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Analysis of Supreme Court Decision Number 678 K/Pdt.Sus-PHI/2024 in The Perspective of Labor Law and Industrial Relations

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Abstrak

Analisis Putusan Mahkamah Agung Nomor 678 K/Pdt.Sus-PHI/2024 mengkaji penerapan force majeure dalam perkara pemutusan hubungan kerja (PHK) sepihak antara PT Lion Mentari Airline dengan TKA Isfarano Neal Brouwer terkait pandemi COVID-19. Penelitian ini menganalisis penerapan hukum ketenagakerjaan, perlindungan hak-hak pekerja, dan kewajiban pengusaha dalam situasi krisis. Hasil penelitian menunjukkan bahwa Mahkamah Agung menegaskan kewajiban pengusaha untuk memberikan kompensasi meskipun alasan pemutusan hubungan kerja adalah force majeure. Putusan ini menjadi preseden penting dalam hukum ketenagakerjaan, khususnya terkait perlindungan TKA dan pemutusan hubungan kerja dalam keadaan darurat.

Kata Kunci: *Pemutusan Hubungan Kerja, Force Majeure, Hukum Ketenagakerjaan, Perlindungan Pekerja, TKA, Mahkamah Agung*

Abstract

Analysis of Supreme Court Decision Number 678 K/Pdt.Sus-PHI/2024 examines the application of force majeure in the case of unilateral termination of employment (PHK) between PT Lion Mentari Airline and a foreign worker, Isfarano Neal Brouwer, related to the COVID-19 pandemic. This study analyzes the application of labor law, the protection of workers' rights, and the obligations of employers in crisis situations. The results show that the Supreme Court affirmed the employer's obligation to provide compensation even if the reason for the layoffs is force majeure. This ruling sets an important precedent in labor law, especially regarding the protection of foreign workers and termination of employment in emergency.

Keywords: *Termination of Employment, Force Majeure, Labor Law, Worker Protection, Foreign Workers, Supreme Court*

INTRODUCTION

Termination of employment (PHK) is one of the main issues in employment law, involving workers' rights and employer obligations. As a legal event that ends an employment relationship, layoffs can have a significant impact on both workers and the company. Therefore, the regulations governing layoffs in Indonesia, especially in Law Number 13 of 2003 concerning Manpower, provide an important basis for the settlement of disputes arising from these events.

According to Philipus M. Hadjon (1987), workers as the weaker parties in the employment relationship need stronger legal protection. This is especially relevant in the context of layoffs, where workers are often in an unbalanced position in relationships with employers. Hadjon emphasized the importance of the state being present to ensure that workers' rights are protected, including in cases of termination of employment. In this context, legal protection of workers is a state obligation that cannot be ignored.

Meanwhile, from the perspective of labor law, layoffs can be carried out for legitimate reasons, as stipulated in Article 151 of Law Number 13 of 2003 concerning Manpower. This regulation requires that layoffs must be based on legitimate reasons and through proper procedures, including the award of compensation or compensation equivalent to the remainder of the period of employment that has been agreed upon in the employment agreement. In the event that layoffs occur without a valid basis, the employer is required to provide compensation to workers in accordance with applicable regulations.

The case involving PT Lion Mentari Airline (Lion Air) and Isfarano Neal Brouwer is very interesting because it shows the dynamics of the employment relationship between

the company and foreign workers (TKA). The plaintiff, who is a foreign national, filed a lawsuit for termination of employment made by the company before the expiration of the contract period. This problem is even more complex with the COVID-19 pandemic that hit Indonesia and the world in 2020, where many companies faced significant economic difficulties, and many were forced to lay off to survive. In this context, questions arise regarding the relevance of the application of *force majeure*, or coercive circumstances, as a valid reason for termination of an employment contract.

Force majeure, as stipulated in Articles 1244 and 1245 of the Civil Code (KUHPerdata), provides an exception for parties who are unable to fulfill their obligations due to unforeseeable events and beyond the party's ability. The COVID-19 pandemic is often used as a basis by employers to cite *force majeure* reasons, given its tremendous impact on the global economy and certain sectors, including the aviation industry. However, the application of *force majeure* does not eliminate the employer's obligation to provide fair compensation to workers, especially when the termination occurs before the end of the contract.

