

**INTEGRATION OF PANCASILA VALUES IN INDUSTRIAL RELATIONS: A
TRADE UNION PERSPECTIVE IN MULTINATIONAL COMPANIES**

Jemy Rengge Sutrisno¹, Arista Candra Irawati²

^{1,2} Ngudi Waluyo University, Ungaran, Central Java, Indonesia

¹jemyrengges@gmail.com, ²aristacandrairawati@unw.ac.id

Submission:

2025-04-21

Review:

2025-05-17

Accepted:

2025-05-22

Publish:

2025-5-31

ABSTRACT: This article analyzes the role of the Unit Leadership Council (PUK) of SP LEM SPSI at PT Steel Center Indonesia in developing industrial relations based on Pancasila values. The study emphasizes the integration of ideological foundations and practical strategies in advocating for workers' rights and fostering harmonious work relations. A qualitative descriptive method is employed, gathering data through observation, interviews, and document study. The findings reveal that PUK functions not only in normative roles within Collective Labor Agreement (CLA) negotiations but also as a transformative social agent through economic advocacy programs and social collaboration. Pancasila values are implemented through organizational activities such as bipartite communication, cadre consolidation, and cooperative management. These results demonstrate that trade unions can become a collective force not only to protect rights but also to promote social justice and sustainable welfare in the workplace.

Keywords: *Industrial Relations, Trade Union, Pancasila, CLA, Workers' Cooperative*

INTRODUCTION

Industrial relations reflect the social interactions between economic actors in the workplace, involving workers, employers, and the government. In Indonesia, industrial relations are not only based on the formal dimension of positive law but are also rooted in the nation's philosophical values, namely Pancasila. These noble values contribute to the dynamics of employment relations between labor unions and management, particularly in multinational companies that simultaneously interact with global practices and local cultures. As explained by Dunlop, the industrial relations system reflects an institutional structure consisting of actors, contexts, and a set of rules that govern the interaction of the three in creating workplace harmony.¹

Trade unions, as a key pillar in the industrial relations system, have a responsibility not only to fight for workers' normative rights but also to maintain harmonious and sustainable employment relations based on the values of social justice. In practice, the existence of trade unions often determines the direction of industrial relations, whether through bipartite mechanisms, collective bargaining, or values-based advocacy. Furthermore, Soepomo emphasized that industrial relations in Indonesia must be based on the principles of kinship, mutual cooperation, and social justice, as reflected in Pancasila.²

As emphasized by Kaelan, Pancasila is a system of values that is not only the basis of the state, but also a cultural ethos and ideology that shapes the order of life in society, the nation and the state.³

In the world of employment, these values are crucial for countering the tendency toward capitalist and contractual labor relations. When the values of humanity, justice, and deliberation are applied in the workplace, industrial relations will not only create a balance of interests but also improve social welfare and national economic stability. Furthermore, Satjipto Rahardjo, through his progressive legal thinking, encourages us to view law as an instrument of social liberation that favors the vulnerable, including workers.⁴

Perubahan sosial dan perkembangan globalisasi turut memengaruhi bentuk dan arah hubungan industrial di Indonesia. Di tengah perubahan iklim bisnis dan pasar tenaga kerja yang semakin kompetitif, integrasi nilai-nilai lokal seperti Pancasila menjadi penting untuk menjaga identitas dan keseimbangan moral dalam praktik hubungan kerja. Menurut Franz Magnis-Suseno, Pancasila tidak hanya menjadi dasar filsafat negara, melainkan juga etika publik yang relevan untuk membentuk struktur kehidupan sosial yang adil dan inklusif, termasuk dalam konteks ketenagakerjaan.⁵ Therefore, mainstreaming Pancasila values in industrial relations is a strategic task that must be carried out collectively by trade unions, management, and the state.

This article focuses on a case study at PT Steel Center Indonesia, where the PUK SP LEM SPSI plays a strategic role in building Pancasila-based workplace relations. This

¹ John T. Dunlop, *Industrial Relations Systems*, Holt: Rinehart and Winston, 1958

² Iman Soepomo, *Hukum Perburuhan di Indonesia*, Jakarta: Djambatan, 2002, hlm. 12.

