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# The Nature of Justice in the Outsourcing Work Agreement of Industrial Relation

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**Abstract:** ***This Research aim to analyse and explain and also find the reality of justice work agreement displace the energy in relation industrial so that can realize the goal punish the pancasila matching with expectation from Constitution of State of Republic Of Indonesia Year 1945. And also to analysis, to explaining and finding agreement in relation work between worker, receiver work and employer which with justice. This research is research normative using secondary data obtained from book substance consisted of the substance punish the primary, sekunder and tertier. Instrument of substance Gathering punish conducted passing procedure identify, and substance stocktaking punish the primary and substance punish the sekunder logically and sistimatis and also as according to problems fundamental studied by yuridis qualitative. Result of elite indicate that First, work agreement displace the energy (outsourcing) between worker, stockis of service work of employer company. If attributed to third element mentioned in relation work agreement between Worker with the employer company not met the existence of work agreement element. second, assess the justice to worker displace the energy of work agreement of outsourcing only limited to formal contract which in character permanent standard so that not reached the aspect assess the justice in displacing energy because that agreement outsourcing represent the agreement written for law will desire. Third, Construction punish the system punish the wokers have to protect the ( protektif) to worker/labour. State have to create the law order realizing equal right between]worker and employer.***

**Keywords:** Justice, Outsourcing, Industrial Relation

## 1. Introduction

The development of the global economy and rapid technological advances have had the impact of such tight competition taking place on all fronts. This highly competitive environment demands the business to adapt to market demands that require a fast and flexible response in improving customer service. It requires a change in the management of the company by minimizing the range of management constraints, trimming in such a way as to be more effective, efficient and productive. In relation that then emerged tendency of outsourcing, which memborongkan one part or some parts of the company's activities that had been self-managed to other companies who then called the recipient company. [Bovens, Mark A. P. Loos, Eugène, The digital constitutional state: Democracy and law in the information society, Information Polity, 2002, Vol. 7, Issue 4, p. 185-197, ... In this perspective, the constitutional state is portrayed as a 'house', an edifice to which new storeys and rooms have been added and furnished over the course of centuries. Each storey of this edifice originated as a result of the major societal transitions that occurred during previous centuries. The majority of western societies are currently once again in the throes of yet another such transition, namely from an industrial to an information society. The possible consequences of this newest transition for the constitutional state, are reviewed on the basis of four important features of the information society (deterritorialisation, turbulence, horizontalisation and dematerialisation). Renovation, the simple adaptation of the house to the needs of the information society will suffice in a number of cases. Innovation is called for in some respects: deterritorialisation of democracy, horizontalisation of the constitutional state and the development of transparency as a new supporting topos].

Almost no company can maintain its competitiveness amid rapid changes in global economic flows simply by relying on its own resources. Therefore, outsourcing is a good alternative to the highly competitive competition. In a highly competitive competition, no company is able to stimulate the level of investment required to make all its operations most efficient in the world. Through outsourcing, companies overcome the dilemma by focusing on their internal resources or activities that give it a unique competitive advantage.

Employment in Indonesia today covers the problem of population size and growth, age structure and limited levels of labor utilization, population distribution, educational level, and limited absorptive capacity of the economy. The development of the contract business world is very much used, even almost all business activities including outsourcing begins with the contract. It is therefore appropriate if the issue of this contract is placed as part of business law. Basically, an outsourcing contract is a commercial contract and a relational contract by an employer company with a provider of labor to obtain the employment services required by the recipient company as a commercial and relational contract, outsourcing should be built on a proportional relationship whereby the parties have the same will because the business relationships that exist between the parties are generally aimed at exchanging interests.