The Supreme Court Decision Number 678 K/Pdt.Sus-PHI/2024 is important in this context because it assesses and applies legal provisions related to *force majeure*, in addition to considering aspects of legal protection for foreign workers. This case reflects the challenges faced in the face of major changes in the world of work, especially related to the protection of the rights of foreign workers, which are no less important than local workers in the context of Indonesian labor law.

Along with the changes brought by Law Number 11 of 2020 concerning Job Creation, which adds to the complexity of industrial relations, this ruling also reflects how Indonesia's labor law system adapts to extraordinary situations such as the pandemic. Therefore, the analysis of this ruling is not only important to understand the application of existing laws, but also to assess the relevance of regulations in the face of new challenges in the ever-evolving world of employment.

RESEARCH METHOD

This research uses a normative juridical approach, which focuses on the study of applicable legal norms, both in laws and regulations and in court decisions. This approach is relevant to analyze the legal issues that occurred in the termination of employment (PHK) case between PT Lion Mentari Airline (Lion Air) and Isfarano Neal Brouwer, which covers various employment law issues, particularly related to *force majeure* and layoff

compensation. The type of research used is analytical descriptive research. The descriptive research aims to describe clearly and in detail the legal problems that occurred in the Supreme Court decision Number 678 K/Pdt.Sus-PHI/2024. On the other hand, analytical research aims to analyze in depth the application of labor law theory, force majeure, as well as the principles in employment contract law reflected in the decision.

The data sources used in this study consist of two types of sources. The primary data source is the Supreme Court decision Number 678 K/Pdt.Sus-PHI/2024, which is the basis for an analysis of the application of labor law and the application of force majeure in resolving industrial relations disputes. Secondary data sources include Law Number 13 of 2003 concerning Manpower, Law Number 11 of 2020 concerning Job Creation, and other legal literature relevant to this topic. Books, scientific articles, and other legal documents that discuss the theory of labor law protection, force majeure, and employment contracts are used to provide an in-depth theoretical perspective.

Data collection in this study was carried out through documentation studies and literature studies. Primary data was collected by studying official documents, namely the Supreme Court decision Number 678 K/Pdt.Sus-PHI/2024, while secondary data was obtained by browsing the relevant legal literature, including applicable laws and legal articles that discuss theories and principles in labor law. In addition, this research also relies on literature studies of various books, journals, and articles that discuss labor law in Indonesia, force majeure, and relevant theories in the context of industrial relations.

After the data is collected, the analysis is carried out using qualitative analysis techniques. The steps taken in data analysis include identification of legal problems, juridical analysis, and theoretical comparison. The identification of legal issues aims to find legal issues that arise in the decision, such as unilateral termination of employment, the application of force majeure, and the employer's obligation to provide compensation. Juridical analysis was carried out to analyze the application of articles in Law Number 13 of 2003 concerning Manpower and their relevance to the conditions that occurred, as well as to assess whether the Supreme Court's decision was in accordance with applicable legal principles. Theoretical comparison is carried out by analyzing and comparing relevant theories, such as the theory of labor law protection, the theory of force majeure, and the theory of legal certainty in employment contracts, to assess whether these theories are well reflected in the Supreme Court's decision.

The legal approaches used in this study include a legal approach and a case approach. The legal approach is carried out by examining the provisions in relevant laws,

such as Law Number 13 of 2003 concerning Manpower and Law Number 11 of 2020 concerning Job Creation. The case approach is carried out by examining the Supreme Court's decision as the main source to see how the law is applied in this case.

RESULT AND DISCUSSION

Review of Supreme Court Decisions

This case involves a dispute between PT Lion Mentari Airline (Lion Air) and a foreign worker, Isfarano Neal Brouwer, related to unilateral termination of employment (PHK) by the employer. The plaintiff, Isfarano Neal Brouwer, who has a Fixed-Time Employment Agreement (PKWT) with Lion Air, suffered a termination before the expiration of the contract period, which was supposed to last until May 2022. The plaintiff filed a lawsuit with the Industrial Relations Court, with the main demand in the form of payment of compensation related to the remaining period of service that had been agreed in the contract, as well as unpaid Hari Raya allowance (THR). The plaintiff reasoned that the layoffs carried out by PT Lion Mentari Airline were invalid because they did not meet the procedures stipulated in Law Number 13 of 2003 concerning Manpower. In addition, they also demand compensation in the form of residual salaries and other benefits that they should have received in accordance with the agreed employment contract.