³ Kaelan, *Pancasila: Yudiris, Historis, Filosofis*, Yogyakarta: Paradigma, 2013, hlm. 10–11

⁴ Satjipto Rahardjo, *Ilmu Hukum: Konteks, Proses, dan Makna*, Bandung: Citra Aditya Bakti, 2002, hlm. 3–5.

⁵ Franz Magnis-Suseno, *Etika Politik: Prinsip Moral Dasar Kenegaraan Modern*, Jakarta: Gramedia Pustaka Utama, 1991, hlm. 42–44

research aims to assess the effectiveness of the union's role in building just, democratic, and dignified industrial relations. This study is important not only for uncovering micro-practices within the company but also for inspiring a transformation in national industrial relations based on the nation's noble values.

PROBLEM

How does PT Steel Center Indonesia play a strategic role in building Pancasila-based workplace relations?

How effective is the role of labor unions in building fair, democratic, and dignified industrial relations?

RESEARCH METHODS

This study uses a statutory approach and a conceptual approach. The statutory approach involves tracing various laws and regulations related to the legal issues being handled, while the conceptual approach is normative and involves writing by tracing the views of legal scholars and doctrines that have developed in legal science related to the problems discussed. The legal materials used consist of primary legal materials (statutory regulations in the field of Corporate Law) and secondary legal materials (opinions of legal scholars in books, literature, and published writings). The technique of collecting legal materials is carried out through an inventory of positive law and literature searches. The legal materials obtained are then analyzed based on laws and regulations and library data in accordance with the problem approach to produce a true picture of the main problem of the writing. In addition, analysis using interpretation or interpretation is also used in this study. The analysis of legal materials aims to provide a systematic explanation of laws and regulations in the field of corporate law and to find out whether there are new legal discoveries or legal deviations. After all legal materials are organized, classified, and analyzed, it is hoped that the problems in this study can be studied and solved.

DISCUSSION

Industrial Relations Theory and Pancasila Values

Industrial relations as a social system is not only understood from a normative perspective, but also as an arena of interaction colored by social and cultural values. John T. Dunlop, in his theory, explains that industrial relations consists of three main actors—management, unions, and government—who interact within a framework of work rules determined by the context of the economic, technological, and power environments.⁶

In the Indonesian context, this system gains an additional dimension in the form of integrating the values of Pancasila as the foundation of the state. Prof. Iman Soepomo emphasized that Pancasila is the source of Indonesian labor law, emphasizing the principles of justice, humanity, and mutual cooperation in employment relations.⁷ This

⁶ John T. Dunlop, *Industrial Relations Systems*, Holt: Rinehart and Winston, 1958

⁷ Iman Soepomo, *Hukum Perburuhan di Indonesia*, Jakarta: Djambatan, 2002, hlm. 21

makes industrial relations not merely a contractual mechanism but also an instrument for establishing a humane work culture.

As a key element in industrial relations, labor unions play a strategic role in instilling Pancasila values into organizational structures and work dynamics. They serve as a bridge between workers' rights and collective work ethics, as well as a communication bridge between workers' aspirations and management policies. In practice, this approach creates an ethical space where the values of deliberation, unity, and justice can be collectively internalized. In other words, Pancasila becomes the spirit of every conflict resolution process, the development of work regulations, and the fostering of more harmonious and dignified social relations between workers and management.

Furthermore, Satjipto Rahardjo, in his progressive legal perspective, emphasized that law should not be a tool of power, but rather a means to create substantive justice in society, particularly for vulnerable groups such as workers.⁸ Therefore, the application of Pancasila in the context of industrial relations is not merely symbolic, but rather an actualization of substantive values of justice and humanity.

As explained by Franz Magnis-Suseno, Pancasila embodies social ethics that guide society toward a system of relationships that upholds human dignity. In the workplace, this is realized through inclusive, just, and humane industrial relations, where labor unions act as guardians of moral values amidst market pressures and globalization.⁹ Thus, the existence of labor unions in Indonesia is not merely a normative actor, but also an agent of social transformation in the workplace.

