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Employment Termination in the Digital Era and Procedural Justice for Workers in Indonesia

Rahmatsyah[1]*
rahmadsyah68@gmail.com
Universitas Murni Teguh

*Corresponding Author: Rahmatsyah
Email: rahmadsyah68@gmail.com

ABSTRACT

Digital technology has changed how work is organized and ended, yet the rules on termination of employment in Indonesia were drafted for conventional employment relationships. This study examines how the legal paradigm governing termination has shifted in the digital era and assesses the protection that Indonesian law offers workers through the lenses of social and procedural justice. It applies normative legal research combining statutory, conceptual, and comparative approaches, with Germany and South Korea as comparators, and it analyzes legislation, international labor standards, and peer-reviewed scholarship. The findings show that the Indonesian dismissal sequence of notification, negotiation, dispute settlement, and adjudication contains the elements of a fair process on paper, but that the Job Creation reforms revised the external determination requirement and left the burden of initiating review largely with the dismissed worker. The analysis also shows that the test of work, wage, and command excludes many informal and platform workers, so that the ending of their access can occur without verifiable reasons, participation, review, or support. The comparative analysis indicates that protection can be secured before dismissal takes effect through justification and consultation. On this basis the study proposes a procedural justice framework with four pillars, namely transparency, participation, access to appeal, and support after job loss, which can guide labor law reform and adapt to digital work.

Keywords: *Digital Economy, Employment Termination, Labor Law, Procedural Justice, Worker Protection*

INTRODUCTION

Digital technology has altered the way work is organized, allocated, supervised, and brought to an end, and the arrangements that have emerged from this shift, including app-based work, platform-mediated tasks, and other flexible forms of engagement, now operate alongside conventional employment while departing in important respects from the standard employment relationship on which labor law was historically constructed.[1] The departure is especially pronounced in developing economies, where a survey of 675 workers on five globally operating platforms across 27 developing countries showed that platform architecture and algorithmic management shape the access workers have to tasks, the remuneration they receive, and the flexibility of their working time, and where the authors concluded that transparency in platform design and algorithms is needed to shield workers from the vulnerabilities that digital work produces.[2]

Termination is the moment at which these changes carry the heaviest consequences for workers, because it removes income and legal standing at once and, in digital settings, may be triggered by a process that the worker cannot see.[3] A comprehensive review of research on workplace algorithms found that employers use them to direct, evaluate, and discipline workers, and that discipline operates through mechanisms that include replacing and rewarding workers following the recording and rating of their conduct.[4] Where a rating produced by such a system leads to the deactivation of an account, the decision to end the relationship may involve very little human deliberation, and a recent regulatory blueprint has identified a loss of human agency, together with heightened privacy harms and information asymmetries, as the principal gaps in existing law, proposing a ban on fully automated terminations, a right to meaningful review, and information and

[1] James Duggan et al., "Algorithmic Management and App-work in the Gig Economy: A Research Agenda for Employment Relations and HRM," *Human Resource Management Journal* 30, no. 1 (January 12, 2020): 114–32, https://doi.org/10.1111/1748-8583.12258; Frank M. Fossen and Alina Sorgner, "New Digital Technologies and Heterogeneous Wage and Employment Dynamics in the United States: Evidence from Individual-Level Data," *Technological Forecasting and Social Change* 175 (February 2022): 121381, https://doi.org/10.1016/j.techfore.2021.121381; Yuhong Huang, "Digital Transformation of Enterprises: Job Creation or Job Destruction?," *Technological Forecasting and Social Change* 208 (November 2024): 123733, https://doi.org/10.1016/j.techfore.2024.123733.

[2] Uma Rani and Marianne Furrer, "Digital Labour Platforms and New Forms of Flexible Work in Developing Countries: Algorithmic Management of Work and Workers," *Competition & Change* 25, no. 2 (April 23, 2021): 212–36, https://doi.org/10.1177/1024529420905187.

[3] Xavier Parent-Rocheleau and Sharon K. Parker, "Algorithms as Work Designers: How Algorithmic Management Influences the Design of Jobs," *Human Resource Management Review* 32, no. 3 (September 2022): 100838, https://doi.org/10.1016/j.hrmr.2021.100838.

[4] Katherine C. Kellogg, Melissa A. Valentine, and Angéle Christin, "Algorithms at Work: The New Contested Terrain of Control," *Academy of Management Annals* 14, no. 1 (January 2020): 366–410, https://doi.org/10.5465/annals.2018.0174.

consultation rights as remedies.[5] These proposals indicate that dismissal in the digital era raises questions about process that conventional rules on notice and severance were not designed to answer.

