

LEGAL CERTAINTY OF THE IMPLEMENTATION OF FIXED-TIME EMPLOYMENT AGREEMENTS AFTER THE LABOR CREATION ACT OF 2023

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Abstract

This study aims to analyze legal certainty in the implementation of Fixed-Term Employment Agreements (PKWT) following the enactment of Law Number 6 of 2023 concerning the Stipulation of Government Regulation in Lieu of Law Number 2 of 2022 concerning Job Creation into Law. This regulation brings significant changes to the provisions of PKWT, previously stipulated in Law Number 13 of 2003 concerning Manpower. Using a normative legal approach, this study examines the paradigm shift from a system that primarily protects workers to one that is more flexible and oriented toward business interests. The results indicate that although the Job Creation Law provides greater flexibility for employers and adds new forms of protection in the form of compensation and electronic registration, the elimination of contract time limits and the provision for automatic conversion of PKWT to PKWTT reduces legal certainty for workers. To achieve a balance between employer interests and the protection of workers' rights, strengthening derivative regulations, increasing labor oversight, and providing legal education for all parties is necessary to ensure that the implementation of PKWT is carried out in accordance with the principles of justice and legal certainty in Indonesia's rule of law.

Keywords: Legal certainty; PKWT; Job Creation Law; Worker Protection; Industrial Relations.

INTRODUCTION

In their position as citizens, workers/laborers have the same position before the law, every worker/laborer has the right to get a decent job and livelihood, the right to express opinions, the right to assemble or create a trade union/labor union organization (Harahap, No Year). By providing legal protection for workers to achieve worker welfare requires legal certainty or legal force. Therefore, the government as a law maker, can participate in protecting the weak party (workers) from good intentions that can be carried out by job providers (employers), in order to place them in a proper position in accordance with human dignity and worth (Serrao & Hamzah, 2025).

Work is an important activity for humans with the aim of producing something with the aim of fulfilling their life needs. Therefore, the state provides protection for the right of every human being to work through Article 27 paragraph (2) of the 1945 Constitution of the Republic of Indonesia (UUD NRI 1945) which states that "every citizen has the right to work and a decent living for humanity". Protection based on Article 27 paragraph (2) of the 1945 UUD NRI proves that the state carries out its role to provide the right to work for people to get work and get a decent life. In addition, workers have an important role for national development in the economic sector because the success of an agency or company cannot be separated from the role of workers (Nurdin, Susanti, & Utomo, 2025).

Based on the provisions of the 1945 Constitution of the Republic of Indonesia, it states, "The State of Indonesia is a state of law" according to Article 1 paragraph (3). This means that the Indonesian nation is a nation based on law. (Raharjo, 2003) The legal system currently adopted by the Indonesian nation is the Continental European legal system. (Djamali, 2014) The 1945 Constitution of the Republic of Indonesia states that every citizen has the right to work and a decent living for humanity, based on this, Law Number 13 of 2003 concerning Manpower (State Gazette of the Republic of Indonesia 2003 Number 39) hereinafter referred to as the Manpower Law is the main legal basis in the field of employment in addition to the 1945 Constitution of the Republic of Indonesia. In essence, a law is a fortress of protection for employees in Indonesia (Kusuma, Ratna, & Irawati, 2020).

An employment agreement is the beginning of the birth of industrial relations between capital owners and workers. However, companies often violate the provisions of the employment agreement regulated in Law Number 13 of 2003 concerning Manpower (hereinafter referred to as the Manpower Law) and the Decree of the Minister of Manpower and Transmigration Number KEP/100/MEN/VI/2004. This agreement between the employer and employee creates an employment relationship. The creation of an employment relationship between workers or employees and employers, gives rise to an agreement that has been made and agreed upon by each party to obtain their rights (Kartasapoetra, 1992). The agreement that arises results in the creation of an employment agreement. An employment agreement is an agreement that arises as a result of the existence of an employment agreement between employers and employees that contains a binding work bond for the parties involved in making the agreement. The binding of the parties in an employment agreement results in the emergence of obligations between each party to implement the agreement made, because the agreement has been valid as a law for the parties who made it (Udiana, 2016).