Furthermore, industrial relations aligned with Pancasila values are also supported by the concept of balance and cooperation put forward by Hani Handoko, who stated that a good working relations system is one that is able to manage differing interests within a framework of constructive communication and collaboration.¹⁰ The application of the values of unity, humanity, and justice in this context is not merely a norm, but rather a prerequisite for achieving a dignified and sustainable industrial relations balance.

Industrial Relations Practices at PT Steel Center Indonesia

PUK SP LEM SPSI PT Steel Center Indonesia has implemented an industrial relations model based on deliberation and mutual cooperation. In this case, the bipartite forum is used as a strategic communication medium between the union and management to resolve labor issues through dialogue. This aligns with the principle of deliberation emphasized by Jürgen Habermas, which states that policy legitimacy in modern society can only be achieved through participation and rational communication.¹¹

Furthermore, the drafting of the 2023–2025 Collective Labor Agreement (PKB) serves as a concrete example of industrial democracy in practice, with all clauses drafted through a deliberation process between management representatives and union officials. This participatory approach reflects the fourth principle of Pancasila and

⁸ Satjipto Rahardjo, *Ilmu Hukum: Konteks, Proses, dan Makna*, Bandung: Citra Aditya Bakti, 2002, hlm. 3–5

⁹ Franz Magnis-Suseno, *Etika Politik: Prinsip Moral Dasar Kenegaraan Modern*, Jakarta: Gramedia Pustaka Utama, 1991, hlm. 42–44

¹⁰ T. Hani Handoko, *Manajemen Personalia dan Sumber Daya Manusia*, Yogyakarta: BPFE, 2001, hlm. 188.

¹¹ Jürgen Habermas, *Between Facts and Norms: Contributions to a Discourse Theory of Law and Democracy*, Cambridge: MIT Press, 1996.

strengthens trust between parties.

Furthermore, the PUK actively initiates socio-religious activities, moral and spiritual development, and cooperative strengthening as a form of contribution to social justice. This demonstrates that industrial relations in this company have expanded in meaning: not only about workers' rights, but also about empowerment and collective solidarity. In this context, industrial relations have evolved from mere employment relationships to a cultural space, where humanitarian values and civility are central. Worker participation is not limited to wage negotiations but encompasses the strategic process of shaping organizational values.

According to Anwar Prabu Mangkunegara, successful managerial practices are always characterized by open communication patterns, respect for individual contributions, and equal partnerships between management and workers.¹² These values are embodied in dialogue fostered through bipartite forums and joint oversight of the implementation of the Collective Labor Agreement (PKB). Furthermore, the PUK also serves as a guardian of fairness in managerial decisions concerning the fate of the workforce.

Franz Magnis-Suseno stated that deliberation is not merely a decision-making method, but also a reflection of respect for human dignity in a democratic society.¹³ At PT Steel Center Indonesia, this deliberation process is conducted with a spirit of openness and accountability, so that industrial relations are not merely technical but also ethical. Thus, the industrial relations practices implemented reflect the harmony between the universal values of Pancasila and the pragmatic needs of the industrial world.

The Strategic Role of PUK SP LEM SPSI in Building Fair and Dignified Working Relations

Within the framework of modern industrial relations, the role of labor unions is expanding, not only as negotiators of normative rights but also as social actors shaping the value system in the workplace. Satjipto Rahardjo, in his concept of progressive law, emphasized that the law must be present to uphold humanitarian values and substantive justice, not merely procedural ones.¹⁴

PUK SP LEM SPSI applies this principle by encouraging problem-solving through a win-win solution approach. One of their successes was in fighting for wage increases through evidence-based bargaining, without resorting to strike action. This demonstrates a strong commitment to maintaining stable labor relations while guaranteeing worker protection.

PUK also strengthens its cadre education system through training in law, communication, and organizational management. This not only increases organizational capacity but also fosters a dignified and equitable work culture, as mandated by the second and fifth principles of Pancasila. By embedding the principles of inclusivity and transparency, PUK empowers every administrator and member to be an active participant in the formulation of internal policies. This strategic role

¹² Anwar Prabu Mangkunegara, *Manajemen Sumber Daya Manusia Perusahaan*, Bandung: Remaja Rosdakarya, 2001, hlm. 121.