The Indonesian legal system protects every citizen to obtain employment in accordance with the provisions contained in the 1945 Constitution of the State of the Republic of Indonesia. In Article 27 paragraph (2) it is stipulated that each citizen shall have the right to work and a livelihood humanity. This Article is a human rights article aimed at Indonesian citizens and contains ethical grounds, especially

humanitarian ethics. In the amendment of the 1945 Constitution of the State of the Republic of Indonesia concerning employment is also mentioned in Article 28D paragraph (2) of the 1945 Constitution of the State of the Republic of Indonesia. This implies the obligation of states to facilitate citizens in order to obtain decent work for humanity. [Jolls, Christine, Sunstein, Cass R Thaler, Richard, A Behavioral Approach to Law and Economics, Journal, Stanford Law Review, 1998, Vol. 50, Issue, 5. p 1471-1550, Economic analysis of law usually proceeds under the assumptions of neo-classical economics. But empirical evidence gives much reason to doubt these assumptions; people exhibit bounded rationality, bounded self-interest, and bounded willpower. This article offers a broad vision of how law and economics analysis may be improved by increased attention to insights about actual human behavior]. Therefore it is necessary to mature planning in the field of manpower to realize the obligations of the country. The right to decent work and livelihood is a guarantee as well as the constitutional rights of every citizen, as well as in Article 33 of the 1945 Constitution of the State of the Republic affirming in paragraph (1) that, the Economy is constituted as a joint effort based on the principle of kinship. Such economic thinking is not a free fight liberalism that carries free competition regardless of the side of togetherness, collectivity, and the protection of the weak. However, it should be based on the values of industrial relations Pancasila holds that between workers and employers there is a relationship of kinship and mutual cooperation is reflected in the soul of the nation.

Theoretically in the labour law relations between workers and employers position/users/employer in the employment relationships are at the same position as the subject of law, but in reality the social workers who are at a social status as people who need jobs, so according to Marwati Riza workers depend on the position of the employers/employer/user. Memperjanjikan energy worker with a particular job, and employers employer/user memperjanjikan his wages as the top job services worker in return, of course, be in the position of socially weak economy then the workers/labourers need to get the legal protection which is based with the principle of a just and civilized humanity, which does not consider mere factors of production workers but as human beings who have human rights. [arwati Riza, Perlindungan Hukum Pekerja Migram Indonesia di Luar Negeri, Makassar, As Publishing, 2015,p.6]

Philosophically the businessmen in working relationships as well as in industrial relations positions of workers should be placed as a partner of employers as perpetrators of the production process of goods/services in order to improve the welfare of workers and his family, the company's continuity and enhance the welfare of society Indonesia comprehensively. So it formed a harmonious industrial relations, dynamic, and justice.

## 2. Formulation of the Problem

How the legal outsourcing arrangements in industrial relations and the extent to which the value of outsourcing workers justice in industrial relations?

## 3. Theoretical Framework

The interconnectedness o f the problems the Treaty was born between workers and entrepreneurs who sometimes do not reflect aspects of Justice because of the position in terms of the management of employers still puts a higher degree of worker so that gave birth to the discriminatory and the inequity is because workers are seen as the underdog, so that the position of the workers inside will not give birth to kesederajatan in the work agreement. Thus the theory of Justice gave a statement that justice could not be separated from the demands and benefit because workers will protect the interests of Justice rights and obligations are concerned with. So the position between workers and entrepreneurs to become equivalent.

Justice according to Plato always contain elements of the awards, judgments, and consideration. Therefore, the mechanism works of the law represented as a balance of Justice. Justice demands that in the same circumstances that everyone should receive the same section (equality before the law). Plato describes the nature of Justice in the human psyche by comparing it with the life of the country, because humans can only thrive in the country or through the State, then the highest human virtue is obedience to the law of the country well written or unwritten. [See, Darji Darmodihardjo dan Sidharta, Pokok-Pokok Filsafat Hukum, Jakarta, PT Gramedia pustaka Utama,1995, hlm.140]

Hans Kelsen elaborated the essence of Justice associated with the norms of life in the community. Justice is, A quality that may, but is not a must, from a social order that lead to the creation of a reciprocal relationship between fellow human beings. Only then it is a form of human goodness, because the man was fair when his behaviour in accordance with the norms of social order that should indeed fair. The intention of a just social order is that the rules that guide human behaviour in creating satisfactory conditions for all mankind with another word that so that everyone can feel happy in the regulation. [Hans Kelsen, Dasar-dasar Hukum Normatif, Bandung, Nusa Media, 2008,hlm.2]