PT Lion Mentari Airline (defendant), filed several exceptions in this case for certain reasons. First, they argue that the Industrial Relations Court at the Central Jakarta District Court does not have the authority to examine, adjudicate, and decide this case, because the lawsuit filed by the plaintiff is considered formally flawed. Second, the defendant stated that the plaintiff's lawsuit had passed the deadline for filing a lawsuit or expired (*exceptio temporis*). In addition, the defendant also argued that the legal basis used by the plaintiff had been revoked and no longer valid. The defendant further claimed that the plaintiff's lawsuit was vague and vague (*exceptio obscur libel*), and that the lawsuit did not list the right party as the defendant, which the defendant said was deficient in terms of *plurium litis consortium*. However, despite the various exceptions filed by the defendant, the Industrial Relations Court at the Central Jakarta District Court decided to reject all the exceptions submitted and decided to continue the trial process of the main case. This shows that the Court considers that the plaintiff's lawsuit does not have significant formal defects and meets the requirements to proceed to the main stage of the case.

At the first level, the Central Jakarta Industrial Relations Court issued a ruling granting part of the plaintiff's lawsuit. The verdict includes several important things,

namely first, the Court granted the plaintiff's lawsuit in part. Second, the Court stated that the employment relationship between the plaintiff and the defendant had ended on January 24, 2024. Furthermore, the Court ordered the defendant to pay compensation to the plaintiff in accordance with the provisions of Article 62 of Law Number 13 of 2003 concerning Manpower in conjunction with Law Number 11 of 2020 concerning Job Creation. In addition, the Court also ordered the defendant to pay compensation for the unilateral termination of employment, as well as the Christmas holiday allowance for 2020, 2021, and 2022. Although the Industrial Relations Court has decided the case, the defendant is dissatisfied with the verdict issued. As a result, the defendant filed an appeal against this decision, which was then submitted to the Supreme Court for further examination. The cassation is the next legal step in the defendant's efforts to overturn or change the decision of the court of first instance.

The cassation applicant (defendant) PT Lion Mentari Airline filed an appeal on the grounds that the decision of the Industrial Relations Court at the Central Jakarta District Court was inappropriate. The defendant argued that the reason for the layoffs was due to the COVID-19 pandemic emergency, which was considered a *force majeure* condition. Therefore, the defendant argues that the court's decision requiring the payment of compensation and THR benefits is unfair considering the huge impact caused by the pandemic on the company. In the cassation memorandum, the defendant asked the Supreme Court to annul the decision of the Central Jakarta Industrial Relations Court and stated that the plaintiff's lawsuit was inadmissible.

The Supreme Court, after examining the cassation application and the counter memory of cassation, finally issued a decision rejecting the cassation application from PT Lion Mentari Airline. The Supreme Court considered several things in its ruling that led to the affirmation of workers' rights despite extraordinary circumstances such as the COVID-19 pandemic. First, regarding the application of force majeure, although the COVID-19 pandemic is considered an extraordinary circumstance that could lead to the application of force majeure, the Supreme Court did not consider this reason sufficient to cancel the employer's obligation to compensate workers. In this case, force majeure does not abolish the employer's obligation to provide compensation in accordance with the applicable provisions of the Manpower Law. This underlines that emergencies such as pandemics still do not reduce workers' rights to compensation when termination is unilaterally carried out by employers.

Second, the Supreme Court considers legal certainty in PKWT (Fixed-Time Work Agreement). PKWT is a contract that has a clear term of time, so termination of employment before the end of the contract period must still be followed by the payment of compensation in accordance with the remainder of the working period. The Supreme Court emphasized that the principle of legal certainty in employment contracts must be maintained, and workers are entitled to compensation in accordance with what has been agreed in the employment agreement. Finally, the Supreme Court affirmed the application of Article 62 of Law Number 13 of 2003 which stipulates that layoffs before the end of the contract period must be accompanied by compensation to workers. Therefore, the damages awarded to the plaintiff must still be paid in accordance with the existing provisions, even though the pandemic conditions affect the company's situation.