¹³ Franz Magnis-Suseno, *Etika Sosial: Dasar dan Prinsip*, Jakarta: Gramedia, 1987, hlm. 57–59. Itu merupakan berbasis musyawarah dan gotong royong

¹⁴ Satjipto Rahardjo, *Ilmu Hukum: Konteks, Proses, dan Makna*, Bandung: Citra Aditya Bakti, 2002, hlm. 1–3.

demonstrates that labor unions are not merely instruments of protest, but also driving structural and cultural transformation within companies.

Furthermore, according to Djumadi, ideal industrial relations uphold the principles of social dialogue and the active participation of all parties in the decision-making process, in order to create a peaceful workplace and a balance between productivity and well-being.¹⁵ In this case, PUK has demonstrated its strategic capacity in bridging the interests of management and workers synergistically.

Furthermore, the moral approach promoted by PUK strengthens a work climate that is not only mechanistic and transactional, but also participatory and humanistic. This approach aligns with Mochtar Kusumaatmadja's idea that sees law not only as a norm, but also as a social engineering tool in encouraging changes in societal behavior towards a more just and civilized direction.¹⁶ PUK becomes an agent of change that makes the values of Pancasila not merely a normative symbol, but an ethical basis for collective decision-making and the formation of an inclusive and equitable organizational culture.

Trade Union Advocacy and Social Collaboration Strategy

In the era of global industrialization, labor unions face complex challenges that demand a multi-level advocacy strategy. PUK SP LEM SPSI developed an integrative advocacy approach, combining legal advocacy, internal education, and social collaboration with external actors such as the labor office and community leaders. This strategy was implemented not only in a reactive context to management policies, but also proactively to build cross-sectoral solidarity and expand worker participation.

According to Ralf Dahrendorf, power in industrial society is diffuse and decentralized, so social change is only possible through collective organizations capable of building strategic alliance networks.¹⁷ In this context, PUK plays a role as a catalyst for change through community service programs, celebrations of national and religious holidays, and active participation in tripartite forums.

These activities not only strengthen the union's standing among its members but also enhance the organization's image before management and the public. This is a form of social collaboration that can foster industrial harmony while expanding advocacy into ethical and cultural realms. Furthermore, sustained social collaboration can foster productive social networks, reduce polarization, and build working-class solidarity as the basis of civil power in economic democracy at both the company and national levels.

Franz Magnis-Suseno stated that collective social responsibility embodies the ethics of Pancasila, which emphasizes not only rights but also social obligations among citizens, including in the industrial context.¹⁸ Therefore, social collaboration is not merely a complementary activity but an integral part of a struggle strategy rooted in the nation's noble values. This strategy also aligns with Richard Freeman's idea of emphasizing the importance of 'stakeholder unionism,' where unions not only champion the interests of

¹⁵ Djumadi, *Pengantar Hukum Ketenagakerjaan Indonesia*, Yogyakarta: Deepublish, 2020, hlm. 85.

¹⁶ Mochtar Kusumaatmadja, *Hukum, Masyarakat, dan Pembinaan Hukum Nasional*, Bandung: Binacipta, 1976, hlm. 120.

¹⁷ Ralf Dahrendorf, *Class and Class Conflict in Industrial Society*, Stanford University Press, 1959.

¹⁸ Franz Magnis-Suseno, *Etika Politik: Prinsip Moral Dasar Kenegaraan Modern*, Jakarta: Gramedia Pustaka Utama, 1991, hlm. 62.

their members but also contribute to strengthening inclusive and sustainable corporate governance.¹⁹

Thus, the advocacy and social collaboration strategy implemented by PUK SP LEM SPSI is a model that deserves to be developed more widely, as part of the revitalization of the trade union movement based on values, public morality, and active social involvement.