Justice according to the flow of legal positivism, the norm of the primary natural law is tried in a more concrete form, in which the manifestation of law and justice is set into the norm of positive law entrusted to the ruler. Positive law sometimes inhibits the development of life and is very harmful to justice. While justice according to the flow of legal realism that justice is a fair balance between the balance of personal interests and common interests. Justice according to the flow of sociological jurisprudence, justice is the equilibrium balance between the interests of the ruler and the interests of society.

## 4. Discussion

Black's Law Dictionary, Outsourcing agreement, An agreement, to handle substantially all of party's business requiretments, esp. in the areas of data processing and information management. [Bryan A. Garner, Black's Law Dictionary, Sevent Edition, West Group, St.Paul, Minn,1999, p. 1129]. That the contract work agreement is an

agreement to do certain work done by the contracting company.

Understanding outsourcing (outsourcing) is specifically defined by Maurice F Greaver II mendefenisikan *outsourcing is the act of transferring some of company's recurring internal activities and decision rights to outside provider, as set forth forth in a contract. Because the activities are recurring and a contract is used, outsourcing goes beyond the ase of consultants. As a matter of practice, not only are the activities trans ferred, but the factor of production and decision rights often are, too factors of production are the resources that make the avtivities occur and include people, facilities,equipment, technologi, and the other asset. Decision rights are the responsibility for making decision over certain of the activities trans ferred*. [Ricardus Eko Indrajit, Proses Bisnis Outsourcing, Jakarta, Grasind, 2003, p. 2] In Presidential Instruction No. 3 of 2006 on the package of Investment Climate Policy mentioned that outsourcing as one of the factors that must be taken seriously in attracting the investment climate to Indonesia. The form of government's seriousness by assigning the minister of labor to make a draft revision of Law Number 13 Year 2003 on Manpower.

Competition in the business world between companies makes the company should concentrate on a series of processes or activities creation of products and services related to its main competencies. With the concentration on the main competence of the company, will produce a number of products and services have a quality that has competitiveness in the market. In the increasingly fierce business competition climate, the company tries to make cost-of-production efficiency. One solution is with outsourcing system, where with this system the company can save expenses in finance human resources (HR) working in the company concerned.

Thus Outsourcing is defined as the transfer or delegation of some business processes to a service provider agency, whereby the service provider body processes the administration and management based on the definitions and criteria agreed upon by the parties. Outsourcing can not be viewed on a short-term basis, using outsourcing companies will definitely spend more as management fee outsourcing companies.

Furthermore, Outsourcing should be viewed on a long-term basis, starting from employee career development, efficiency in the workforce. Therefore the company can focus on its core competencies in the business so that it can compete in the market, where the internal things of the supporting company are transferred to a more professional party. In practice, this diversion also raises several issues, especially labor issues.

Based on the understanding of the concept of legal certainty, the Manpower Act as one of the written law in which regulate the government policy in the field of employment and working relationship certainly required legal certainty of the provisions contained therein. Such legal certainty is aimed in the hope that there will be no multi-interpretation in the context of its application.

However, legal certainty in the space of industrial relations is not expected to negate the aspect of justice. If certainty in turn negates justice, the goal of employment law that is oriented towards efforts to create legal protection and workers' justice is not achieved. Therefore, the aspect of conscience is of course very much needed as a conscience to balance the orientation of the two components that exist, namely certainty and justice. [Aries Harianto, Hukum Ketenagakerjaan Makna Kesusilaan dalam Perjanjian Kerja,Yogyakarta, Laksbang Pressindo, Tahun 2016, p. 231]

