP to strengthen labor data so that it can make an optimal contribution to the implementation of labor inspection. The first section begins with explaining the WLKP and then reviews its implementation. The second section discusses the revitalization of WLKP. This section provides a critical analysis of WLKP implementation that leads to the importance of WLKP revitalization.

2. Research Methods

This research on revitalizing mandatory labor reporting to support the implementation of labor inspection is legal research with a socio-legal approach. This approach was chosen because it is likelier to reach all disciplines and empower non-legal aspects to dissect it (Wiratraman, 2013). Where the rule of law is used in social research, and the rule of law is empirical (Fuad, 2020). The research process begins with the collection of primary data and secondary data, which are then analyzed qualitatively. Data validity testing uses triangulation techniques.
3. Results and Discussion

3.1 Implementation of Mandatory Labor Reporting in Indonesia

The government has established a policy related to mandatory labor reporting in companies. The policy is contained in Law of the Republic of Indonesia Number 7 of 1981 concerning Compulsory Reporting of Employment in Companies promulgated on July 31, 1981. This Law replaced the Law of the Republic of Indonesia Number 23 of 1953 concerning Obligation to Report Companies, which was no longer considered appropriate with the labor conditions at that time. The substance of the regulation broadly includes, among others:

1. Obligation to report labor conditions for all companies;
2. Obligation to report periodically or annually;
3. Expansion of data that must be reported;
4. Quantitative and qualitative increase in criminal sanctions.

As mentioned in the Background section, WLKP is conducted when establishing a new company, re-running a company, transferring, terminating, or dissolving a company. When establishing a new company, restarting, or moving a company, the entrepreneur or manager must report online within 30 days after establishing, restarting, or moving the company. The report must contain information on company codification, labor conditions, labor protection, employment opportunities, and labor relations (Sekretariat Negara Republik Indonesia, 2017).

The report on the condition of the workforce includes information on the number of Indonesian and foreign workers, the education of workers, and the positions of workers. In addition, workforce planning and training (including training centers, apprenticeships, productivity measurement, and the Indonesian National Competency Standards (SKKNI)), employment opportunities, work requirements, and rest periods must also be reported. The report on labor protection contains information on wages, social security, institutions, and occupational safety and health (K3), which includes the existence of P2K3 institutions, the existence of K3 personnel, the existence of K3 facilities, the existence of tools, the existence of materials, production waste, and the existence of welfare facilities. The substance of the labor or industrial relations report includes dispute resolution and strikes.

In the event of transfer, termination, or dissolution of the company, the entrepreneur or management must report online within 30 days before transferring, terminating, or dissolving the company (Sekretariat Negara Republik Indonesia, 2017). The report shall contain the name and address of the company or part of the company, the name and address of the entrepreneur, the name and address of the management of the company, the date of transfer, cessation, or dissolution of the company, the reasons for the transfer, cessation or dissolution of the company, the obligations that have been and will be carried out towards workers/laborers, following the provisions of laws and regulations, work agreements, labor agreements, and local customs, as well as the number of workers/laborers dismissed.

The company initially carried out the WLKP reporting mechanism in writing to the institution entrusted with the authority in the field of labor. Along with the development of society and advances in information technology, the Government has revamped the WLKP procedure mechanism, which was originally carried out in writing to be online. The policy is stipulated in the Regulation of the Minister of Manpower of the Republic of Indonesia Number 18 of 2017 concerning Procedures for Mandatory Reporting of Employment in Companies in the Network and its amendment in the Regulation of the Minister of Manpower of the Republic of Indonesia Number 4 of 2019 concerning Amendments to the Regulation of the Minister of Manpower of the Republic of Indonesia Number 18 of 2017 concerning Procedures for Mandatory Reporting of Employment in
Companies in the Network. This amendment is made to follow up on Government Regulation of the Republic of Indonesia Number 24 of 2018 concerning Electronically Integrated Business Licensing Services. It is also necessary to integrate the mandatory labor report system with the online single submission system.

Providing an online WLKP system is a form of public service taken by the Government by utilizing the internet (Layne & Lee, 2001). Public services built comprehensively like this are a form of the Government's efforts to realize welfare for citizens (Saputra & Emovwodo, 2022). This step is taken to make it easier for business actors to fulfill their obligations and to fulfill the availability of accurate, fast, and easily accessible labor data. The availability of accurate, fast, and easily accessible data is very important in the determination of labor policies. This database is also an important component in providing information for users (Sabrina et al., 2023). In line with this, security measures for online information technology utilization are needed to protect this database from cyberhacks (Mohammad et al., 2022).

