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## **LEGAL REVIEW OF INDUSTRIAL RELATIONS DISPUTES IN THE CASE OF ALLEGED UNION BUSTING AT PT DAECHANG AUTOMOTIVE INDONESIA IN 2026**

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### **Abstract**

Industrial relations disputes triggered by alleged union busting practices demonstrate the increasing complexity of conflicts between workers and employers, particularly in the context of freedom of association. In practice, actions that lead to weakening labor unions are often disguised in seemingly legal managerial policies, such as termination of employment (PHK). This study aims to analyze the types and characteristics of industrial relations disputes, examine alleged union busting practices based on applicable legal provisions, and determine the appropriate dispute resolution mechanism in the case of PT Daechang Automotive Indonesia in 2026. This study uses a qualitative approach with a normative juridical method and a case study design, with secondary data obtained through literature studies covering primary legal materials, secondary legal materials, and empirical sources in the form of news articles. The results show that the disputes that occur are multidimensional, including disputes over termination of employment and disputes regarding rights related to freedom of association. The characteristics of the disputes are marked by unequal bargaining positions between workers and employers, policy selectivity towards union officials, and the development of the conflict from individual to collective. Legally, there are strong indications of union busting practices, demonstrated by the fulfillment of elements of violations, including actions that hinder union activities and the use of efficiency reasons that are not in line with empirical conditions. The most appropriate resolution mechanism is through mediation as the primary effort, supported by the possibility of litigation through the Industrial Relations Court to ensure legal certainty and the protection of workers' rights. This research provides a theoretical contribution to the development of industrial relations studies as well as a practical contribution to strengthening protection of freedom of association and workers' welfare.

***Keywords: industrial relations disputes; union busting; termination of employment; freedom of association; mediation.***

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### **INTRODUCTION**

Industrial relations is a system of relationships between workers, employers, and the government built on the principles of balanced interests, justice, and respect for human rights in the employment sector. Ideally, this relationship is expected to create harmonious and productive working conditions. However, in practice, industrial relations are often marred by conflict rooted in the unequal power relations between workers and employers. One of the most crucial and recurring forms of conflict is the alleged practice of union busting, an action aimed at hindering, weakening, or destroying the existence of labor unions. Conceptually, union busting can be understood as any form of action taken by employers to hinder the formation, activity, or continuation of labor unions, either directly or indirectly (Logan, 2020). This practice is not always carried out explicitly, but often appears in the form of seemingly legal managerial policies, such as transfers, discriminatory performance appraisals, or termination of employment of union members (Barry & Wilkinson, 2021). In its development, union busting is also often associated with union avoidance strategies, namely systematic efforts by companies to prevent the formation of labor unions in the first place (Doellgast et al., 2021). The impact of union busting practices is not limited to the institutional aspects of unions but also has direct implications for employee well-being. Research shows that the weakening of unions is correlated with lower wages, reduced job protections, and increased job insecurity (Baccaro & Howell, 2022; OECD, 2021). Furthermore, workers experiencing pressure due to union activity are also likely to experience decreased

psychological well-being, such as work stress and job dissatisfaction (Anner, 2020). Thus, union busting practices are not only a legal issue but also impact the overall quality of working life. The phenomenon of union busting is not unique to Indonesia but has also become a global issue in the study of modern industrial relations. Research by Logan (2020) shows that anti-union practices have transformed from an overtly repressive approach to a more covert strategy through managerial policies. These findings are reinforced by Barry and Wilkinson (2021), who assert that modern organizations tend to adopt union avoidance strategies to minimize the presence of unions. Furthermore, Doellgast et al. (2021) shows that anti-union practices are often carried out through mechanisms that are formally legal, but substantively weaken workers' bargaining position. To conceptually understand this phenomenon, this study is based on the Theory of Pluralism in Industrial Relations, which views conflict as a natural consequence of differing interests between workers and employers (Hyman, 2021). From this perspective, unions function as institutions that balance power in employment relations. Therefore, the practice of union busting can be seen as a disruption to this balance. Furthermore, this study also utilizes the Conflict Theory perspective, which emphasizes that conflict in industrial relations reflects the unequal distribution of power (Dahrendorf, 1959). In this context, the practice of union busting reflects the structural dominance of employers over workers in an effort to maintain control over the workforce.

In a global context, the weakening of labor unions is part of an institutional transformation influenced by globalization and labor market liberalization. Baccaro and Howell (2022) show that these changes have resulted in a decline in union bargaining power. Furthermore, Anner (2020) highlights that efficiency pressures in global supply chains encourage companies to restrict union activity as part of a competitive strategy. In the Indonesian context, industrial relations dynamics are more complex. Ford and Gillan (2021) argue that industrial relations in Indonesia are still characterized by structural inequality and weak law enforcement. This situation is exacerbated by the flexibilization of the labor market, which tends to reduce worker protections (Suryahadi et al., 2021). Consequently, union busting practices are more vulnerable due to the gap between legal norms and implementation on the ground. Normatively, Indonesia has a fairly comprehensive legal framework to protect freedom of association, as stipulated in Law Number 21 of 2000 concerning Workers' Unions and Law Number 13 of 2003 concerning Manpower, as well as a dispute resolution mechanism in Law Number 2 of 2004 concerning the Settlement of Industrial Relations Disputes. However, various empirical reports indicate that alleged union busting practices continue to occur in various industrial sectors to this day.

