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**Legal Aspects of Banking in Protecting Workers' Rights: An  
Analysis of the Interconnection Between Banking  
and Labor Regulations**

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**ABSTRACT**

This study aims to analyze the relationship between banking and employment regulations in protecting labor rights in Indonesia. Using a literature study method, this study examines legal documents such as Law Number 13 of 2003 concerning Employment, the Banking Law, Financial Services Authority Regulations (POJK), and Bank Indonesia Regulations (PBI), as well as relevant academic literature. Descriptive-analytical analysis was conducted to evaluate the suitability of regulations with banking operational practices and identify potential synergies between regulations to strengthen the protection of labor rights. The results of the study indicate that there are regulatory gaps that require harmonization to ensure banking compliance in supporting workers' rights, especially related to the management of welfare funds and the fulfillment of labor obligations. This study recommends strengthening coordination between banking and labor regulators to create a more integrated and effective legal framework.

*Banking Regulation, Employment, Labor Rights, Legal Analysis.*

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**INTRODUCTION**

In an increasingly complex era of globalization, the banking industry not only functions as a center for money transactions but also as a motor of national economic growth. However, the process of transformation and modernization in the banking industry is often correlated with the phenomenon of layoffs (PHK) experienced by many employees (Sutrasna, 2023). This phenomenon not only has an impact on individuals but also on social and economic stability in general.

Protection of labor rights is one of the important issues in efforts to create a fair and sustainable work environment. In the context of banking law, the aspect of labor protection becomes increasingly relevant considering the strategic role of the banking sector as one of the driving forces of the economy. Banks, as financial institutions, are not only responsible to customers and

shareholders, but also to the workforce who are a vital element in their operations. However, there are challenges in ensuring that banking and labor regulations support each other to realize optimal protection of labor rights. (Wahyudi, 2023).

This article aims to analyze the legal aspects of banking in protecting labor rights, with a focus on the relationship between banking and employment regulations. Citing Law Number 13 of 2003 concerning Manpower, labor law has a central role in protecting workers' rights, including the right to fair wages, occupational safety and health, and protection from discrimination (Nurcahyo, 2021). However, in practice, the implementation of labor law is often disrupted by banking policies that prioritize efficiency and operational streamlining. This is reflected in cases of banking mergers and acquisitions, where most employees are decided to be laid off in order to increase business efficiency. (Pradhani, 2020).

Banking regulations in Indonesia, as stipulated in Law No. 10 of 1998 concerning Banking, tend to focus on financial stability and sound bank governance. On the other hand, labor regulations, such as Law No. 13 of 2003 concerning Employment, prioritize workers' rights, including protection of wages, working hours, and decent working conditions. The gap between these two types of regulations can lead to conflicts in practice, especially in situations where the interests of the banking business conflict with workers' rights. (Harahap, 2020).

In addition, issues such as work flexibility, outsourcing, and banking digitalization have had a significant impact on employment relations in this sector. Digital transformation that drives operational efficiency in banks is often accompanied by workforce reductions or changes in employment status that can affect employee rights (Simanjuntak, 2021). According to data from the National Commercial Bank Association (ABUN), in 2023 there was an increase in layoffs (PHK) of 15% compared to the previous year, with many cases involving contract and outsourcing employees. This indicates the uncertainty in employment status experienced by workers in this sector.

The increasing number of layoffs adds to the uncertainty for the workforce and shows the need for banks to pay more attention to fulfilling their responsibilities towards employee rights. In this context, banking business ethics becomes crucial to ensure that all employees are treated fairly and their rights are respected. In this regard, an in-depth analysis of the relationship between banking and employment regulations is needed to ensure a balance between business needs and employee protection.

Therefore, a critical analysis of the relationship between banking and employment regulations is very relevant. This article will discuss how banking law intervenes in the protection of labor rights, as well as the legal implications arising from these situations. The aim is to increase awareness and comprehensiveness in the application of labor law in the banking industry, so that fairer and safer working conditions can be guaranteed.

## **RESEARCH METHODE**

This study uses a literature study method as the main approach to analyze the relationship between banking and employment regulations in protecting labor rights. Data were collected from secondary sources such as legal documents, including Law Number 13 of 2003 concerning Employment, Law Number 21 of 2008 concerning Sharia Banking, and the latest Financial Services Authority Regulation (POJK) and Bank Indonesia Regulation (PBI). In addition, the study also involves academic literature, legal journals, bank annual reports, and relevant scientific articles. A descriptive-analytical approach is used to understand the main issues that arise in the regulations, evaluate the suitability of the regulations with practices in the field, and identify potential synergies that can strengthen the protection of labor rights. This study provides a special focus on the analysis of regulatory texts and literature without involving primary data collection. With this method, the study is expected to be able to provide a comprehensive picture of the relationship between banking and employment regulations and produce recommendations based on scientific studies for improving future policies.

## **RESULT AND DISCUSSION**

### **Legal Aspects of Banking**

Banking law is a branch of economic law that regulates bank operations and the relationship between banks, customers, and third parties in banking activities. The purpose of banking law is to create a financial system that is stable, transparent, and protects the interests of all parties. Banking law in Indonesia is regulated by Law Number 10 of 1998 concerning Banking, which emphasizes the principles of transparency, accountability, and good corporate governance. In the context of labor, banks have a central role as managers of funds that are directly related to workers' rights, such as salary payments and social security contributions. Law Number 21 of 2008 concerning Sharia Banking regulates sharia principles in the operations of sharia banks, including the prohibition of usury and the implementation of sharia contracts.