The Supreme Court finally ordered PT Lion Mentari Airline to pay the compensation that had been calculated in accordance with the applicable provisions, by correcting the amount of compensation previously determined by the Central Jakarta Industrial Relations Court, which was IDR 2,063,490,000. This decision emphasizes the protection of workers' rights, even in very difficult conditions for employers, such as during the pandemic.

Application of Employment Law Theory

a. Legal Protection Theory

The theory of labor law protection, as put forward by Philipus M. Hadjon, focuses on the importance of providing protection to workers as the weaker parties in the employment relationship. Hadjon (1987) emphasized that workers, as the weaker part of the employment agreement, need to obtain protection from the state and legal system so that their rights can be guaranteed and protected, especially in cases involving unilateral layoffs or injustice in employment relations. In Indonesia, this theory is accommodated in Law Number 13 of 2003 concerning Manpower, which regulates workers' rights, including the right to compensation in the event of termination of employment (PHK). In this context, labor law aims to create a balance between employers' rights and workers' rights, by providing adequate protection for workers so that they are not economically and socially harmed, especially in situations of unilateral layoffs. The Supreme Court Decision Number 678 K/Pdt.Sus-PHI/2024 reflects the application of this theory, where the plaintiff, even though he is a foreign worker, still gets his rights, including compensation for unilateral termination of employment by the employer. Although the reason for the layoffs is related to *force majeure* circumstances due to the pandemic, the Supreme Court still

ordered employers to pay fair compensation to workers in accordance with the applicable provisions of Indonesian labor law.

b. *Force Majeure* Theory

One of the important aspects discussed in this Supreme Court decision is the application of *the force majeure* theory in employment relations. In employment law, *force majeure* refers to an event or circumstance that is unpredictable and beyond the control of the parties, which affects the ability of one party to fulfill its obligations. An example of a *force majeure* situation that is relevant in this context is the COVID-19 pandemic. According to Articles 1244 and 1245 of the Civil Code (KUHPerduta), *force majeure* is a valid reason for a party who is unable to carry out its obligations due to extraordinary circumstances, such as natural disasters, war, or other emergencies. In the context of layoffs, employers can use *force majeure* reasons to terminate an employment contract if the extraordinary conditions affect business continuity. However, while *force majeure* can be a legitimate reason for layoffs, it does not relieve employers of their obligation to compensate workers. In the Supreme Court's ruling, even though the pandemic is considered a *force majeure* situation, the Supreme Court still affirms that compensation to workers must be provided in accordance with the applicable provisions of Indonesian labor law. This leads to the application of *force majeure* in a legal framework that still pays attention to workers' rights, even in unexpected and difficult situations such as the pandemic.

c. Legal Certainty Theory

Legal certainty theory focuses on the importance of maintaining legal stability and ensuring that the law is applied consistently and transparently in each case. In the context of labor law, this theory is very important to provide certainty regarding the rights of workers and the obligations of employers, as well as regarding the procedures that must be followed in the event of termination of employment (PHK). In the Supreme Court's decision, the application of the theory of legal certainty is reflected in the decision that requires employers to comply with the provisions in Law Number 13 of 2003 concerning Manpower, even though there are *force majeure reasons*. The Supreme Court affirmed that employment contracts must be respected, and layoffs must follow legal procedures and provide workers' rights, including appropriate compensation. This decision demonstrates a commitment to legal certainty in employment contracts and the protection of workers' rights.

d. Justice Theory

The theory of fairness is the theory underlying industrial relations dispute resolution, which aims to provide a fair and balanced decision for both parties in an employment relationship. In the context of employment law, justice theory emphasizes dispute resolution that not only prioritizes the interests of one party, but also pays attention to the balance between workers' rights and employers' obligations. The Supreme Court Decision Number 678 K/Pdt.Sus-PHI/2024 reflects the application of the principle of justice in resolving this dispute. Although the pandemic can be viewed as an extraordinary circumstance affecting employers, the Supreme Court has upheld the right of workers to be fairly compensated for unilateral layoffs. This decision illustrates how Indonesia's labor law seeks to balance the interests of employers who are pressured by economic conditions with the protection of workers' rights, in order to create justice in employment relations.