The nature of labor law is the protection of labor, which is intended to secure the basic rights of workers and ensure equal opportunity and treatment without discrimination on any ground to realize the welfare of workers and their families while still showing the progress of the business world. [Rachmat Trijono, Pengantar Hukum Ketenagakerjaan, Jakarta, Papas Sinar Sinanti, 2014, p.24]

The principle of employment development in Indonesia is organized on the basis of cohesiveness through functional coordination across central and regional sectors, meaning the principle of national development, in particular the principle of Pancasila democracy and fair and equitable principles. Employment development has many dimensions and interconnections with various parties, namely between government, employers and workers. Meanwhile, the 1945 Constitution of the State of the Republic of Indonesia is the economic constitution and the Social Constitution as well as the Social Welfare Constitution. The 2nd principle of Pancasila, a just and civilized humanity, and the 5th principle of Pancasila is Social Justice for all Indonesians. Article 33 paragraph (1) of the 1945 Constitution of the national economy shall be prepared as a joint effort based on the principle of kinship.

**1. Working Relationships Between Workers and Employers**

A general working relationship can be defined as the relationship between the person doing the job and the person giving the job. Work can be done by everyone whether he or she as a laborer, employee, civil servant and person doing the work for yourself. In this study, the meaning of the employment relationship is the relationship between workers and employers in civil relations, which have a subordinate relationship characteristic, not including in this case the employment relationship undertaken by Public Servants in the Public Service. In general, employment relations can only occur if there has been agreement between workers and employers with wages, which have elements of work, wages and orders.

Each service provider company shall make a written employment agreement with the employee. The employment agreement shall be registered to the agency responsible for the manpower affairs of the district or city where the work is carried out, free of charge. If the employment agreement is not registered, the agency responsible for the provincial employment field may revoke the operational permit based on the recommendation of the agency responsible for the manpower affairs of the district or city. In the meantime, any employment service employment agreement must include

provisions which ensure the fulfillment of the rights of workers in the employment relationship, as provided in the laws and regulations. [Jolls, Christine Sunstein, Cass R Thaler, Richard, Op Cit]

Article 1 paragraph (15) of Law no. 13 of 2003 states that the employment relationship is the relationship between employers and workers / laborers based on work agreements have elements of work, wages and orders.

Understanding the working relationship basically includes the following: (1) Creation of employment agreement (starting point of existence of a working relationship, (2) Labor's obligation (ie to do the work, as well as the right of the employer for the work, (3) Employers' obligations (ie paying wages to workers, as well as the right of workers to wages. (4) The termination of employment relationship.

There are two important matters in the employment relationship with the employer company with the employer or the employer's service provider and the relationship between the employer or the employer's service provider with the worker. In the relationship between the employer company and the employer or the worker's service company can be defined as a business legal relationship.

In its development, the working relationship developed into industrial relations along with the adoption of welfare state type. This means that industrial relations are no longer considered to be limited to the relationship between workers and employers, but they already involve the interests of third parties that are introduced as public interests that must be protected by the government. Thus, it can be said that industrial relations is a legal relationship consisting of three parties, namely workers, employers, and the government. If examined the process of birth legal relationship, it will be found that the relationship is actually a relationship in the context of the process of production of goods and services. Based on the above description, industrial relations are often formulated as a relationship in the production process involving three components, namely workers, employers, and the government. In Article 1 point 16 of Law no. 13 year2003 formulated industrial relations as a system of relationships formed between actors in the process of production of goods and / or services consisting of elements of employers, workers / laborers and the government based on the values of Pancasila and the 1945 Constitution of the Republic of Indonesia.