The alleged union-busting case at PT Daechang Automotive Indonesia in 2026 is crucial for in-depth study. This case allegedly involved actions leading to restrictions on union activities and the potential termination of employment for workers active in union organizations. Furthermore, this case is also relevant to analyze from an employee welfare perspective, given the impact of union-busting, which can reduce job protection, income stability, and workers' psychological well-being. In this context, the industrial relations dispute that occurred not only reflects a conflict over the legality of termination of employment but also represents differing views between workers and employers on the implementation of worker welfare. From the employer's perspective, the termination policy is based on reasons of efficiency, considered a rational step in maintaining business continuity. However, from the workers' perspective, the policy is seen as a threat to welfare because it directly impacts the loss of income sources, increases job insecurity, and weakens the protection of normative rights, including freedom of association. These differing perspectives demonstrate that worker welfare is not only related to economic aspects such as wages, but also encompasses dimensions of job protection, job stability, and guarantees of collective rights. Therefore, the dispute that arose in this case can be understood as a multidimensional conflict rooted in a disagreement in interpreting and implementing workers' welfare in industrial relations.

This study offers conceptual and analytical novelty in the study of industrial relations by simultaneously integrating a legal analysis of alleged union busting practices, the classification of industrial relations disputes, and an evaluation of dispute resolution mechanisms within a single, comprehensive analytical framework. Unlike previous studies that tended to separate normative and empirical studies or focused solely on the aspect of termination of employment, this study examines an actual case in 2026 using a multidimensional approach that connects empirical facts, legal construction, and power dynamics in employment relations. Thus, this study not only identifies violations of freedom of association but also shows how union busting practices operate covertly through formally legitimate managerial policies, and how dispute resolution mechanisms can be critically evaluated in the context of structural inequality between workers and employers. Based on these gaps, this study aims to: (1) analyze the types and characteristics of industrial relations disputes in the alleged union busting case at PT Daechang Automotive Indonesia in 2026; (2) examine the alleged union busting practices based on applicable legal provisions; and (3) determine the appropriate dispute resolution mechanism. This research is expected to provide theoretical

contributions in the development of industrial relations studies, as well as practical contributions in improving workers' protection and welfare.

## **LITERATURE REVIEW**

Industrial relations in contemporary studies are no longer understood solely as a contractual relationship between workers and employers, but rather as an arena of social interaction fraught with power. Employment relations are fundamentally structured within an unequal structure, where employers control production resources and decision-making, while workers are in a relatively weaker position. This inequality makes industrial relations a potential space for structural conflict. In this context, company policies, including termination of employment (PHK), cannot always be interpreted as neutral administrative decisions but can instead function as instruments of labor control (Hyman, 2021).

In industrial relations studies, industrial relations disputes are conceptually classified into several main types. According to Wijayanti (2018), industrial relations disputes consist of rights disputes, interest disputes, employment termination disputes, and disputes between labor unions within a company. Rights disputes relate to the implementation of normative rights stipulated in laws and regulations or employment agreements, while interest disputes relate to differences of opinion regarding previously unregulated working conditions. Meanwhile, employment termination disputes arise from differences of opinion regarding the termination of employment, and inter-union disputes relate to worker representation within the company. This classification is important for determining the appropriate analytical approach and resolution mechanism in each industrial relations dispute case.

In addition to their type, industrial relations disputes also possess certain characteristics that distinguish them from conflicts in general. According to Husni (2016), industrial relations disputes are primarily characterized by an imbalance in bargaining power between workers and employers, a close relationship between legal and economic aspects, and a tendency to evolve from individual to collective conflict. Furthermore, industrial relations disputes are often multidimensional, involving not only normative aspects but also social, political, and organizational factors. These characteristics mean that resolving industrial relations disputes cannot be done simply but requires a comprehensive and contextual approach.

Within the framework of pluralism theory, conflict in industrial relations is seen as an inherent consequence of the diverse interests of workers and employers. This perspective positions conflict as a necessary mechanism for maintaining balance in the employment system. Unions act as representative institutions that enable workers to collectively negotiate their interests, thus creating a more proportional balance of power (Frege & Kelly, 2020). Therefore, actions that hinder union activity, such as alleged union busting, can be understood as disrupting the institutional mechanisms that maintain this balance.