The latest regulations regarding employment, particularly regarding fixed-term employment agreements, are broadly contained in Law Number 6 of 2023 concerning the Stipulation of Government Regulation in Lieu of Law Number 2 of 2022 concerning Job Creation to Become Law. Further regulations are outlined in one of the implementing technical regulations of Law Number 6 of 2023, namely Government Regulation of the Republic of Indonesia Number 35 of 2021 concerning Fixed-Term Employment Agreements, Outsourcing, Working Hours and Rest Time, and Termination of Employment. In the latest regulations, there are several provisions regarding fixed-term employment agreements that have changed when compared to the provisions of Law Number 13 of 2003. PKWT is included in the employment agreements contained in Indonesian employment law, where the employment agreement is one of the sources of employment law (Shalihah, 2017). The purpose of making a fixed-term work agreement is to emphasize and clarify rights and obligations, jointly determine the terms of employment based on laws relating to employment and company regulations so as to encourage the creation of harmonious, dynamic and fair industrial relations, participate in protecting the weak party (workers/laborers) from the power of employers, in order to establish them in a proper position in accordance with human dignity and worth (Fahmi, 2021).

Fixed-term employment agreements or contract workers are a common option for employers when conducting probationary periods for workers. This is often the case with contract workers, such as those employed by Indomaret. This indirectly results in losses for contract workers. When workers fail to perform their duties or comply with orders as desired, employers have the power to dismiss them, deny extensions, and seek alternative workers as desired. Termination of a contract employment relationship does not result in losses because employers are not obligated to provide severance pay upon

termination (Kusuma, Ratna, & Irawati, 2020).

The enactment of Law Number 6 of 2023 concerning the Stipulation of Government Regulation in Lieu of Law Number 2 of 2022 concerning Job Creation into law brings significant changes to the regulation of PKWT (Fixed-Term Work Agreements). Through these changes, the government seeks to create a conducive investment climate by providing employers with greater flexibility in regulating employment relationships, including the use of contract workers. However, these changes have also sparked debate regarding legal certainty and worker protection.

Prior to the enactment of the Job Creation Law, PKWT (Fixed Term Work Agreement) regulations were strictly regulated by Law Number 13 of 2003 concerning Manpower, which stipulated the maximum time limit and types of work that could be used for PKWT. Following the issuance of the new regulation, several provisions were amended, including contract durations, extensions, and compensation for workers whose employment contracts ended. These changes created uncertainty for the parties, particularly in their interpretation and implementation, as the implementing regulations underwent several revisions.

Another problem arises in practice, where employers often misuse the PKWT form for permanent employment, thus violating the principles of justice and legal certainty. Meanwhile, for workers, their bargaining position in demanding their rights is weakened due to the excessive flexibility granted to employers. This raises fundamental questions about the extent to which the 2023 Job Creation Law is able to provide legal certainty in the implementation of PKWT and protect both parties equally. Therefore, a review of the legal certainty of the implementation of PKWT after the enactment of the 2023 Job Creation Law is crucial to assess the extent to which the new regulation provides clarity, consistency, and legal protection for both employers and workers in employment practices in Indonesia.

RESEARCH METHOD

The type of research used is normative (doctrinal) legal research, namely research focused on the study of positive legal norms, legal principles, and legal doctrines related to fixed-term employment agreements (PKWT) and their legal certainty after the enactment of the 2023 Job Creation Law.

This research was conducted by analyzing laws and regulations, court decisions, and the views of legal experts to find the principles, norms, and legal concepts that apply in the implementation of PKWT in Indonesia.