In Indonesia, termination of employment (*pemutusan hubungan kerja*, PHK) is governed by Law No. 13 of 2003 on Manpower, which has been amended through the Job Creation legislation and now operates under Law No. 6 of 2023.[6] Indonesian scholarship has begun to examine how this reformed framework treats workers in flexible arrangements, chiefly those engaged through outsourcing and fixed-term contracts, and one doctrinal analysis of the legal politics of outsourcing concluded that the post-2020 instruments accommodate the interests of employers and that the removal of limits on the kinds of work that may be outsourced leaves a deficit in protection when compared with the earlier norm.[7]

Liana and Yahman examined the position of workers bound by a fixed-term agreement (*perjanjian kerja waktu tertentu*, PKWT) after the enactment of the Job Creation legislation and reported that such workers receive legal protection and compensation from outsourcing companies once the agreement ends.[8] Sofianti and Razak, in a case study of a labor supply company in Sidoarjo under Article 66 of Law No. 6 of 2023, found that the company met its obligations regarding wages, occupational safety, health insurance, and leave, yet they cautioned that companies commonly assume the employment of fixed-term outsourced workers can be ended without difficulty, which leaves those workers in a legally vulnerable position, and that the lifting of the restriction to non-core activities blurs the distinction between core and outsourced workers and invites the use of outsourcing as a device for cutting costs.[9]

Two strands of justice theory frame the analysis in this article. Rawls argued that social justice can be achieved only when the basic structure of society, which comprises its principal political, economic, and social institutions, is arranged according to the principle of justice as fairness, and that inequalities can be defended only to the extent that they work to the benefit of the least advantaged

[5] Jeremias Adams-Prassl et al., "Regulating Algorithmic Management: A Blueprint," *European Labour Law Journal* 14, no. 2 (June 20, 2023): 124–51, https://doi.org/10.1177/20319525231167299.
[6] Republik Indonesia, "UU No. 6 Tahun 2023 Tentang Penetapan Peraturan Pemerintah Pengganti Undang-Undang Nomor 2 Tahun 2022 Tentang Cipta Kerja Menjadi Undang-Undang," Sekretariat Negara § (2023).
[7] Siti Kunarti et al., "The Legal Politics of Outsourcing and Its Implication for the Protection of Workers in Indonesia," *Sriwijaya Law Review*, January 31, 2024, 1–19, https://doi.org/10.28946/slrev.Vol8.Iss1.2750.pp1-19.
[8] Liana Liana and Yahman Yahman, "Legal Protection of Workers with A Specific Time Work Agreement (PKWT) in The Transfer of Outsourcing Companies Following The Enactment of Law No . 6 / 2023," *YURIS: Journal of Court and Justice* 3, no. 2 (2024): 111–22.
[9] Elsa Sofianti and Muhammad Abdul Razak, "LEGAL PROTECTION OF OUTSOURCED WORKERS UNDER LAW NO. 6/2023: A PT. SSBI SIDOARJO CASE," *Journal of Court and Justice* 4, no. 1 (January 31, 2025): 62–75, https://doi.org/10.56943/jcj.v4i1.796.

members of society.[10] Tyler contended that the willingness of people to accept and comply with legal authority depends heavily on their judgment of whether the procedures used by that authority are fair, and he identified the perceived fairness of process as a source of legitimacy that outcomes alone cannot supply.[11] Taken together, these accounts direct attention to the workers who are most exposed to dismissal in digital and informal settings and to the quality of the process through which a dismissal is decided and reviewed.

The Indonesian studies reviewed above concentrate largely on how workers are classified, which entitlements attach to their status, and what compensation is due when an engagement ends. Kunarti and colleagues addressed the structure of outsourcing regulation,[12] Liana and Yahman addressed compensation for fixed-term outsourced workers,[13] and Sofianti and Razak addressed the obligations of a labor supply company,[14] yet each of these studies leaves the procedure of dismissal largely outside its main focus. The scholarship on algorithmic management, in turn, has been developed mainly within European and other comparative regulatory debates,[15] and, as far as the literature reviewed here shows, it has had little to say about the Indonesian termination regime.

This article therefore examines how the legal paradigm governing employment termination has shifted in the digital era and assesses, through the lenses of social and procedural justice, the protection that Indonesian law presently extends to workers who face dismissal, whether in formal employment, in the informal sector, or in platform-based work. The study applies normative legal research, supported by case analysis and comparative reference to selected jurisdictions, and it draws on the comparison to formulate a procedural justice framework that can be adapted to digital work.