A more critical approach is offered by the conflict theory proposed by Ralf Dahrendorf, who views industrial relations as a relationship of domination between groups with authority and groups in subordinate positions. From this perspective, conflict arises not only from differing interests but also from the unequal distribution of power (Dahrendorf, 1959). Employers, as capital owners, have the capacity to control various aspects of the employment relationship, including policies that directly impact workers. In the context of alleged union busting, actions such as layoffs of union members or officials can be understood as a strategy to maintain structural domination and control potential collective worker resistance.

With the development of modern industrial relations, the practice of union busting has transformed from an overtly repressive form to a more covert strategy. Actions aimed at weakening unions are often disguised as formally legitimate managerial policies, such as efficiency measures, restructuring, or performance evaluations. However, these policies can substantively discriminate against union-active workers (Logan, 2020; Barry & Wilkinson, 2021). In fact, the practice is often associated with union avoidance strategies that systematically aim to prevent the formation of collective worker power in the first place (Doellgast et al., 2021). This demonstrates that union busting cannot be analyzed solely from a legal-formal perspective but must be viewed within the context of the underlying power relations.

Industrial relations disputes in the context of alleged union busting cannot be understood as a single conflict, but rather as a multidimensional phenomenon. The conflicts that arise are not only related to termination of employment but also involve violations of workers' normative rights, particularly freedom of association. The classification of industrial relations disputes indicates that conflicts can encompass both rights disputes and layoff disputes simultaneously (Wijayanti, 2018). Furthermore, the characteristics of industrial relations disputes indicate an imbalance in bargaining power and a tendency for conflicts to evolve from individual to collective (Husni, 2016). Thus, analysis of disputes cannot be conducted in isolation but must consider the interrelationships between legal,

social, and power dimensions. Freedom of association, as a fundamental worker's right, plays a strategic role in maintaining balanced industrial relations. This right serves not only as a means of collective representation but also as a protective mechanism against potential abuse of power in employment relations. Within the framework of labor law, protection of freedom of association is a normative right that cannot be diminished by managerial policies (ILO, 2022). Therefore, the practice of union busting can be understood as a violation of the principle of legal protection, which should effectively guarantee workers' rights.

Furthermore, industrial relations dispute resolution mechanisms are essentially designed to maintain a balance between the interests of workers and employers through systematic stages. According to Asikin (2016), industrial relations dispute resolution can be achieved through both non-litigation and litigation mechanisms. Non-litigation mechanisms include bipartite negotiations and mediation or conciliation, which emphasize resolution through deliberation and social dialogue. Meanwhile, litigation mechanisms are implemented through the Industrial Relations Court as a last resort to obtain legal certainty. The existence of these various mechanisms demonstrates that the industrial relations system is oriented not only toward conflict resolution but also toward preventing conflict escalation through a dialogical and institutional approach. In line with this framework for resolution mechanisms, various studies have demonstrated how these mechanisms are implemented in practice, particularly in cases involving allegations of union busting. A summary of these research findings is presented in the following table.

**Table 1. Summary of Previous Research**

No	Writer	Title	Method	Results
1	Halimatu (2023)	Law Enforcement Against Union Busting Practices in Disputes Over Termination of Employment	Normative juridical (qualitative descriptive)	Union busting is not explicitly regulated so it is difficult to prove and is often qualified as a layoff dispute. <b>Appropriate mechanism:</b> Settlement through bipartite stages, mediation, and the Industrial Relations Court (PHI), with strengthening of evidence of anti-union motives
2	Meliawati & Irawati (2025)	Union Busting Practices from a Legal Perspective Based on Law Number 21 of 2000 concerning Trade Unions	Normative juridical	Union busting violates freedom of association, but enforcement is weak. <b>Appropriate mechanism:</b> Enforcement of criminal sanctions for resolving rights disputes through the Industrial Relations Court (PHI)
3	Prasetyo & Azzahrani (2026)	Legal Analysis of CNN Indonesia Employee Layoffs: A Review of Freedom of Association and Alleged Union Busting Practices	Normative-empirical	Layoffs are used as a union busting tool. <b>Appropriate mechanism:</b> Combination of PHK settlement at PHI and supervision by Manpower Office to ensure freedom of association
4	Zulfikar & Hendrawati (2025)	Legal Review of Unilateral Termination of Employment by PT Uli Linked to Law Number 6 of 2023 concerning Job Creation (Decision Study)	Normative juridical (decision studies)	Post-union layoffs indicate union busting. <b>Appropriate mechanism:</b> Lawsuit to the Industrial Relations Court and cancellation of layoffs if proven to violate the right to associate
5	Anggraini & Hoesin (2023)	Role of Trade Unions in the Event of Employment Disputes	Normative	Trade unions play an important role in layoff disputes. <b>Appropriate mechanism:</b>