The function of government in industrial relations is to stipulate policies, to provide services, to carry out supervision, and to take action against violations of labor laws and regulations, while the functions of workers and labor unions in industrial relations are to carry out their work in accordance with their obligations, to maintain order for the sake of production, democracy, develop skills, and expertise and promote the company and fight for the welfare of members and family. Furthermore, the function of employers and employers 'organizations in industrial relations is to create partnerships, develop businesses, expand employment, and provide workers' welfare openly, democratically and equitably [Fallon Jr, Richard H., The Dynamic Constitution: An Introduction to American Constitutional Law, Journal, An Introduction to American Constitutional Law, Cambridge, 2004, Harvard law professor Richard H. Fallon introduces non-lawyers to the workings of American constitutional law. He writes about leading constitutional doctrines and issues, including freedom of speech and religion, the guarantee of equal protection, rights to fair procedures, and rights to privacy and sexual autonomy. Fallon describes many of the fascinating cases and personalities that have shaped constitutional law, demonstrating how historical, cultural, and other factors have influenced constitutional adjudication. Furthermore, Fallon argues that the Constitution must serve as a dynamic document that adapts to the changing conditions inherent in human affairs].

Industrial relations are carried out through trade union facilities, employers' organizations, bipartite cooperation institutions, and tripartite cooperation bodies, corporate regulations, joint employment agreements, labor laws and industrial relations dispute settlement institutions. If an industrial relationship is understood as a relationship that stems from a legal relationship, then it should also be understood that industrial relations will create rights and obligations for the parties involved.

From the worker's side, rights born and / derived from an industrial relationship can be introduced into two types:

1) The right attached to the personal of the parties of a legal relationship.
2) Rights acquired as a consequence of the implementation of a legal relationship.

The first kind of rights are introduced as the normative rights of the workers, who have generally been subject to regulation in positive law. The substance of this right is essentially a derivation of human rights. With regard to the notion of workers' normative rights, some formulate them as a legal protection, namely the protection of laws arising out of labor agreements or legal protection arising out of the fact that they are regulated in labor legislation (Act No. 13 of 2003 on Manpower).

The reality of the implementation of labor relations is confronted with a concept of industrial relations, known as the "Industrial triangle", a pattern of relationships between the three major forces, whether directly or indirectly, involved in the production process of the plant. The forces in question are: (1) employers / employers; (2) workers; and (3) the Government. Although the government in this case is positioned as one of the parties in the triangle, it is also important to understand that the level and quality of the government's interests are, of course, very different from those of the other two (laborers and businessmen / owners of capital). The government, however, should be seen as a modern organ within a government.

The Labor Law has subsequently grown very broadly, in line with the widespread economic struggle of the workers. The treaty law, which is a major part of the labor law, has also developed into a stand-alone legal science object that influences the development of modern civil law. In industrial relations, each business unit is a unity of business establishment based on kinship or togetherness or

partnership relationship. Therefore, if it is related to the relationship between workers and employers, the 1945 Constitution as Indonesia's economic constitution is not only in favor of employers but also to workers. The 1945 Constitution of the State of the Republic of Indonesia may even be referred to as the constitution of Indonesian workers.

All legislative policies in the sense of national economic policy as outlined in the form of the Act must be devoted to closer the distance and the gap of welfare level between Indonesian employers and workers. National and regional economic policies throughout Indonesia should contain welfare policy for the workers.

The nature of the existence of a legislation is to provide legal certainty and protection for the intended party in a regulation, meaning the nature of coercive law, obligation and guarantee of rights to the citizen, can be carried out by State intervention because the law there is an element of obligation that must be implemented every person . The Manpower Law is established to provide certainty for the parties concerned ie the workers and employers.

An employment agreement is a venue that links the parties to a working relationship in which the position is a law for the parties making the agreement. In general, what is meant by employment relationship is the relationship between workers and employers that occur after the employment agreement. In Article 1 Sub-Article 15 of Law Number 13 Year 2003 Concerning Employment, the employment relationship refers to the relationship between employers and workers / laborers based on employment agreements that have elements of work, wages and orders. Thus, it can be clearly stated that the employment relationship occurs because of an employment agreement between employers and workers. In this case, workers are rewarded in the form of wages for work and performances given.

Thus the working relationship must contain three absolute elements, namely:
1) There is work to be done;
2) The existence of orders to work on the orders of employers;
3) The existence of wages.