The article makes two contributions. The first is to connect the Indonesian scholarship on outsourcing and fixed-term contracts with the international debate on algorithmic management, two bodies of work that appear to have developed largely apart from one another, and the second is to offer a procedural framework that legislators and courts may adapt when they confront terminations mediated by digital systems. The sections that follow set out the research method, analyze the Indonesian termination framework and its application to gig and informal work,

[10] John Rawls, *A Theory of Justice* (Harvard University Press, 2005), https://doi.org/10.2307/j.ctvjf9z6v.
[11] Tom R Tyler, *Why People Obey the Law* (Princeton University Press, 2021), https://doi.org/10.2307/j.ctv1j66769.
[12] Kunarti et al., "The Legal Politics of Outsourcing and Its Implication for the Protection of Workers in Indonesia."
[13] Liana and Yahman, "Legal Protection of Workers with A Specific Time Work Agreement (PKWT) in The Transfer of Outsourcing Companies Following The Enactment of Law No . 6 / 2023."
[14] Sofianti and Razak, "LEGAL PROTECTION OF OUTSOURCED WORKERS UNDER LAW NO. 6/2023: A PT. SSBI SIDOARJO CASE."
[15] Adams-Prassl et al., "Regulating Algorithmic Management: A Blueprint."

examine comparative models, present the proposed framework, and close with the conclusion and recommendations.

LITERATURE REVIEW

Termination of Employment and the Reform of Indonesian Labor Law

Scholarship on the termination of employment has long treated dismissal as the meeting point of two legitimate aims, namely the freedom of an enterprise to adjust its workforce to changing economic conditions and the interest of a worker in income security and fair treatment.[16] In Indonesia this contest has been sharpened by the Job Creation reforms, and Mahy's study of the labor cluster of the 2020 Job Creation Law shows that many of its amendments reduce worker protections in pursuit of a more flexible labor market.[17] The study argues that the visible political content of these amendments should be read together with the technical changes that accompanied them, since the reform altered the substance of labor rules and also changed the level of the legal hierarchy at which many of them are located.

That repositioning has consequences for dismissal in particular. Provisions on termination and its financial consequences were consolidated in the amended statute and elaborated in implementing government regulations, and a significant number of the amendments were intended either to affirm earlier Constitutional Court rulings or to override them, which left the content of the rules open to continuing judicial and political contest.[18] The procedure for dismissal was also affected, because the 2003 Manpower Law had retained a procedural safeguard that made dismissal depend on an external determination, and the Job Creation Law revised that requirement.[19] For a study concerned with the fairness of the process by which workers lose their employment, this record is significant because it shows that the procedural protections of Indonesian termination law are not fixed and have been reshaped by reform.

Platform Work, Algorithmic Decision-Making, and the Limits of Existing Protection

Platform work sharpens the difficulty because it changes who bears responsibility for the decision to end a working relationship.[20] Vallas and Schor,

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[16] Husaeri, Nur Mohamad Kasim, and Weny Almoravid Dungga, "Reconstructing The Paradigm Of Legal Protection Of Workers: Conceptual Renewal Of Termination In The Welfare Perspective," *Ajudikasi : Jurnal Ilmu Hukum* 9, no. 2 (December 26, 2025): 143–63, https://doi.org/10.30656/ajudikasi.v9i2.11519.

[17] Petra Mahy, "Indonesia's Omnibus Law on Job Creation: Legal Hierarchy and Responses to Judicial Review in the Labour Cluster of Amendments," *Asian Journal of Comparative Law* 17, no. 1 (July 12, 2022): 51–75, https://doi.org/10.1017/asjcl.2022.7.

[18] Mahy.

[19] Mahy.

[20] Elena Gramano, "Digitalisation and Work: Challenges from the Platform-Economy," *Contemporary Social Science* 15, no. 4 (October 1, 2020): 476–88, https://doi.org/10.1080/21582041.2019.1572919.

reviewing the literature on the gig economy, concluded that platforms operate as a distinct governance mechanism that externalizes responsibility and control over economic transactions while still exercising concentrated power, and that this arrangement poses a unique set of problems for regulators and workers.[21] The characterization helps to explain why the vocabulary of dismissal law fits poorly with account deactivation, since a platform that denies any employment relation can present the end of a worker's access as a technical act of account management and not as a termination that triggers notice, reasons, and review.