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		that Have an Impact on Termination of Employment (Layoffs)		Union representation in bipartite, mediation, and litigation at the Industrial Relations Court (PHI)
6	Widyastuti, <i>et al.</i> (2024)	Industrial Relations Dispute Resolution Model in Indonesia	Qualitative normative juridical	The settlement mechanism is not yet effective. <b>Appropriate mechanism:</b> Optimizing the stages of bipartite, mediation, and arbitration/PHI in stages
7	Oktafien, <i>et al.</i> (2023)	Systematic Literature Review: Implementation of Dispute Settlement Methods Between Trade Unions and Companies in Indonesia	Systematic Literature Review	Dispute resolution is hampered by power imbalances. <b>Appropriate mechanism:</b> Collaborative approach (mediation) and strengthening the union's bargaining position
8	Siddik (2025)	Judicial Diagnostic Failure: A Deconstruction of Disharmony as a Rationale in Employment Termination Rulings	Statute & case approach	Judges often fail to identify union busting. <b>Appropriate mechanism:</b> Reformulation of judicial considerations and standards of proof in the Industrial Relations Court (PHI)

Based on the theoretical foundation and previous research review, the conceptual framework in this study is systematically constructed by placing the alleged practice of union busting as the main variable analyzed in the context of industrial relations disputes. This study starts from the assumption that industrial relations inherently contain an imbalance of power between workers and employers as explained in pluralism theory and conflict theory, which then influences the emergence of strategic actions, including managerial policies that are potentially discriminatory. Within this framework, the practice of union busting is positioned as a phenomenon that cannot only be identified through positive legal norms, but must also be analyzed through empirical indicators such as patterns of termination of employment, policy selectivity towards union members, and the temporal relationship between union activities and company actions.

Furthermore, this framework links the classification of industrial relations disputes with their resolution mechanisms, where conflicts arising from alleged union busting are assumed to be multidimensional, encompassing disputes over rights and disputes over termination of employment. Based on this assumption, the effectiveness of settlement mechanisms, whether through bipartite, mediation, or litigation in the Industrial Relations Court, is determined by the extent to which they are able to address structural inequalities and provide protection for workers' normative rights. Thus, the research flow moves from the identification of empirical phenomena, through a legal analysis of applicable legal provisions, to an evaluation of the effectiveness of dispute resolution mechanisms, in order to produce comprehensive conclusions regarding the forms, characteristics, and resolution of alleged union busting practices in industrial relations.

**METHOD**

This research uses a qualitative approach with a juridical-normative paradigm. This approach was chosen because the research aims to analyze the phenomenon of industrial relations disputes in the context of alleged union busting based on applicable legal provisions, as well as interpret legal norms in relation to concrete cases. Specifically, this research adopts a juridical-normative approach (legal research) that focuses on the study of relevant laws and regulations, legal doctrine, and court decisions. In this context, law is understood as a norm that regulates behavior, so the analysis is conducted to assess the conformity between the facts of the case and applicable legal provisions. The type of research used is a case study. This study was chosen because it focuses on one specific case, namely the alleged union busting practice at PT Daechang Automotive Indonesia in 2026. Through this approach, researchers can conduct an in-depth and comprehensive analysis of the characteristics of the industrial relations dispute that occurred, including the form of conflict, the actors involved, and the resolution mechanism.

This study uses secondary data obtained through library research, which aims to comprehensively examine the legal and conceptual aspects related to industrial relations disputes in cases of alleged union busting. The secondary data consists of primary legal materials in the form of laws and regulations, namely Law Number 21 of 2000 concerning Workers' Unions/Labor Unions, Law Number 13 of 2003 concerning Manpower, and Law Number 2 of 2004 concerning the Settlement of Industrial Relations Disputes which serve as the normative basis in the analysis; secondary legal materials which include articles from reputable national and international scientific journals (Scopus and SINTA), textbooks on labor law and industrial relations, and reports from international institutions such as the International Labor Organization to strengthen the theoretical basis; and non-legal materials as supporting materials, in the form of news articles, media reports, and public documents relevant to the research case to provide an empirical picture and enable a more comprehensive analysis between legal norms and practices in the field.

The data analysis in this study used a qualitative approach with thematic and legal methods, carried out systematically through several stages. The initial stage is data reduction, namely the process of identifying and sorting data relevant to the research focus, particularly those related to the facts of the case and applicable legal provisions. Next, data categorization and classification are carried out by grouping information into main themes, including a general description of industrial relations disputes, types and characteristics of industrial relations disputes, characteristics of industrial relations disputes, indications of union busting practices, and the mechanisms for resolving industrial relations disputes used. The next stage is legal analysis, namely comparing the empirical facts found with applicable legal norms to assess whether or not there are legal violations, determine the classification of disputes, and identify appropriate resolution mechanisms according to the legal framework. In the final stage, conclusions are drawn by compiling comprehensive interpretations based on the analysis results to answer the problem formulation and achieve the research objectives.

