

# CHAPTER I

## PRELIMINARY

### A. Background

In the face of competition in the current era of globalization in every country required to have good resources in the fields of technology, economics, knowledge, as well as politics. Likewise with Indonesia, in this global world must be able to face challenges and competition by preparing it all. Batam City is one of the largest cities with a fairly rapid development located in the Riau island province with a fairly strategic position because Batam city is located opposite Singapore and Malaysia, and an increasing of economy. Therefore, employment in the city of Batam has increased rapidly both from the employment sector in the shipyard industry, manufacturing industry, hospitality business, tourism business, property business, as well as employment for small and medium businesses such as restaurants, bakery, pastry and others .

In recent years, with the increasement of employment in the city of Batam itself, it has also resulted in many small and medium enterprises being banned from committing violations of law because these companies do not understand the law or do not care about the prevailing laws and regulations in Indonesia because they tried to get the biggest revenue from the business. One of the small and medium companies that violates the law as the place where the authors carry out practical work at the Boncake Gallery. Company since the establishment of the company four years ago until now does not have a work contract between the company and its

employees which means the company has violated the Laws and Regulations Law number 13 of 2003 concerning Manpower.

In the Laws Act No. 13 of 2003 article 1, paragraph 14, states that the employer and the worker shall have a working bond through a contract of employment or employment agreement in accordance with the standards set by applicable laws and regulations based on clarification in article 1313 of the Civil Code (KUHPerdata) or Burgelijk Wetboek (BW) which is "the Covenant is the act in which one or more persons binds himself to one or more persons."<sup>1</sup>

A work agreement can be considered valid if it is in accordance with the basic elements stipulated in article 52 of the labor law number 13 of

2003 which reads as follows:

1. work agreement is made on the basis of
  - a. agreement between the two parties
  - b. ability or ability to carry out legal actions
  - c. the work promised
  - d. The promised work does not contravene public order, morality and the prevailing laws and regulations

2. The employment agreement made by the parties contrary to the provisions as referred to in paragraphs 1 letters a and b may be revoked

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<sup>1</sup> Indonesia, *Undang-Undang Ketenagakerjaan*, UU No.13 tahun 2003, Ps. 1.

3. the employment agreement made by the parties contrary to the provisions as referred to in paragraph 1 letter c and d void by law<sup>2</sup>

Further clarification on such articles, the required written employment agreement shall be in accordance with the prevailing laws and regulations and the ability to speak is the parties capable or legally required to enter into an agreement. When there is a workforce under the age of the person who must sign the employment agreement is the parent or guardian.

#### Legal conditions and general principles of agreement

##### a. Computation Basis

The principle of Corruption is the general principle that parties have to carry out in an agreement because of an agreement to be made based on the proper values of living in Indonesian society.

##### b. Good Faith Basic

The fundamental good will need to be owned by the parties who will enter into an agreement because of the good faith required in making an agreement because the agreement must be based on good faith.

##### c. Basic Pacta Sunt Servanda

The theory of the principle of pacta sunt servanda means that any agreement which has been made by the parties and has

<sup>2</sup> Indonesia, *Undang-Undang Ketenagakerjaan*, UU No.13 tahun 2003, Ps. 52

been agreed by the parties then the agreement becomes a statutory law that binds the parties to the pledge so that the parties are obliged to fulfill all the contents of the clauses have been pledged by the parties to the agreement.

d. The basis of contractual freedom

In drafting a contract of contract, the parties are fundamentally lawful having a contractual freedom right which means that legal subjects can contract a contract with anyone and for any clause during the contractual freedom that the law subject does not violate the positive law that exists in Indonesia

In this case, the Boncake Gallery company should have implemented a work agreement because the subject and object of the agreement have been in accordance with labor laws and regulations, so far the Boncake Gallery company has not implemented the employment contract, so based on the problems that the author described above, therefore the writer wants to do a Job Training practice.

In order to conduct research that can then help the Company Boncake Gallery to find the right solution, the writer will design an agreement or work contract that contains the rights and obligations of the entrepreneur and worker because the existence of the work contract is intended to be used as a basis for regulating relationships industry between the Boncake Gallery Company and its employees and in carrying out Practical work at the Boncake Gallery. The author will conduct a study for the study of the implementation of the work agreement at the Boncake

Gallery by putting it in the form of a practical work report entitled "EXECUTION WORK CONTRACTS BETWEEN EMPLOYEES AND EMPLOYERS AT BONCAKE GALLERY BATAM"

#### **B. Scope**

In doing work practices at the Boncake Gallery the author will conduct socialization and explain the importance of a work contract for the company and employees because in the employment contract will be published about each of the rights and obligations of the parties to the employees and companies and the author will design a work contract or agreement work in accordance with the needs of the company so that the work contract or work agreement is the basis for both the employee and the company if a dispute occurs someday within the company.

#### **C. Project Purpose**

The purpose of this practice is to produce a work contract or work agreement containing the rights and obligations of enter or employers in this case, Boncake Gallery and its employees. It can create jobs that benefit for both parties and the harmonious working environment in accordance with the standards that have been regulated by the regulations of Labor Law number 13 of 2003.

#### **D. Outer Project**

In doing practical work at the Boncake Gallery, the author will make a draft work contract or work agreement that contains every right and obligation for the parties that apply in the company and penalize that

occur according the regulations of Act number 13 of 2003 about employment so that can benefit for both parties.

#### **E. Benefit of The Project**

The benefits of the project in carrying out this practical work are the existence of a work contract or work agreement that is produced for

both parties to understand the rights and obligations of each party and can minimize the risk of disputes that can arise due to the absence of a work contract so far. So that none of the parties are harmed and the Boncake

Gallery can run well because every right and obligation of the parties along with any penalize is stated clearly in the work contract that will be made by the Author.