This online WLKP is also a step taken by the Government to overcome the limited availability of labor inspection employees. Khairul Ismet's research results state that labor inspection resources are minimal, the number and professionalism of labor inspection employees are low, the labor inspection mechanism is still conventional, and the labor inspection budget is still low (Ismet, 2019). The Ministry of Manpower of the Republic of Indonesia reports that the number of general category labor inspectors in 2022 is 1554 people, they must oversee the implementation of laws and regulations in companies registered in WLKP as many as 1,031,443 companies (Laporan Kinerja Kementerian Ketenagakerjaan Tahun 2022, 2023). The ratio between the number of general labor inspectors and companies that must be supervised reaches 1:663.7. This ratio is very far from the ideal ratio. Ideally, the ratio between labor inspectors and supervised companies is 1:60. The assumption is that in one year, a labor inspector supervises 60 companies, or in other words, a labor inspector supervises five companies in one month. This disparity also shows the inefficiency of labor inspection, where the number of labor inspectors is inversely proportional to the number of companies being supervised (Utami et al., 2021).

In addition to the limitations of labor inspection employees, the main reason for using digital technology in this WLKP is the geographical condition of the Indonesian archipelago (Nuraeni et al., 2022). As we know, companies are spread throughout Indonesia with many scattered locations. On the other hand, the availability of labor inspectors and infrastructure facilities still needs to be improved. Therefore, using digital technology in WLKP is the right solution to bring supervision closer.

As a policy product, one important thing is how the WLKP policy is implemented. Policy implementation is an action taken to achieve goals (Yunus et al., 2022). The purpose of the WLKP policy is to obtain data on developments regarding the state of employment in each company. It is official information material for the Government to be processed as material for determining policies in the field of employment.

Since the promulgation of the online WLKP on November 6, 2017, there has been a movement in the number of companies that carry out WLKP. Companies that carried out WLKP obligations in 2017 experienced a 119.1% increase from the previous year (2016). However, four years later, the number of companies reporting WLKP online fluctuated. At the end of 2022, companies that carried out their obligations for WLKP experienced a significant increase of 266.72% from the previous year (2021). From 2023 until the second quarter, the number also increased. The largest increase in numbers was in the category of micro companies, a new category that came into effect starting in 2022 by sorting small companies into two, namely micro and small. Meanwhile, companies in the small, medium, and large categories did not experience a significant increase; even the WLKP of the large company category decreased. More details on the number of companies that have conducted WLKP based on company scale can be seen in Table 1.

Migration Letters
Table 1: Data on Mandatory Labor Reporting in Companies

<table>
<thead>
<tr>
<th>Year</th>
<th>Company Scale</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Micro</td>
<td>Small</td>
</tr>
<tr>
<td>2016</td>
<td>-</td>
<td>189.167</td>
</tr>
<tr>
<td>2017</td>
<td>-</td>
<td>402.414</td>
</tr>
<tr>
<td>2018</td>
<td>-</td>
<td>166.088</td>
</tr>
<tr>
<td>2019</td>
<td>-</td>
<td>265.780</td>
</tr>
<tr>
<td>2020</td>
<td>-</td>
<td>331.481</td>
</tr>
<tr>
<td>2021</td>
<td>-</td>
<td>274.190</td>
</tr>
<tr>
<td>2022</td>
<td>520.745</td>
<td>167.168</td>
</tr>
<tr>
<td>2023</td>
<td>1.023.718</td>
<td>269.563</td>
</tr>
</tbody>
</table>


The company scale criteria in WLKP are based on the number of workers owned by the company. In 2017-2021, the company scale criteria were divided into three: small-scale (the number of employees is not greater than 25 people), medium-scale companies (medium) have 26 - 99 people, and large-scale have 100 people or more. Starting in 2022, the company scale criteria are disaggregated into four: micro-scale companies have a workforce of 1 - 4 people, small-scale have 5 - 19 people, medium-scale have 20 - 99 people, and large-scale have 100 or more people (Kementerian Ketenagakerjaan RI, 2022).