## **RESULTS AND DISCUSSION**

### **Overview of Industrial Relations Disputes**

According to a report from SPSI Bekasi (2026), the industrial relations dispute at PT Daechang Automotive Indonesia stemmed from the layoff policy of 53 workers on March 27, 2026, shortly after the Eid al-Fitr celebrations. The report stated that the layoffs were carried out suddenly and caused unrest among workers, especially since there was no indication of a significant decline in production or the company's financial condition. In fact, the report stated that "the company's production activities are still running normally without any signs of operational efficiency," thus questioning the efficiency reasons put forward by the company. Furthermore, the same source revealed that after the layoffs, the company continued recruiting new workers. SPSI Bekasi (2026) stated that "the company was still recruiting new workers close to the time of the layoffs," indicating an inconsistency between the company's formal justification and the empirical conditions on the ground. This fact is an early indicator of the possibility that the layoff policy was not solely based on efficiency needs, but rather related to other factors not explicitly stated.

Empirical findings also indicate a pattern of selectivity in layoff policies. According to the SP KEP SPSI (2026) report, the majority of affected workers were administrators and members of newly formed unions within the company. The report stated that "the majority of laid-off workers were active union members and administrators," indicating that layoff policies were not applied universally but rather targeted specific groups. This pattern reinforces the suspicion that company actions are linked to collective worker activity within union organizations. Furthermore, there is a significant temporal relationship between union formation and layoffs. The union was only formed in early 2026, while layoffs occurred relatively soon after its formation. This temporal correlation is important in empirical analysis, as it suggests a possible causal relationship between union activity and company policy. In the context of industrial relations, this kind of temporal proximity is often used as an early indicator to identify repressive actions against workers' organizational activities.

The impact of the layoff policy was not only felt individually by the workers who lost their jobs, but also triggered a collective response. SPSI Bekasi (2026) reported that workers and unions were consolidating internally and planning demonstrations to protest the company's policies. It stated that "the union is preparing demonstrations to resist the layoff policy, which is considered unfair," indicating that the conflict had evolved from an individual scale to a collective one. Overall, empirical data indicates that the industrial relations dispute at PT Daechang Automotive Indonesia is not only related to the layoff policy as an administrative measure, but also reflects a broader tension between managerial interests and workers' collective rights. Indications of inconsistent efficiency rationales, patterns of selectivity toward union members, and the temporal relationship between union formation and layoff implementation indicate that the conflict has a strong structural dimension in the context of industrial relations.

### **Types and Characteristics of Industrial Relations**

Based on a review of news reports from SPSI Bekasi (2026) and SP KEP SPSI (2026), the industrial relations dispute at PT Daechang Automotive Indonesia in 2026 can be classified as a multi-dimensional dispute. Referring to the classification of industrial relations disputes according to Wijayanti (2018), the type of dispute in this case includes at least two main categories, namely disputes over termination of employment (PHK) and disputes over rights. The dispute over layoffs is seen from the company's actions in unilaterally dismissing 53 workers, while the dispute over rights relates to alleged violations of freedom of association, considering that the workers affected by layoffs include union administrators and members. Thus, the dispute in this case cannot be understood singly, but rather is a combination of violations of normative rights and potentially discriminatory layoff actions. Furthermore, the characteristics of the industrial relations dispute in this case indicate a complex and structural pattern of conflict. According to Husni (2016), industrial relations disputes are generally characterized by an imbalance in bargaining power between workers and employers, and a tendency for conflict to evolve from an individual to a collective scale. This is reflected in the case of PT Daechang, where workers were in a relatively weak position in the face of unilateral layoff policies, while the company had greater control over managerial decisions. Furthermore, the conflict, which initially targeted individual workers, developed into a collective conflict involving worker solidarity and union organizations.

Another prominent characteristic is the indication of covert repression, where the layoff policy is framed as an efficiency measure, despite the fact that the company is still recruiting new workers. This pattern indicates a discrepancy between formal reasons and empirical conditions, indicating a possible motive to weaken labor unions. From an industrial relations perspective, this condition reflects what is known as multidimensional conflict, namely conflict that is not only related to legal aspects but also influenced by organizational and power factors (Husni, 2016). Furthermore, the temporal relationship between the formation of the union and the implementation of layoffs within a short time suggests a direct reaction to workers' collective activity. This reinforces the indication that the disputes were not merely administrative in nature but also had structural dimensions related to efforts to control labor relations. In this context, industrial relations disputes reflect not only differing interests but also power struggles within the employment relationship, as explained in the conflict approach to industrial relations. Thus, the analysis shows that the industrial relations dispute in the case of alleged union busting at PT Daechang Automotive Indonesia has two main characteristics, namely multi-type (disputes over rights and layoffs) and has structural characteristics marked by power imbalances, policy selectivity, and the development of conflict from individual to collective. This finding strengthens the view that industrial relations disputes in the context of union busting cannot be analyzed simply as ordinary labor conflicts, but must be understood as a complex phenomenon involving legal, social, and power dimensions simultaneously.