RESULTS AND DISCUSSION

Legal Regulations Regarding Fixed-Term Employment Agreements (PKWT) Before and After the Enactment of the 2023 Job Creation Law

The change of PKWT to PKWTT is based on an agreement between workers and employers in accordance with the principle of freedom of contract in Article 1338 Paragraph (1) of the Civil Code (KUH Perdata). If an agreement has been reached between the two parties and there is no legal prohibition, then this change in status is declared valid to be carried out. Provisions regarding changes in PKWT status were previously regulated in Law 13/2003, but in 2023 Law 6/2023 was issued. The importance of PKWT can be seen from its impact on workers' sources of income, so an analysis of changes in regulations regarding PKWT is necessary (Prana & Pura, 2022).

Prior to the enactment of the Job Creation Law, regulations regarding Fixed-Term Employment Agreements (PKWT) were regulated in Law Number 13 of 2003 concerning Manpower, specifically Articles 56 to 59, and Decree of the Minister of Manpower and Transmigration Number KEP.100/MEN/VI/2004 concerning Implementing Provisions for Fixed-Term Employment Agreements. These regulations essentially impose strict restrictions on the use of PKWT to prevent abuse by employers (Soerodjo C. Arifin, Borman, & Shidarta, 2022).

According to provisions prior to the enactment of the Job Creation Law, PKWT could only be created for specific work that was temporary, seasonal, or related to a specific project whose completion could be estimated within a specific timeframe. This type of employment agreement could only be made for a maximum period of two years and could be extended once for a maximum period of one year. If the employment agreement exceeded this time limit or was made for permanent work, the PKWT was legally transformed into an Indefinite-Term Employment Agreement (PKWTT).

Furthermore, regulations prior to the Job Creation Law required that PKWT contracts be written, using Indonesian and the Latin alphabet, and registered with the local labor authority. This provision was intended to ensure that the employment relationship between workers and employers had legal force and to prevent abuse of workers' rights. However, workers with PKWT contracts were not entitled to severance pay upon the expiration of the contract, but retained their legal rights, such as wages, leave, social security, and employment protection.

Following the enactment of Law Number 11 of 2020 concerning Job Creation, which was later

enacted as Law Number 6 of 2023 concerning the Stipulation of Government Regulation in Lieu of Law Number 2 of 2022 concerning Job Creation, fundamental changes occurred to the regulation of PKWT (Fixed-Term Employment Contracts). Its implementing provisions were further detailed in Government Regulation Number 35 of 2021 concerning Fixed-Term Employment Agreements, Outsourcing, Working Hours, Rest Periods, and Termination of Employment.

This new regulation makes the provisions regarding PKWT (Fixed Term Employment Contracts) more flexible than before. The types of work eligible for PKWT are no longer limited to temporary, seasonal, or project-specific work, but can be performed for work based on a specific time period or the completion of a specific project. This broadens the criteria for work eligible for contract work and adapts to the needs of the business world.

One of the most significant changes is the removal of the maximum term of a PKWT (Fixed Work Agreement) as stipulated in previous regulations. The Job Creation Law and Government Regulation 35 of 2021 no longer explicitly stipulate a two-year limit and a one-year extension, instead leaving it to the agreement between the worker and employer based on the nature and type of work. However, these provisions still impose a limitation that if a PKWT is created for permanent employment, the employment relationship becomes a PKWTT (Dalimunthe & Fajri, 2023).

In addition to providing flexibility for employers, the Job Creation Law also adds new protections for contractually-contracted workers, namely the provision of compensation upon termination of the contract. Based on Article 15 of Government Regulation Number 35 of 2021, every contractually-contracted worker whose contract expires is entitled to compensation, the amount of which is calculated proportionally based on the length of service, with the provision of one month's wages for twelve months of service. This provision provides compensation for the job insecurity faced by contract workers and serves as an instrument of social justice in industrial relations.

Administratively, the new regulations also require employers to register PKWT (non-permanent work contracts) electronically with labor authorities. This aims to increase transparency, improve oversight effectiveness, and protect workers, while also minimizing irregularities in the implementation of contractual employment relationships.