Industrial Relations Practices at PT Steel Center Indonesia from the Perspective of Pancasila Values

Industrial relations as a social system is understood not only from a normative perspective, but also as an arena of interaction influenced by social and cultural values. John T. Dunlop's theory explains that industrial relations consists of three main actors—management, unions, and government—interacting within a framework of work rules determined by the economic, technological, and power contexts.²⁰

In the Indonesian context, this system gains an additional dimension through the integration of the values of Pancasila, the foundation of the state. Prof. Iman Soepomo emphasized that Pancasila is the source of Indonesian labor law values, emphasizing the principles of justice, humanity, and mutual cooperation in employment relations.²¹ This makes industrial relations not merely a contractual mechanism, but also an instrument for the formation of a humane work culture.

As a key element in industrial relations, labor unions play a strategic role in instilling Pancasila values into organizational structures and work dynamics. They serve as a bridge between workers' rights and collective work ethics, as well as a communication bridge between workers' aspirations and management policies. In practice, this approach creates an ethical space where the values of deliberation, unity, and justice can be collectively internalized. In other words, Pancasila becomes the spirit of every conflict resolution process, the development of work regulations, and the fostering of more harmonious and dignified social relations between workers and management.

Industrial relations theory is also inseparable from the socio-cultural value approach, as proposed by Prof. T. Hani Handoko, who states that industrial relations is a component of human resource management that emphasizes cooperation and a balance of interests within the organization.²²

This perspective reinforces the idea that in a democratic workplace, unions and management need to build relationships based on mutual trust and collective goals. Pancasila, as the state ideology and social value system, provides an ideal platform for creating a work environment that is not only productive but also dignified. Therefore, Pancasila-based industrial relations are seen not merely as a system of employment relations, but as a manifestation of the nation's noble values, translated into managerial practices, communication, and decision-making in the workplace.

PUK SP LEM SPSI PT Steel Center Indonesia has implemented an industrial relations model based on deliberation and mutual cooperation. In this case, the bipartite forum is

¹⁹ Richard Freeman & Joel Rogers, *What Workers Want*, Ithaca: Cornell University Press, 1999, hlm. 103.

²⁰ John T. Dunlop, *Industrial Relations Systems*, Holt: Rinehart and Winston, 1958.

²¹ Iman Soepomo, *Hukum Perburuahan di Indonesia*, Jakarta: Djambatan, 2002, hlm. 21.

²² T. Hani Handoko, *Manajemen Personalia dan Sumber Daya Manusia*, Yogyakarta: BPFE, 2001, hlm. 188.

used as a strategic communication medium between the union and management to resolve labor issues through dialogue. This aligns with the principle of deliberation emphasized by Jürgen Habermas, which states that policy legitimacy in modern society can only be achieved through participation and rational communication.²³

Furthermore, the drafting of the 2023–2025 Collective Labor Agreement (PKB) serves as a concrete example of industrial democracy in practice, with all clauses drafted through a deliberation process between management representatives and union officials. This participatory approach reflects the fourth principle of Pancasila and strengthens trust between parties.

Furthermore, the PUK actively initiates socio-religious activities, moral and spiritual development, and cooperative strengthening as a contribution to social justice. This demonstrates that industrial relations at this company have expanded their meaning: not only about workers' rights, but also about collective empowerment and solidarity.

Healthy industrial relations demand transparency, accountability, and open communication. According to Anwar Prabu Mangkunegara, a good organization is one capable of fostering effective two-way communication between leaders and members, thus fostering work harmony and mutual loyalty.²⁴ This is relevant in the context of PT Steel Center Indonesia, where the relationship between the PUK and management is not confrontational, but rather prioritizes the principle of partnership.

CONCLUSION

This article emphasizes that the role of labor unions in building equitable industrial relations cannot be separated from the fundamental values of Pancasila. PUK SP LEM SPSI PT Steel Center Indonesia has demonstrated an industrial relations model that is not only normative but also rooted in civility, social justice, and deliberation. The implementation of Pancasila values, such as belief in God, humanity, unity, deliberation, and justice, is reflected in participatory, communicative, and collaborative organizational practices. Thus, labor unions are not only guardians of rights but also agents of social transformation in the modern workplace. Based on the findings of this study, the following recommendations are made: To labor unions: continue to improve their advocacy capacity through cadre education, legal literacy, and strengthening Pancasila values as ethical guidelines in all organizational activities. To company management: open spaces for inclusive and sustainable dialogue as a form of respect for the principles of deliberation and social justice. To the government: strengthen values-based industrial relations policies by encouraging participatory practices in all derivative labor regulations. To academics and researchers: continue to conduct empirical studies on labor union practices based on the nation's noble values to enrich the body of knowledge on labor law in Indonesia. With synergy among all stakeholders, fair, dignified, and Pancasila-based industrial relations are not a utopia, but a reality that can be realized in the Indonesian