### **Legal Analysis of Alleged Union Busting**

Based on a review of news reports from SPSI Bekasi (2026) and SP KEP SPSI (2026), the termination of employment (PHK) of 53 workers at PT Daechang Automotive Indonesia strongly indicates a violation of the principle of freedom of association. Normatively, freedom of association is a fundamental worker's right guaranteed by Law Number 21 of 2000 concerning Workers' Unions/Labor Unions, which expressly prohibits any form of action that prevents or forces workers from becoming members or administrators of a trade union. Thus, if the layoffs are carried out with the aim of weakening or eliminating the existence of a trade union, then such action can be qualified as a union busting practice. To assess whether the layoff action in this case can be qualified as union busting, it is necessary to systematically examine the legal elements.

First, the element of legal subject. In this context, the party taking action is the employer or company management. The facts show that the decision to lay off employees was made by the management of PT Daechang Automotive Indonesia, so the element of legal subject is met without dispute.

Second, the element of prohibited acts. The law prohibits any form of action that hinders or obstructs the activities of a labor union. In this case, the layoffs were not carried out in a general manner, but rather demonstrated a selective pattern that targeted union administrators and active members. This empirical evidence demonstrates that layoffs have a direct impact on the continuity of the union organization, thus substantively qualifying as a form of obstruction of labor union activity.

Third, the element of purpose or consequence. This element can be seen from whether the action aims or has the effect of weakening the union. The temporal relationship between union formation and layoffs, as well as the dominance of union officials as affected parties, indicates a strong correlation between union activity and company actions. Furthermore, the inconsistency of the efficiency rationale, contradicted by the fact that the company is still

recruiting new workers, indicates that the formal rationale used does not reflect the actual empirical conditions. Thus, the action not only has the potential but also logically leads to the goal or effect of weakening the union.

Fourth, the element of a causal link. In legal evidence practice, the relationship between union activity and layoffs is not always explicitly proven, but can be inferred through circumstantial evidence. In this case, there are three main indicators, namely: (1) the temporal proximity between union formation and layoffs; (2) patterns of selectivity towards union members; and (3) inconsistencies in efficiency reasons. These three indicators cumulatively form a sufficiently strong *prima facie* basis of evidence to show a causal relationship between union activity and layoff policies.

Furthermore, Article 43 of Law Number 21 of 2000 concerning Workers' Unions/Labor Unions also stipulates criminal sanctions against any party violating these provisions, emphasizing that union busting is not only an administrative violation but also a criminal offense in the employment sector. Therefore, if the elements in Article 28 can be proven, the act can be subject to criminal sanctions in accordance with applicable provisions.

Furthermore, provisions in Law Number 13 of 2003 concerning Manpower also emphasize that every worker has the same right to form and join a labor union without discrimination. In this context, layoffs targeting union officials and members can be categorized as discriminatory if they are based on workers' organizational activities. According to Wijayanti (2018), protection of freedom of association is part of workers' normative rights that cannot be reduced by managerial policies, even for reasons of efficiency.

However, in practice, proving union busting often faces legal obstacles because the action is often disguised as a formally legitimate policy. In the case of PT Daechang Automotive Indonesia, the company used efficiency as the basis for layoffs, despite the fact that the company continued to recruit new workers. This situation indicates a discrepancy between formal reasons and empirical conditions, which from a labor law perspective can be interpreted as a form of abuse of authority (abuse of rights). According to Husni (2016), employer actions that formally comply with procedures but substantially aim to avoid legal obligations can be categorized as a violation of the principle of justice in industrial relations.

Furthermore, the temporal relationship between union formation and the implementation of layoffs within a short timeframe is also an important indicator in legal analysis. The fact that layoffs occurred shortly after union formation strengthens the suspicion of a causal relationship between union activity and company actions. From a legal evidentiary perspective, this pattern of selectivity toward union officials can be used as *prima facie* evidence of discrimination based on organizational activity.

On the other hand, the industrial relations dispute resolution framework as stipulated in Law Number 2 of 2004 concerning the Settlement of Industrial Relations Disputes provides a legal basis for workers to file disputes over unlawful layoffs. In this context, a legal analysis shows that the PT Daechang case relates not only to a layoff dispute but also to a violation of workers' normative rights, thus having a more complex legal dimension.

Thus, it can be concluded that the alleged union busting in this case has a strong legal basis, as indicated by the indications of discrimination against union officials, the discrepancy between formal reasons and empirical conditions, and the temporal relationship between union activities and layoffs. These findings reinforce the view that union busting practices are often not carried out explicitly, but rather through mechanisms that appear legal but substantially violate the principle of protecting workers' rights in industrial relations.