Thus, the legal regulations regarding PKWT (Fixed Term Contracts) following the enactment of the 2023 Job Creation Law bring two main changes: first, providing flexibility for employers to adapt the form of employment relationships to economic needs and business dynamics; and second, adding new protections for workers through compensation and a more transparent registration system. However, these changes have also sparked debate. On the one hand, flexibility is considered to support investment growth and company efficiency, but on the other hand, there are concerns that this flexibility could potentially reduce job security for workers because the contract system can be applied continuously. Therefore, the implementation of the Job Creation Law requires strict oversight from the government and labor unions to ensure the principles of fairness and protection of labor rights are maintained.

A comparison between Law Number 13 of 2003 concerning Manpower and Law Number 6 of 2023 concerning the Stipulation of Government Regulation in Lieu of Law Number 2 of 2022 concerning Job Creation shows substantial changes in the regulation of Fixed-Term Employment Agreements (PKWT).

Law Number 13 of 2003 outlines detailed provisions regarding PKWT (Fixed Term Employment Contracts) through Article 59, which comprises eight paragraphs. This regulation explicitly defines the types of work that can be categorized as PKWT, the contract duration, extension and renewal procedures, and the provisions for automatically changing the status to an Indefinite-Term Employment Agreement (PKWTT) if the requirements are not met. This provision provides substantial protection for workers, preventing them from being continuously employed on a temporary basis (Jibrán, Nurdin, & Rizkianto, 2024).

In contrast, in Law Number 6 of 2023, although Article 59 remains the legal basis for regulating PKWT, the number of articles and the scope of its provisions have been simplified. Several important articles previously contained in Law Number 13 of 2003 have been removed, including the provision that automatically changes the status of a PKWT to a PKWTT if certain conditions are violated. In Law Number 6 of 2023, although Article 59 remains the legal basis for regulating PKWT, the number only states generally that PKWT can be made for certain jobs that are not permanent in nature, while details regarding the time period and extension limits are left to be further regulated through government regulations.

This fundamental difference indicates a paradigm shift from regulations that are protective of workers to regulations that are more flexible and oriented towards the interests of the business world. Although Article 59 of Law Number 6 of 2023 remains the legal basis for regulating PKWT (Fixed Term Work Agreements), the number appears to be more concise, but the consequence is reduced legal certainty and protection for workers. The removal of explicit provisions regarding the automatic

conversion of PKWT to PKWTT (Working Permit Agreements) could open up opportunities for employers to extend employment contracts indefinitely, potentially trapping workers in long-term contracts without the certainty of permanent status (Mahardika & Romainur, 2023).

Thus, it can be concluded that Law Number 6 of 2023 weakens the position of workers compared to the previous regulation in Law Number 13 of 2003. However, further regulation through Government Regulation of the Republic of Indonesia Number 35 of 2021 still provides room for worker protection, although it is not as strong as that regulated in Law Number 13 of 2003.

Law Number 6 of 2023 concerning Job Creation, also known as the Omnibus Law, has brought significant changes to the employment legal landscape in Indonesia, particularly regarding the regulation of Fixed-Term Employment Agreements (PKWT). These changes are driven by the goal of increasing labor market flexibility, stimulating economic growth, and attracting investment (Pangaribuan, 2021). Some key changes to PKWT regulations include the following aspects:

1. Elimination of Restrictions on Types of PKWT Work

Law No. 6/2023 marks a paradigm shift in the regulation of fixed-term employment contracts (PKWT) by removing restrictions on the types of employment eligible for this scheme. This differs substantially from the provisions of Law No. 13/2003, which specifically limited the use of PKWT to certain types of employment, such as temporary, seasonal, or work related to new products. The removal of these restrictions aims to provide employers with greater flexibility in managing their workforce according to operational needs and market dynamics (Wijayanti, 2021).

The implications of this change are far-reaching. On the one hand, it can expand employment opportunities and enable companies to be more adaptive to economic changes. However, on the other hand, there are concerns that this flexibility could be abused to avoid obligations associated with permanent employees, such as severance pay and long-term employment guarantees (Hernawan, 2021).