Furthermore, Law Number 3 of 2004 concerning Bank Indonesia affirms the role of Bank Indonesia as a central bank tasked with maintaining monetary stability and banking supervision before the role is transferred to the Financial Services Authority (OJK). Regulations from the Financial Services Authority (OJK), such as OJK Regulation Number 18/POJK.03/2016 concerning Bank Governance, affirm that banks are required to ensure the management of human resources and company finances in accordance with the principle of transparency. This is important to reduce the risk of misuse of funds that should be the rights of workers.

### **Protection of Labor Rights**

Protection of labor rights is one of the fundamental aspects of labor law in Indonesia, which is regulated by Law Number 13 of 2003 concerning Manpower and several other derivative regulations, including Law Number 6 of 2023 concerning Job Creation (Zubi, M., Marzuki, M., & Affan, I. 2021). This protection includes various basic workers' rights, such as decent wages, social security, the right to leave, the right to health insurance, and protection against discrimination in the workplace. In the context of banking, protection of labor rights is also related to how banks facilitate the salary payment system and fulfill social security obligations through transparent and organized mechanisms. One important implementation of this right protection is the obligation of employers to channel salaries through bank accounts, which is regulated in Government Regulation Number 78 of 2015 concerning Wages. This aims to create transparency in salary payment transactions and reduce the potential for manipulation that can harm workers.

In practice, salary distribution through the banking system makes it easier for workers to monitor and ensure that they receive their wage rights on time and in accordance with applicable provisions. The use of an integrated system, either in the form of a salary management information system or modern banking technology, can improve data accuracy and efficiency of the salary payment process (Pratama, F. R., & Kadafi, M. 2022). This minimizes the potential for misappropriation by employers who may not pay salaries according to the agreement or provisions in the employment contract. In addition, the banking system also makes it easy for workers to receive various other rights, such as health and pension benefits, which have been deducted from their salaries and distributed through a transparent mechanism.

However, despite the clear benefits associated with using the banking system in paying salaries and fulfilling social security obligations, research also shows that the implementation of this regulation does not always run smoothly. (NAYOTAMA, 2024) in his research noted that the implementation and

supervision of the implementation of social security for PKWT or part-time workers has not been fully implemented. The majority of PKWT workers are not registered with BPJS Kesehatan, so they do not get optimal protection such as Death Insurance (JKM), Work Accident Insurance (JKK), and Old Age Insurance (JHT), even though Law Number 24 of 2011 requires companies to register workers as BPJS Ketenagakerjaan participants. In some cases, companies that do not comply with these provisions can avoid sanctions or strict action, resulting in uncertainty for workers. Therefore, in addition to increasing compliance with regulations, further steps are needed to strengthen supervision and ensure that workers' rights are truly protected.

### **Relationship between Banking and Employment Regulations**

The linkage between banking and employment regulations plays a key role in creating an effective system for protecting labor rights. Banking, as a financial institution that plays an important role in the economic system, is directly connected to employment through the management of salary payments and social security. Regulations that require employers to channel workers' salaries through banks, as stipulated in Government Regulation Number 78 of 2015 concerning Wages, provide a clear legal basis to ensure transparency and accountability in wage transactions. By using the banking system, workers' rights to receive salaries on time and in amounts in accordance with the employment contract can be more assured. Banks also play a role in ensuring that contributions to social security, such as BPJS Ketenagakerjaan, are deposited properly to relevant institutions.

However, even though the regulation linking the banking sector with employment already exists, research shows that there are several gaps that hinder the optimization of the regulation. For example, even though it is regulated by law, supervision of the implementation of the employer's obligation to use banks for salary payments is not yet fully effective. In some cases, even though payments are made through banks, not all workers receive sufficient information about the payment process or there are deductions that are not in accordance with the provisions. In addition, the absence of strict sanctions for companies that do not comply with this regulation makes law enforcement less effective. This indicates that even though there is a strong link between banking and employment regulations, increased coordination between banking and employment authorities is needed as well as strengthening the supervision system so that workers' rights can be truly protected.

## CONCLUSION

In conclusion, although banking and employment laws in Indonesia have provided a strong basis for the protection of workers' rights, such as through the regulation of salary payments and the fulfillment of social security obligations through the banking system, their implementation still faces a number of challenges. Although the regulation governing salary payments through banks, which is stated in Government Regulation Number 78 of 2015, aims to increase transparency, supervision of its implementation is still weak. Some companies still do not fully comply with this obligation, which results in workers being at risk of not obtaining their full rights. Therefore, even though regulations are in place, stricter law enforcement and more effective supervision are needed to ensure optimal protection for workers.

The linkage between banking and employment regulations plays an important role in creating a transparent and efficient system in managing workers' rights. The banking system facilitates more organized and accountable salary payments and fulfillment of social security obligations. However, to optimize the relationship between the two sectors, there needs to be increased coordination between banking and employment authorities. Strengthening supervision, as well as strict sanctions for violations, will help ensure that workers' rights are better protected and transparency in wage transactions is maintained.

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