All three elements must be fulfilled all and should not be reduced even in order to be categorized as a working relationship. Thus, it can be concluded that the emergence of employment relationship is due to a written agreement or verbally between workers and employers who have bind themselves, work together for the execution of work that produces goods or services, with a rights and duties that have been determined together that if violated by one party may cause problems or may be subject to sanctions in accordance with the rules of applicable labor law legislation.

The presence of the state manifested through regulations in the field of labor law should be sustained by the effectiveness of supervision of employment relations. So to realize the presence of the state in a working relationship in the hope that there will be no arbitrary entrepreneur against the workers / laborers so that the normative workers / laborers get their rights. The philosophical aspect of working relationships must be observed and imbued in the values of Industrial Relations Pancasila which became the basis of industrial relations in Indonesia. Basically, according to the values of Industrial Relations Pancasila workers/ labor is not a means of production, but still attached to the human aspects and their normative rights in labor law, in addition to the existence of workers/ laborers are partners of entrepreneurs who need each other.

Employment Law Article 50, employment relationships are born because of employment agreements between employers and workers / laborers, whereas according to Article 1 number 14 of the Manpower Act referred to as the employment agreement is an agreement between the workers / employers and the employer or employer that contains the terms work, rights, and obligations of the parties. This means that the working relationship between the worker and the employer arises after the employment agreement they have made, or the existence of a legal act that they commit, namely binding each other to perform the agreement in a letter that contains obligations and the rights of each who promised.

On the basis of the above, the relationship of workers / laborers and employers is basically a legal relationship arising from an agreement, then the parties involved are charged with certain rights and obligations contained in the employment agreement. Working relationship in question is the relationship between employers and workers. A pledge which has been awarded shall mean the surrender of what the offering party may offer to the receiving party. The legitimacy of an appointment is sought and found by looking at the promise as an act of authority. The parties promise to do something, in speech and deeds, because the parties are indeed capable, not only in the material, but also spiritual sense. The deeds in this case materialize in terms of two categories of disaggregated substance, namely promise and ability to act. Even if the promise in itself raises the power of evoking the consequences, we still have to find and explore the workforce of the promise, ie whether the promise is made as a result of equality of the parties or the agreement contains ketentun, goals, or execution that can lead to an unbalanced situation.

According to researchers the balance can be achieved when based on the law of objective and good faith of each party, so the agreement bind themselves in what kind of situation the attachment arises. This fact essentially protects the interests of both workers and employers. What may disrupt the balance of the treaty is the way in which agreements are made involving unequal parties and / or inequalities of mutually promised achievements. In principle, by establishing itself on the basic principles of contract law and the principle of equilibrium, the decisive thing is not the equality of achievement that is agreed upon, but the equality of the parties, that is, if justice exchanges of covenants are to be upheld. In the creation or formation of the agreement, an imbalance may arise as a result of the conduct of the parties themselves or as a consequence of the substance of the contents of the agreement or the implementation of the agreement.

The scope of labor law is known to exist some form of employment relationship between worker and employer namely employment agreement, company regulation, and labor agreement (collective agreement) which can not be separated from requirement of validity of agreement in general. Entrepreneurs in running a business is very and need workers so that his business can run with profit. On the other hand, workers in the kel must want welfare and have a variety of needs, to be able to meet all these needs peke to work. Working relationships between employers and workers are marked by an agreement between the two parties. In the work agreement contained terms of employment, rights and obligations between employers and workers. This relationship between employers and workers raises the rights and obligations of both parties. There are achievements that must be done by both parties. Fulfillment of all these achievements that will lead to harmony or disharmonization of working relationships. The occurrence of disputes between employers and workers is one form of disharmonization. The most important thing now is how to prevent or minimize such disputes or reconcile those who disagree.

**2. Working Relationship Between a Working Service Provider and an Employer Company**

The relationship between the service provider and the service provider is very close whereby the service provider company provides labor services to the recipient company and in return pays according to the agreement of both parties. Jobs that may be done outside of the main work or activities that are directly related to the production process.The service provider company is a company that provides labor services for a certain period of time and the workforce and the workforce does not become a permanent workforce of the company to meet the level of urgent needs and completion of specific work of supporting character so that it can be transferred its management.