2. Changes to the Terms and Conditions of the PKWT Term

- a. Extension of PKWT Period

Law No. 6/2023 introduces significant changes to the extension of PKWT (Working Permit) contracts. Unlike Law No. 13/2003, which limited PKWT contracts to a maximum of two years and could be extended for one year,⁸ this new law allows for more flexible extensions. Although specific details regarding the maximum time limit are not explicitly regulated in this law, this change provides greater leeway for employers and workers to negotiate the contract duration to suit their needs.

This flexibility can be beneficial in the context of long-term projects or industries with longer business cycles. However, critics argue that it can reduce workers' opportunities for more stable employment and the benefits typically associated with permanent employment (Irianto, 2020).

- b. Flexibility in PKWT Renewal

Law No. 6 of 2023 also amended the provisions regarding the time lag between the expiration of a fixed-term employment contract (PKWT) and its renewal. Law No. 13/2003 stipulated that after a fixed-term employment contract expires, there must be a minimum 30-day gap before the contract can be renewed. This provision was intended to prevent "perpetual PKWT" (perpetual PKWT) that could be detrimental to workers. However, the new law provides greater flexibility regarding contract renewals. While specific details await implementing regulations, this change is expected to reduce rigidity in the recruitment process and allow for better work continuity, particularly for projects requiring a stable workforce (Bambang, 2020).

These changes reflect the government's efforts to balance the need for labor market flexibility with the protection of workers' rights. However, the effective implementation of these changes will depend heavily on the implementing regulations and oversight mechanisms implemented to prevent potential abuse (Uwiyono, 2021).

The changes to the PKWT regulations introduced by Law No. 6 of 2023 have significant implications for the legal certainty of PKWT status in Indonesia. A thorough analysis of these implications is crucial to understanding the potential long-term impact on employment relationships and the protection of workers' rights.

Greater flexibility in PKWT arrangements, as stipulated in Law No. 6/2023, has the potential to create uncertainty regarding long-term employment status for workers. Removing restrictions on the types of jobs that can be used for PKWT and changing contract duration provisions could result in workers remaining in PKWT status for longer periods without any guarantee of being upgraded to permanent status. This uncertainty can impact various aspects of workers' lives, including:

- a. Financial stability: Workers with PKWT status may face difficulties in long-term financial planning, including access to credit or mortgages (Tjandraningsih, 2021).

- b. Career development: Status uncertainty can hinder investment in long-term skills development (Suwondo, 2022).
- c. Psychological well-being: Job insecurity can negatively impact workers' mental health and productivity (Nasution, 2023).

The derivative regulations of the two laws show significant differences in providing legal certainty regarding the change in status of a Fixed Term Employment Agreement (PKWT) to an Indefinite Term Employment Agreement (PKWTT).

In the Decree of the Minister of Manpower and Transmigration of the Republic of Indonesia Number 100/MEN/VI/2004, which is a derivative of Law Number 13 of 2003, provisions regarding PKWT are regulated clearly, in detail, and comprehensively. Article 15 of the Decree expressly stipulates that PKWT will be changed to PKWTT if there is a violation of the provisions concerning the form of the agreement, type of work, or the contract period. For example, if the PKWT is not written in Indonesian and Latin script, or if the renewal period is carried out without a 30-day gap after the previous contract expires, then the employment relationship is legally changed to PKWTT. Such regulations provide strong legal protection for workers to obtain permanent status if the employer violates the contractual provisions.

In contrast, Government Regulation Number 35 of 2021, which is the implementing regulation of Law Number 6 of 2023, regulates the change in status from a PKWT to a PKWTT (Working Permit) more limited. Article 10 of Government Regulation 35/2021 introduces the concept of a Casual Daily Employment Agreement, under which workers can be hired for variable work hours and volume, with payment based on attendance. A change in status to a PKWTT only occurs if the worker works 21 days or more for three consecutive months. In other words, the mechanism for changing status is more conditional and administrative, rather than automatic as in the previous regulation.