Abraha's examination of algorithmic employment decisions in the European Union points to a related difficulty at the level of regulation. The study observes that labor law lacks explicit provisions adequate to protect workers from algorithmic harms, that non-discrimination and data protection law can address some aspects of those harms, and that the provisions of the General Data Protection Regulation on automated decision-making offer workers only limited protection and leave significant gaps.[22] Although the analysis concerns European law, it is instructive for Indonesia, where the termination rules were drafted with conventional employment in mind and where, as later sections discuss, the status of digital workers is itself uncertain.

Procedural Justice, Comparative Experience, and the Research Gap

Procedural justice theory supplies the criteria by which such gaps can be assessed. Thibaut and Walker's psychological analysis of procedures for resolving disputes established that the evaluation of a procedure depends heavily on the degree of control that the affected parties retain over its process,[23] and Leventhal later specified a set of rules by which the fairness of a procedure can be judged, namely consistency, suppression of bias, accuracy of information, correctability of decisions, representation of the interests of those affected, and adherence to ethical standards.[24] Applied to dismissal, these rules translate into requirements that the reasons for a decision be stated accurately and applied consistently, that the affected worker be able to take part in the process, and that a route exist through which the decision can be corrected, and they provide the conceptual basis for the procedural framework that this article proposes.

Comparative scholarship offers evidence that these requirements can be realized in practice. Zimmer's analysis of the German system shows that protection

[21] Steven Vallas and Juliet B. Schor, "What Do Platforms Do? Understanding the Gig Economy," *Annual Review of Sociology* 46, no. 1 (July 30, 2020): 273–94, https://doi.org/10.1146/annurev-soc-121919-054857.
[22] Halefom Abraha, "Regulating Algorithmic Employment Decisions through Data Protection Law," *European Labour Law Journal* 14, no. 2 (June 2, 2023): 172–91, https://doi.org/10.1177/20319525231167317.
[23] John Thibaut and Laurens Walker, "Procedural Justice: A Psychological Analysis," *Duke Law Journal* 1977, no. 6 (January 1978): 1289, https://doi.org/10.2307/1371953.
[24] Gerald S. Leventhal, "What Should Be Done with Equity Theory?," in *Social Exchange* (Boston, MA: Springer US, 1980), 27–55, https://doi.org/10.1007/978-1-4613-3087-5_2.

against dismissal rests on the Dismissal Protection Act, is supplemented by rules on extraordinary dismissal under section 626 of the Civil Code, and operates with regard to European and international law, and the analysis also notes that workers enjoy additional advantages where a works council exists.[25] The German experience suggests that statutory standards and institutionalized worker voice can operate together, a combination that bears directly on the participation and review mechanisms discussed later in this article.

Indonesian reform has loosened the procedural constraints on dismissal, that platform and algorithmic arrangements place decisions beyond the reach of conventional dismissal doctrine, and that procedural justice theory offers criteria capable of assessing both developments.[26] What remains insufficiently examined is how those criteria can be converted into legal requirements that suit Indonesian conditions and extend to workers outside standard employment, and this question defines the analytical position of the present study. Drawing on the justice theories outlined above, the analysis in the following sections treats a termination as fair only when it rests on reasons that can be verified, allows the worker to take part, remains open to meaningful challenge, and is accompanied by measures that limit the harm of lost income.

RESEARCH METHODOLOGY

This study adopted normative legal research, also described as doctrinal research, which treats law as a body of norms, principles, and doctrines and aims to expound the rules governing a particular legal field, to analyze the relationships among those rules, and to explain areas of difficulty.[27] Three approaches are combined within this design. The statutory approach examines Law No. 13 of 2003 on Manpower as amended through the Job Creation legislation and now contained in Law No. 6 of 2023, together with Government Regulation No. 35 of 2021 on fixed-term agreements, outsourcing, working time, and termination of employment, in order to map the legal grounds, procedures, and remedies that presently govern dismissal. The conceptual approach draws on the justice theories of Rawls, Tyler, Thibaut and Walker, and Leventhal that were introduced above, and it uses them to derive the standards against which the Indonesian rules are assessed. The comparative approach places the Indonesian framework beside that of Germany, whose system combines statutory dismissal protection with institutionalized worker