Legal Relationships Outsourcing companies with outsourcing user companies are tied up under the Cooperation Agreement, in terms of the provision and management of workers in certain areas that are placed and working for outsourcing user companies. Outsourced worker signed an employment agreement with an outsourcing company as the basis for his employment relationship. In the employment agreement mentioned that workers are placed and working in the company of outsourcing users. From this working relationship arises a legal problem, the outsourced worker in his placement in the outsourcing user company must be subject to the Company Regulations or Collective Work Agreement applicable to the oustourcing user company, while legally there is no working relationship between the two.

The underlying reason for outsourced workers is subject to the rules of the employer company because the worker is employed in the place / location of the employer company which must have Standard Operational Procedures or the employer company's employment rules to be carried out by the employee, all of which are listed in the rules of the employer company. The proof of the employee's submission is on the employment agreement established between the outsourcing company and the employer company, in terms of work norms, working hours and work rules. Benefits and benefits usually outsource the company.

The initial idea of outsourcing is to share business risks in a variety of issues, including employment. In the early stages of outsourcing has not been formally identified as a business strategy. This happens because many companies are simply preparing themselves for a particular part of the work they can do, while for parts that can not be done internally, done through outsourcing.

Outsourcing business practices are closely related to labor practices, labor-related regulations are an important factor in spurring the development of outsourcing in Indonesia. The legality of the use of outsourcing services only occurred in 2003, with the issuance of Law No. 13 of 2003 on employment. Another issue that befell outsourcing is justice in wages. In practice, workers who have worked for years are paid according to minimum wage standards, even though employers have provided much higher wages. But because employers also take advantage of the services. paid wages are still low. For workers protection the government should have issued a regulation stipulating the maximum percentage of the maximum deductible that a worker / service provider may receive from the wages earned by the worker.

The Company is a legal entity or not, owned by an individual, whether private or state-owned. The labor agreement is an agreement between a worker and an employer in which they bind themselves to one another, to cooperate whereby the worker undertakes to carry out the employer's order as a job and the employer shall bear the life of his family according to their respective agreement. Legislation regulating the outsourcing of Law Number 13 Year 2003 concerning manpower, Regulation of the Minister of Manpower and Transmigration No. 19 of 2012 concerning the terms of delivery of part of the implementation of work to other companies. Based on Law Number 13 Year 2003 article 64, the company may submit part of the implementation of the work to other companies through employment contracts or workers' services providers which are made in writing.

The basic principle of the implementation of outsourcing is the occurrence of a cooperation agreement between employers and employers in the form of employment contracting agreements or worker services providers. where the employer company will pay a certain amount in accordance with the agreement on the work of the labor provided by the employer company in accordance with the provisions of Article 64 of Law Number 13 Year 2003 which reads as follows "The Company may submit part of the implementation work to other companies through employment contracts or the provision of written employment services. " Thus, outsourcing can be done when the agreement has been signed between the user of the labor service that is the contract of employment or the provision of labor services.

Each service provider company shall make a written employment agreement with the employee. The employment agreement shall be registered to the agency responsible for

the manpower affairs of the kabupaten / kota where the work is carried out, free of charge. If the employment agreement is not registered, the agency responsible for the provincial employment field may revoke the operational permit based on the recommendation of the agency responsible for the manpower affairs of the kabupaten / kota. In the meantime, any employment service employment agreement must include provisions which ensure the fulfillment of the rights of workers in the employment relationship, as provided in the laws and regulations.

## 5. Conclusion

The nature of the outsourcing agreement between workers, employers and employers is based on the birth of contracts and employment relations between workers and employers marked by the employment agreement of each party. Employers with workers only work there is no agreement in an employment agreement whereas between service providers and workers there is only wages and orders of doing work based on clauses in the agreement. So not fulfilled the three elements in the working relationship.

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