This comparison demonstrates a shift in policy direction from protection to flexibility in the workforce. Ministerial Decree 100/2004 prioritized worker protection by granting automatic legal effect to violations of PKWT regulations. Meanwhile, Government Regulation 35/2021 places status changes within a more complex administrative and technical context, thus limiting workers' potential for obtaining permanent status. However, Government Regulation Number 35 of 2021 still provides protection for workers through a status conversion mechanism for daily workers who meet certain requirements. This demonstrates that while the spirit of protection remains, its scope and legal force have been reduced compared to the previous legal regime.

Solutions or Efforts That Can Be Made to Achieve Legal Certainty in the Implementation of PKWT in Accordance with the Principles of Worker Protection and Certainty for Employers

The implementation of Fixed-Term Employment Agreements (PKWT) following the enactment of Law Number 6 of 2023 concerning the Stipulation of the Job Creation Government Regulation in Lieu of Law (Perppu Cipta Kerja) into law still faces challenges in achieving legal certainty that balances worker protection with certainty for employers. On the one hand, employers require flexibility to adjust workforce needs according to the nature and duration of the work. However, on the other hand, workers require guaranteed legal protection to avoid being disadvantaged due to the temporary nature of the employment relationship. Therefore, various systematic and targeted efforts are needed to ensure that the implementation of PKWT is carried out in accordance with the principles of justice and legal certainty.

One of the key efforts that needs to be undertaken is strengthening regulations and technical elaboration regarding the implementation of PKWT (Fixed-Term Work Agreements). The government needs to formulate more detailed implementing regulations regarding the criteria for jobs that can use the PKWT system, the maximum duration, and procedures for extending and renewing the agreement. Clear regulations will prevent multiple interpretations and misuse of PKWT for permanent jobs. Improvements to derivative regulations, such as the Minister of Manpower Regulation, are also crucial to ensure a balance between flexible employment relationships and the protection of workers' rights (M. Y. Purba, Wijayanti, & Nadapdap, 2024).

Furthermore, labor supervision needs to be strengthened at both the central and regional levels. The government, through labor inspectors, must ensure that every company implements PKWT (Fixed Work Agreements) in accordance with applicable laws. Supervision can be conducted using digital systems to monitor the status and duration of each worker's PKWT. If violations are discovered, labor inspectors are required to impose administrative and criminal sanctions in accordance with statutory provisions.

Another equally important measure is mandating registration and transparency of employment agreements. Every PKWT (non-permanent work agreement) must be electronically registered with the Manpower Office to ensure legality and official registration. This registration provides legal certainty for

both workers and employers, as the agreement's existence can be verified in the event of a dispute. Employers are also required to provide a copy of the agreement to workers as written proof of a valid employment relationship.

In terms of protecting workers' rights, the government must ensure that non-permanent workers receive basic rights as stipulated in the law, such as a living wage, social security, leave, holiday allowances, and compensation upon termination of the agreement. Employment dispute resolution mechanisms also need to be strengthened to ensure a swift, fair, and effective resolution process, whether through mediation or the Industrial Relations Court (Octavia & Lie, 2023).

In addition to normative measures, education and outreach regarding employment law also play a crucial role. The government, labor unions, and employer associations need to continuously provide understanding of the provisions of PKWT (Fixed-Term Work Agreements), the rights and obligations of each party, and the resolution mechanisms for violations. This way, the parties not only understand the rules textually but are also able to apply them substantively in employment relationships. Furthermore, strengthening the role of Tripartite Cooperation Institutions (LKS) can serve as a forum for social dialogue between the government, employers, and workers in formulating policy recommendations and resolving issues in the field. This tripartite approach is an important tool for balancing interests and preventing protracted industrial relations conflicts (Manalu, 2022).