### **Industrial Relations Dispute Resolution Mechanism**

Based on a review of news reports from SPSI Bekasi (2026) and SP KEP SPSI (2026), the industrial relations dispute in the alleged union busting case at PT Daechang Automotive Indonesia developed from a conflict resulting from termination of employment (PHK) to a collective conflict involving trade union organizations. This transformation from individual to collective conflict indicates that the dispute is no longer limited to the employment relationship between workers and employers individually, but has involved the collective interests of workers represented by trade unions. Within the framework of Indonesian labor law, the mechanism for resolving industrial relations disputes is regulated in Law Number 2 of 2004 concerning the Settlement of Industrial Relations Disputes, which emphasizes gradual resolution through non-litigation and litigation channels as part of a structured and tiered dispute resolution system. The initial stage in resolving industrial relations disputes is bipartite negotiations, a direct dialogue process between workers or unions and employers. Normatively, this mechanism reflects the principle of deliberation for consensus in industrial relations and is expected to resolve conflicts quickly, efficiently, and without involving third parties. However, in cases involving alleged union busting, the effectiveness of bipartite mechanisms tends to be limited. This is due to the unequal bargaining power between workers and employers, with employers having greater control over resources and managerial decisions. Furthermore, indications of discriminatory actions

against union officials also have the potential to create conflicts of interest that hinder equal dialogue. According to Husni (2016), bipartite mechanisms are effective when there is a balance of power between the parties. Therefore, in conditions of structural inequality, these mechanisms often do not produce fair agreements. These findings align with various previous studies demonstrating the limited effectiveness of bipartite in conflict contexts involving unequal power relations. Research by Oktafien et al. (2023), using a systematic literature review approach, found that dispute resolution between unions and companies often faces obstacles due to power imbalances, resulting in direct dialogue mechanisms such as bipartite not functioning optimally without third-party intervention. Furthermore, research by Widyastuti et al. (2024) also confirms that industrial relations dispute resolution mechanisms in Indonesia, including bipartite, remain ineffective in practice due to workers' weak bargaining power in the negotiation process.

Furthermore, research by Halimatu (2023) shows that in cases of alleged union busting, bipartite negotiations often fail to produce substantive agreements because the conflicts are not only normative but also strategically motivated to weaken the union. This is reinforced by the research findings of Anggraini and Hoesin (2023), who emphasized that the success of the bipartite process is highly dependent on the existence of strong and recognized union representation. Without strengthening union institutions, the dialogue process tends to be merely a formality. Thus, it can be concluded that empirically, the effectiveness of bipartite mechanisms in resolving industrial relations disputes, particularly those related to alleged union busting, is heavily influenced by the power structure and capacity of worker representation. In conditions of structural inequality, as demonstrated by various previous studies, these mechanisms tend to be incapable of producing fair resolutions and instead require the support of further mechanisms such as mediation or other institutional interventions.

Furthermore, the mediation mechanism is a more relevant alternative because it involves a neutral third party, namely an industrial relations mediator appointed by the government. Mediation serves as a means to bridge the interests of the parties through a professionally facilitated dialogic approach. In the context of complex disputes such as the PT Daechang case, the mediator's role is crucial in reducing conflict tensions, clarifying each party's position, and helping formulate a mutually acceptable solution. According to Wijayanti (2018), mediation has advantages because it is flexible, not as rigid as the judicial process, and is able to accommodate social aspects and long-term relationships between workers and employers. Furthermore, mediation also allows for the achievement of a win-win solution, which not only resolves the conflict formally but also maintains the sustainability of industrial relations in the future.

These findings are supported by various previous studies showing that mediation is a relatively more effective mechanism in handling complex and multidimensional industrial relations disputes. Research by Widyastuti et al. (2024) emphasized that optimizing industrial relations dispute resolution requires a multi-level approach, with mediation as a key instrument prior to litigation, as it can reduce conflict escalation while increasing the chances of reaching an agreement. Similarly, research by Oktafien et al. (2023) found that a collaborative approach through mediation is more effective than confrontational mechanisms, especially in situations of unequal bargaining power, as the mediator plays a role in balancing power relations between parties.

Furthermore, research by Prasetyo and Azzahrani (2026) shows that in cases involving allegations of union busting, mediation, combined with institutional oversight, can provide clarity regarding company policy motives and more substantively protect freedom of association. This is further supported by research by Anggraini and Hoesin (2023), which emphasizes that active union involvement in the mediation process improves the quality of worker interest representation, resulting in more legitimate and sustainable outcomes. Thus, empirically, mediation functions not only as an alternative mechanism but also as a strategic instrument in resolving industrial relations disputes involving structural tensions between workers and employers. Previous studies have shown that the success of mediation is largely determined by the professionalism of the mediator, balanced participation of the parties, and adequate institutional support. In the context of alleged union busting, mediation becomes crucial because it can bridge conflicts that are not only legal in nature but also related to power relations and the sustainability of industrial relations.