Let's look at the company data based on WLKP in 2022, as listed in Table 1. The number is different from the data on the number of companies released by Statistics Indonesia. BPS in Statistics Indonesia 2023 recorded 4,193,364 companies (Kementerian Ketenagakerjaan RI, 2022). There is a difference in the number of micro, small, medium, and large companies in Indonesia in 2022 based on the two data sources (WLKP Online and BPS). The difference in the number of companies that conduct WLKP becomes even greater if we look at the data from the Advanced Economic Census, which amounted to 26,422,256 companies throughout Indonesia (Sensus Ekonomi, 2016). It appears that there are still many companies that have not carried out their obligations to conduct WLKP, and the number of companies that have conducted WLKP does not cover all companies in Indonesia.

In addition to data inequality, there is one more interesting thing to observe: the results of the implementation of labor inspection in 2022 show that the number of WLKP violations is at the highest level (See Graph 1). This data reinforces empirical facts related to companies' non-compliance in carrying out their obligations to carry out mandatory labor reports in companies.
3.2 Revitalization of Mandatory Reporting of Employment in Companies

The implementation of the WLKP policy since it was enacted until now is still accompanied by problems. These problems are not only from the legal substance aspect but also the structural and cultural aspects. Therefore, to realize the main objectives of the WLKP, action needs to be taken to unravel the roots of these problems through the revitalization of the WLKP, including legal aspects, structural aspects, and cultural aspects.

From the legal substance aspect, referring to the provisions of Article 6 paragraph (1) and Article 8 paragraph (1) of the Law of the Republic of Indonesia Number 7 of 1981 concerning Obligatory Reporting of Employment in Companies, conducting WLKP is an obligation for companies. Companies that do not fulfill their obligation to conduct WLKP, based on the provisions of Article 10, are subject to criminal sanctions in the form of imprisonment for a maximum of 3 years or a maximum fine of Rp. 1,000,000,-. The acts of not fulfilling the obligation to conduct WLKP fall into the category of violation. However, this criminal sanction has not been applied strongly in the event of violation (Pramudya, 2022). The government is more likely to make efforts to foster rather than impose sanctions. This confirms that the Government prefers the educative preventive path in dealing with violations in the labor sector (Arbi & Fogar, 2023). Preventive educative efforts to enforce WLKP are seen as more humane than repressive efforts.

This aligns with the spirit promoted in the concept of labor inspection, which prioritizes preventive rather than repressive efforts. Criminal sanctions are no longer always seen as the main way to enforce the law. Still, in various issues, it is necessary to provide space for creative approaches that can effectively resolve legal issues (Arief, 2008). However, educational preventive efforts that are carried out repeatedly on the same perpetrators result in continued neglect. Therefore, there is a need to limit such neglect.

Sanctions are intended to ensure that the WLKP policy is implemented. One of its functions is to ensure law enforcement. Law enforcement is crucial so that concepts or values can be implemented/realized, or in other words, positive law must be obeyed. One of the actions that can be taken in the context of law enforcement is the application of sanctions (Pratiwi et al., 2023). The implementation of laws and regulations will not be effective if it is not accompanied by law enforcement. Law enforcement of a regulation...
can take various forms, one of which is outlined in the provision of sanctions (Setiadi, 2009). In general, there are two types of sanctions in case of violation of provisions in the field of labor, namely criminal sanctions and administrative sanctions (Pratiwi et al., 2023).

Sanctions imposed for violations of the WLKP are only criminal sanctions, with no administrative sanctions. Confinement sanctions tend to be difficult to implement, not only because they must be decided by the court, but also because of who is subject to the sanction, especially if the company is managed by a partnership or legal entity. The nominal fine sanction in the event of a WLKP violation can be said to be relatively light. Therefore, in the context of revitalizing WLKP, it is necessary to reformulate the provisions of administrative sanctions that can be imposed if the company does not carry out its obligations in WLKP. Administrative sanctions are carried out to correct deviations from obligations and prohibitions and provide direct impact and execution to the violating party (Rifki, 2019). The reformulation of administrative sanctions in the WLKP must explicitly include the types of government coercion, withdrawal of favorable decisions, imposition of forced money by the government, or imposition of administrative fines (Walla et al., 2021). Administrative sanctions are the most effective legal instrument for the government to take preventive action (Mardhatillah, 2016). They are easier to implement because they do not require a court decision.

From the legal structure aspect, looking at the data on the number of companies that do not conduct WLKP in several categories of companies, namely micro, macro, medium, and large, revitalization must be carried out by improving the technicalities that the Government has carried out in WLKP socialization activities. The government has tried to increase the number of companies that conduct WLKP through socialization. Socialization is carried out regarding the system and the benefits and advantages of WLKP. The WLKP policy was established and promulgated in Jakarta on July 31, 1981 (about 42 years ago), while the online WLKP policy was established and promulgated on November 6, 2017 (6 years ago). Considering the long period, socialization is not the right thing. Socialization, in principle, is an activity carried out to convey something (new things) so that the public knows or understands it with a general target (Elyas et al., 2020). Therefore, more than socialization is needed; it needs to be strengthened with counseling and mentoring.