Implications of the Decision on Industrial Relations

The Supreme Court Decision Number 678 K/Pdt.Sus-PHI/2024 has various significant implications in the context of labor law and industrial relations in Indonesia. This implication can be seen from several perspectives, such as the protection of workers, the influence on company practices, and the consequences for the employment law system as a whole.

a. Implications for Worker Protection

One of the most significant implications of this ruling is the strengthening of legal protections for workers, especially foreign workers, in the Indonesian labor law system. This ruling affirms that even though the reason for termination is related to *force majeure* (COVID-19 pandemic), workers' rights to compensation must still be respected. This Supreme Court decision provides assurance for workers that their rights, especially those related to layoff compensation, cannot be ignored, even in extraordinary conditions such as the pandemic. Thus, this ruling underscores that Indonesia's labor law system provides strong protections to workers, not only local workers but also foreign workers, who have equal rights in terms of protection against unilateral termination of employment. This is important given the tendency of companies to reduce operational costs, including by laying off, which sometimes ignores workers' rights.

b. Implications for Entrepreneur and Company Practices

For entrepreneurs, this ruling provides an important lesson about the obligation to comply with applicable legal procedures in carrying out layoffs, especially related to the obligation to provide compensation in accordance with the provisions of the law. Employers cannot ignore workers' rights even if the reason for layoffs is related to *force majeure* circumstances, such as pandemics. Thus, companies should be more careful in carrying out layoffs and should ensure that each such decision has followed legal procedures. In addition, companies must also carefully consider the potential costs arising from termination of employment, including the payment of compensation and benefits to which workers are entitled. This Supreme Court decision provides additional pressure for companies to be more transparent and fair in managing working relationships with employees, as well as comply with existing legal provisions.

c. Implications for the Indonesian Employment Law System

This ruling also has an important impact on the development of the employment law system in Indonesia, especially in relation to the application of *force majeure* and the protection of workers in extraordinary circumstances. This Supreme Court decision provides clear guidance on how *force majeure* situations, such as the pandemic, cannot be used as an excuse to ignore employers' obligations to workers. Employment law in Indonesia clearly states that despite exceptional conditions, workers' rights must still be met. In addition, this decision reminds that legal certainty in employment contracts must be maintained. Even if companies face major challenges, as they did during the pandemic, termination must still follow the correct procedures and must not harm workers. This emphasizes that *the pacta sunt servanda* (agreement must be respected) remains valid, despite exceptional conditions.

This Supreme Court decision has the potential to have a long-term impact on industrial relations in Indonesia, especially in terms of handling labor relations disputes. This case shows that employers and workers must be more careful in managing employment relationships and resolving disputes legally. Employers must be more transparent and clear in communicating with workers regarding decisions that have the potential to affect their employment status, including layoffs. On the other hand, for workers, this ruling provides a sense of security and assurance that their rights will be protected by the law, even when the company faces a crisis. This can increase workers' trust in the legal system and improve more harmonious industrial relations between employers and workers.

This decision also contributes to the development of labor policy in Indonesia. In the context of Law Number 11 of 2020 concerning Job Creation, which amends several provisions in Law Number 13 of 2003 concerning Manpower, this Supreme Court decision emphasizes that despite changes in regulations, the protection of workers remains a top priority. The government needs to adjust labor policy to the evolving economic conditions, especially in the face of a global crisis that can affect certain sectors, including the aviation industry. In this case, this Supreme Court decision can be a reference to update labor regulations so that they can be more responsive to rapid economic changes and extraordinary situations, without reducing the protection of workers.

CONCLUSION

The Supreme Court's Decision Number 678 K/Pdt.Sus-PHI/2024 reflects significant legal efforts in protecting the rights of workers, both local and foreign workers, in challenging situations such as the COVID-19 pandemic. In this case, even though the reason for termination of employment is related to *force majeure* (pandemic), the Supreme Court still affirmed that employers cannot ignore their obligation to compensate workers, including the payment of salaries and benefits that should have been received.

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Putusan Mahkamah Agung Republik Indonesia Nomor 678 K/Pdt.Sus-PHI/2024.