If non-litigation resolution fails to reach an agreement, the dispute can be referred to the Industrial Relations Court (PHI) as a litigation mechanism. The PHI has the authority to examine, adjudicate, and decide industrial relations disputes, including disputes over termination of employment and disputes related to freedom of association. PHI decisions are binding and have permanent legal force, thus providing legal certainty for the parties. According to Asikin (2016), the litigation mechanism is very important in cases involving violations of workers' normative rights, because through a court decision, it can be confirmed whether an action constitutes a violation of the law, including the practice of union busting. However, the litigation process also has limitations, such as a relatively long

resolution time, significant costs, and the potential to worsen industrial relations between the parties. These findings align with various previous studies that position the Industrial Relations Court (IRC) as a crucial instrument in law enforcement, but also reveal its limited effectiveness in practice. Research by Zulfikar and Hendrawati (2025) shows that the IRC plays a crucial role in testing the legality of terminations of employment indicated as union busting, including by canceling layoffs if they are proven to violate the right to freedom of association. This confirms the IRC's role as a corrective instrument against discriminatory employer actions.

However, Siddik's (2025) research revealed weaknesses in industrial relations judicial practices, particularly regarding judges' failure to accurately identify elements of union busting. His study found that judges' considerations often focused solely on the formal aspects of termination without delving into the motives behind the policy, potentially overlooking violations of freedom of association. This finding suggests that the effectiveness of the Industrial Relations Court (PHI) depends not only on the existing legal framework but also on the quality of judges' analysis and sensitivity to industrial relations issues. Furthermore, research by Halimatu (2023) shows that union busting is often difficult to prove in litigation because it is not explicitly regulated as a separate category in positive law, but is often classified as a regular termination dispute. As a result, the evidentiary process becomes more complex and potentially weakens workers' positions in court. On the other hand, research by Prasetyo and Azzahrani (2026) emphasizes the importance of combining the litigation process at the Industrial Relations Court (PHI) with institutional oversight by the government to ensure that decisions not only meet formal legal requirements but also reflect substantive protection of workers' rights.

Thus, empirically, the Industrial Relations Court (PHI) plays a strategic role in providing legal certainty and upholding workers' normative rights in industrial relations disputes, including those related to alleged union busting. However, various previous studies have shown that the effectiveness of this litigation mechanism still faces challenges, both in terms of evidence, legal interpretation, and the duration of case resolution. Therefore, litigation through the PHI should not be viewed as the sole solution, but rather as part of a broader settlement mechanism integrated with non-litigation approaches to achieve more comprehensive justice. Considering the multidimensional nature of the dispute, involving disputes over termination of employment and alleged violations of workers' normative rights, as well as the imbalance in bargaining power between workers and employers, the most appropriate dispute resolution mechanism in the case of alleged union busting at PT Daechang Automotive Indonesia is mediation as the primary mechanism, reinforced by the possibility of litigation through the Industrial Relations Court (PHI). Mediation serves as a more flexible, dialogical means of resolution, and is able to accommodate the interests of both parties in a more balanced manner, while the PHI serves as a law enforcement mechanism to ensure certainty and protection of workers' rights if non-litigation resolutions do not achieve results. Thus, the combination of mediation and litigation reflects a resolution approach that is not only oriented towards conflict resolution, but also towards the protection of rights and justice in industrial relations.

## CONCLUSION

The industrial relations dispute in the alleged union-busting case at PT Daechang Automotive Indonesia in 2026 is multidimensional and complex. This dispute relates not only to termination of employment (PHK), but also encompasses violations of workers' normative rights, particularly freedom of association. Therefore, the type of dispute that arose can be classified as a combination of a termination dispute and a rights dispute. In terms of characteristics, this dispute demonstrates a structural conflict pattern, marked by unequal bargaining power between workers and employers, selective company policies toward union officials, and the conflict evolving from an individual to a collective scale. Furthermore, there are indications of covert repression, where layoff policies are framed as efficiency-based, even though they are not fully supported by empirical evidence. This suggests that the conflict is not merely administrative in nature but also reflects power dynamics within industrial relations.

Legally, the allegation of union busting in this case has a strong basis, demonstrated by the fulfillment of the elements of the violation as stipulated in the legislation, particularly regarding the prohibition on obstructing union activities. Indications of discrimination against union officials, the discrepancy between formal reasons and empirical conditions, and the temporal relationship between union formation and the implementation of layoffs are important factors that strengthen this allegation. However, proving union busting remains challenging due to the tendency to use formal justifications that appear legally valid. In terms of settlement mechanisms, this study indicates that the most appropriate approach is mediation as the primary mechanism, supported by the possibility of resolution through the Industrial Relations Court (PHI). Mediation is considered more effective in handling complex conflicts and maintaining industrial relations, while the PHI serves as a law enforcement instrument to ensure certainty and protection of workers' rights if non-litigation resolution fails.

Overall, this study confirms that union busting practices in industrial relations cannot be understood narrowly as a mere violation of the law, but must be seen as a phenomenon involving the interaction between legal aspects, power, and worker welfare. Therefore, a comprehensive approach is needed in analyzing and resolving industrial relations disputes to ensure the creation of justice and balance in employment relations. Therefore, the resolution of industrial relations disputes in this case is not only oriented towards procedural conflict resolution, but must also be positioned as a strategic instrument to guarantee and restore worker welfare as a whole, both from an economic perspective, job security, and protection of collective rights in industrial relations.

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