²³ Jürgen Habermas, *Between Facts and Norms: Contributions to a Discourse Theory of Law and Democracy*, Cambridge: MIT Press, 1996.

²⁴ Anwar Prabu Mangkunegara, *Manajemen Sumber Daya Manusia Perusahaan*, Bandung: Remaja Rosdakarya, 2001, hlm. 121.

workplace.

REFERENCES

- Dahrendorf, Ralf. *Class and Class Conflict in Industrial Society*. Stanford: Stanford University Press, 1959.
- Djumadi. *Pengantar Hukum Ketenagakerjaan Indonesia*. Yogyakarta: Deepublish, 2020.
- Dunlop, John T. *Industrial Relations Systems*. Holt: Rinehart and Winston, 1958.
- Freeman, Richard & Joel Rogers. *What Workers Want*. Ithaca: Cornell University Press, 1999.
- Habermas, Jürgen. *Between Facts and Norms: Contributions to a Discourse Theory of Law and Democracy*. Cambridge: MIT Press, 1996.
- Handoko, T. Hani. *Manajemen Personalia dan Sumber Daya Manusia*. Yogyakarta: BPFE, 2001.
- Kaelan. *Pancasila: Yudiris, Historis, Filosofis*. Yogyakarta: Paradigma, 2013.
- Kusumaatmadja, Mochtar. *Hukum, Masyarakat, dan Pembinaan Hukum Nasional*. Bandung: Binacipta, 1976.
- Magnis-Suseno, Franz. *Etika Politik: Prinsip Moral Dasar Kenegaraan Modern*. Jakarta: Gramedia Pustaka Utama, 1991.
- Magnis-Suseno, Franz. *Etika Sosial: Dasar dan Prinsip*. Jakarta: Gramedia, 1987.
- Mangkunegara, Anwar Prabu. *Manajemen Sumber Daya Manusia Perusahaan*. Bandung: Remaja Rosdakarya, 2001.
- Rahardjo, Satjipto. *Ilmu Hukum: Konteks, Proses, dan Makna*. Bandung: Citra Aditya Bakti, 2002.
- Soepomo, Iman. *Hukum Perburuhan di Indonesia*. Jakarta: Djambatan, 2002.
- Swasono, Sri Edi. *Pancasila: Sistem Etika Sosial Bangsa Indonesia*. Jakarta: LIPI Press, 2007.
- Undang-Undang Nomor 13 Tahun 2003 tentang Ketenagakerjaan. Lembaran Negara Republik Indonesia Tahun 2003 Nomor 39.
- Undang-Undang Nomor 21 Tahun 2000 tentang Serikat Pekerja/Serikat Buruh. Lembaran Negara Republik Indonesia Tahun 2000 Nomor 131.
- Undang-Undang Nomor 11 Tahun 2020 tentang Cipta Kerja. Lembaran Negara Republik Indonesia Tahun 2020 Nomor 245.
- Perjanjian Kerja Bersama (PKB) PT Steel Center Indonesia Tahun 2023–2025. Dokumen Internal Perusahaan.
- Struktur Organisasi PUK SP LEM SPSI PT Steel Center Indonesia. Dokumen Internal Organisasi.
- Wawancara dengan Nursam, S.E., General Manager HRGA PT Steel Center Indonesia, 2025.
- Wawancara dengan Jian Pratama, S.E., Ketua PUK SP LEM SPSI PT Steel Center Indonesia, 2025.
- Wawancara dengan Aditiya, Anggota SP LEM SPSI PT Steel Center Indonesia, 2025.