On the other hand, reform of the industrial relations dispute resolution system needs to be directed towards effectiveness and efficiency. The process in the Industrial Relations Court should be simplified so that workers do not lose their rights due to lengthy legal proceedings. The development of a digital-based pre-litigation mediation system can be an alternative for faster and more cost-effective resolution for both parties. Finally, all these efforts must be based on the principles of justice, balance, and legal certainty as mandated by Article 1 paragraph (3) of the 1945 Constitution that Indonesia is a country based on the rule of law. Legal certainty in the implementation of PKWT not only provides guarantees for employers in managing their businesses, but also ensures the protection of workers' rights in accordance with the principles of fair work. Thus, a harmonious, productive, and equitable working relationship is created for both parties.

The flexibility in the new law can lead to differing interpretations among stakeholders, including employers, workers, unions, and law enforcement. These differing interpretations can arise in various aspects:

1. Definition and scope of work that can use the PKWT scheme
2. Maximum limit for duration and extension of PKWT
3. Criteria for changing the status of PKWT to PKWTT (Indefinite Term Employment Agreement)
4. Specific rights and obligations of PKWT workers

These differing interpretations have the potential to give rise to industrial conflict and legal uncertainty. Therefore, proactive government efforts are needed to provide clarification and clear guidance, as well as facilitate dialogue between stakeholders to reach a common understanding.

One of the main challenges in implementing Law No. 6 of 2023 is achieving an optimal balance between labor market flexibility and protecting workers' rights. A thorough analysis of the benefits and risks of this regulatory change for non-permanent work contracts (PKWT) is crucial to comprehensively understanding its implications.

Flexibility in PKWT arrangements has the potential to encourage new job creation. This argument is based on the premise that employers will be more willing to hire workers if they have greater flexibility in managing their workforce according to business needs. Some potential benefits include:

1. Increased employment absorption, especially in sectors with high demand fluctuations (RI, 2022).
2. It is easy for start-ups to recruit employees without the burden of heavy long-term obligations.
3. Opportunities for workers to gain experience in various industries and improve their skills.

The flexibility of PKWT allows companies to be more responsive to changing market conditions. In an era of globalization and technological disruption, the ability to adapt quickly is key to business sustainability (Book, 2022). These benefits include:

1. The company's ability to quickly adjust the number of workers according to fluctuations in demand (Tambunan, 2021).
2. Increasing the competitiveness of Indonesian companies in the global market (OECD, 2023).
3. Encouraging innovation by making it easier to recruit experts for special projects (Kemenristekdikti, 2022).

CONCLUSION

Legal regulations regarding Fixed-Term Employment Agreements (PKWT) following the enactment of Law Number 6 of 2023 concerning Job Creation indicate a paradigm shift from a system that is protective of workers as stipulated in Law Number 13 of 2003 to a more flexible system oriented to the

needs of the business world. Although the new regulations make it easier for employers to determine the type of work and contract duration, and add new forms of protection in the form of compensation and electronic registration, the removal of clear provisions regarding time limits and the automatic conversion of PKWT to PKWTT creates the potential for reduced legal certainty and protection for workers. Therefore, the implementation of the Job Creation Law requires strict oversight to maintain a balance between business flexibility and guaranteed worker protection.

The implementation of Fixed-Term Employment Agreements (PKWT) after the enactment of Law Number 6 of 2023 concerning the Stipulation of the Job Creation Perppu into Law still faces challenges in realizing legal certainty that balances worker protection and certainty for employers. To overcome this, it is necessary to strengthen effective labor regulations and supervision, electronic registration of employment agreements, and guarantees of the basic rights of PKWT workers. On the other hand, legal education for the parties and strengthening the role of the Tripartite Cooperation Institution are necessary to encourage a comprehensive understanding and consistent application of labor law provisions. Thus, legal certainty in the implementation of PKWT can be realized in a fair, balanced manner, and in accordance with the principles of a state based on the rule of law as mandated in Article 1 paragraph (3) of the 1945 Constitution.

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