Extension is a systematic process to help a community to be able to solve its problems (help people to help themselves) with a participatory approach that prioritizes the needs of participants (Amanah, 2007). Meanwhile, mentoring is a relationship process between the mentor and the community that aims to solve problems, strengthen support, utilize various sources and potentials, and increase community access to basic services, employment, and other public service facilities (Rahmawati & Kisworo, 2017). So if it is only limited to the socialization of WLKP, the interaction that occurs is only one-way where the Government conveys its intentions and objectives without knowing what problems are experienced by the company so that this WLKP obligation is not carried out. The continuation of socialization actions with technical counselling and assistance will further strengthen the overall process of implementing the WLKP policy so that the problems experienced by companies in WLKP can be known and solutions can be found.

The stages that must be carried out so that this technique can run systematically are prioritizing priority targets. The first step that must be taken is mapping companies in each district/city. Company mapping is based on company categories (micro, macro, medium, and large). In the mapping activity, the elaboration of the role of related agencies is needed. Company mapping is done to sort out data on companies that have and have not conducted WLKP in each company category.

The next step is to determine priority targets and complementary targets. Priority targets are determined mainly at companies that have not yet conducted WLKP, while
complementary targets are aimed at companies that have conducted WLKP. Companies included in the priority targets (whether they are large, medium, small, or micro-scale companies), in addition to the socialization of the system and the benefits of WLKP, must be followed up with structured counseling and mentoring. After this stage, a step that also needs to be taken is monitoring. The monitoring results are used as a basis for determining the next steps according to the conditions of each company.

Revitalization of WLKP must also be done from the aspect of legal culture. Another thing that triggers the low reporting of companies in WLKP is the reluctance of companies to carry out their obligations. This reluctance arises because companies feel that they do not benefit from conducting WLKP and are not subject to sanctions if they do not conduct WLKP. Many companies need to understand the benefits obtained by reporting labor conditions in the WLKP (Laporan Kinerja Kementerian Ketenagakerjaan Tahun 2022, 2023). In response, the Government has made a paradigm shift by using a benefit-based approach. This approach is carried out by no longer focusing on the obligation of employers to register their companies at WLKP but on the benefits obtained after registering at WLKP and needed by the company itself (Republik Indonesia, 2021). This step leads to the mindset of entrepreneurs that WLKP is not their need. They feel that they do not get excessive benefits by doing WLKP and are seen as a need of the Government. It is this kind of entrepreneurial mindset that must be changed.

Mindset is a person's mental view that influences them in dealing with a phenomenon (Suriyanti, 2020). This mindset then determines how to view things as a process (Sardono, 2021). Mindset also functions as a system in line with other related factors (Lou et al., 2021). There are two types of mindsets, namely fixed mindset and growth mindset. A fixed mindset already exists in a person, while a growth mindset exists when there is a belief in a person (Khomariah et al., 2022). This growth mindset contributes to shaping perception (Ernawati et al., 2023). Growing a growth mindset is very important; in this case, the important role of related parties is needed (Daniel, 2023). Therefore, to change the mindset of entrepreneurs, the role of the government is very important. The government must be able to provide real evidence for entrepreneurs related to the benefits or advantages that companies will get by doing WLKP. The benefits or advantages may not be the same between one company and another, so they must be adjusted to the situation and conditions of each company.

4. Conclusion
The implementation of WLKP in the last eight years has covered only some companies. Many companies do not conduct WLKP. Labor data sourced from WLKP is the initial data needed to implement labor inspection. Therefore, in the context of increasing the number of companies that conduct WLKP, revitalization of WLKP is needed. Revitalization includes aspects of legal substance, legal structure, and legal culture. From the legal substance aspect, to strengthen the applicability of WLKP, the law enforcement of WLKP and applying criminal sanctions must reformulate administrative sanctions. From the legal structure aspect, the government must improve the socialization system with priority-based counseling and mentoring. As for the cultural aspect, changing the mindset of entrepreneurs with the realization of benefits according to their respective needs. Through these steps, the revitalization of WLKP will be achieved, and ultimately, the results of WLKP can provide benefits in the implementation of labor inspection.

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