[25] Reingard Zimmer, "Protection Against Unfair Dismissal in Germany," *King's Law Journal* 33, no. 2 (May 4, 2022): 169–87, https://doi.org/10.1080/09615768.2022.2114779.
[26] Marjan Miharja et al., "The Role of Constitutional Law in Achieving Political Stability and Social Justice in Indonesia," *Pena Justisia: Media Komunikasi Dan Kajian Hukum* 24, no. 1 (February 27, 2025): 2127–48, https://doi.org/10.31941/pj.v24i1.5839.
[27] Terry Hutchinson and Nigel Duncan, "Defining and Describing What We Do: Doctrinal Legal Research," *Deakin Law Review* 17, no. 1 (October 1, 2012): 83, https://doi.org/10.21153/dlr2012vol17no1art70.

participation, and it follows the functional method of comparative law, which starts from a shared problem and asks how different legal systems resolve it.[28]

The legal materials consist of primary, secondary, and tertiary sources. Primary materials comprise the Indonesian statutes and regulations named above and the Termination of Employment Convention of the International Labour Organization, which serves as an international reference standard for dismissal.[29] Secondary materials comprise books and peer-reviewed journal articles, selected for scholarly standing and direct relevance to termination, platform work, algorithmic management, and procedural justice, with priority given to articles published between 2020 and 2025, while foundational works were retained where the discussion rests on established theory. Tertiary materials, such as legal dictionaries and encyclopedias, were consulted only to confirm terminology. The materials were collected through library research, and each source was checked for its bibliographic details before use.

Analysis was qualitative and interpretive. The statutory provisions were interpreted grammatically, systematically, and teleologically, and they were then assessed against four criteria derived from the justice theories, namely the transparency of reasons for dismissal, the participation of the affected worker, access to review or appeal, and support after job loss. The comparative material was analyzed in three steps, which were the description of the German rules in their own context, the comparison of their function with the Indonesian rules, and the evaluation of which elements could be adapted to Indonesian conditions without disregarding differences in institutions and legal culture. Findings from these steps were synthesized to formulate the procedural justice framework presented later in the article. Because the study relies on legal and scholarly sources and does not use primary empirical data, its conclusions concern the adequacy and design of legal norms and not the frequency of particular practices in the field.

RESULT AND DISCUSSION

The Legal Framework of Termination in Indonesia and the Tension between Social Justice and Legal Certainty

The statutory analysis shows that Indonesian law still frames termination of employment (PHK) as a last resort that must be preceded by a sequence of procedural steps. Under the Manpower Law as amended, the employer, the worker, the trade union, and the government are expected to make every effort to avoid termination, and where termination proves unavoidable the employer must notify

[28] Konrad Zweigert and Hein Kotz, *Introduction to Comparative Law* (New York: Oxford University Press, 1998).
[29] "Convention C158 - Termination of Employment Convention, 1982 (No. 158)," International Labour Organization §, accessed November 5, 2026, https://normlex.ilo.org/dyn/nrmlx_en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C158.

the worker, after which a worker who rejects the termination is entitled to bipartite negotiation.[30] If negotiation fails, the dispute passes into the settlement system created by the Industrial Relations Dispute Settlement Law, which provides for mediation, conciliation, or arbitration and, as the final stage, adjudication before the Industrial Relations Court.[31] Read against the criteria derived from the justice theories, this sequence contains the elements of a fair process on paper, since notification supports transparency, negotiation supports participation, and adjudication supplies a route to review.

The analysis also shows, however, that the design of the sequence places considerable weight on the dismissed worker. Mahy's account indicates that the 2003 law had made dismissal depend on an external determination and that the Job Creation reforms revised this requirement,[32] which means that in practical terms the task of initiating review is likely to fall on the worker after the employer has acted and not before. A worker without a written agreement, without union backing, or without the means to pursue a dispute through several stages is poorly placed to carry that task, and the observation of Sofianti and Razak that companies commonly assume the employment of fixed-term outsourced workers can be ended without difficulty points to the same weakness from the side of practice.[33] The doctrinal method used here cannot measure how often such conduct occurs, but it can identify that the text of the rules leaves room for it.

These features sit within a broader tension between legal certainty for enterprises and social justice for workers. The reform was pursued with the aim of a more flexible labor market,[34] and flexibility of this kind can be defended in terms of justice only if the resulting inequalities work to the benefit of the least advantaged members of society, which is the test set by the difference principle.[35] The provisions on termination examined here contain no safeguard that links the loosening of procedure to a gain for the workers who are most exposed to dismissal, and the justification of reduced procedural protection by reference to investment and growth therefore remains unproven from the standpoint of justice as fairness. When law serves mainly to promote economic growth, its function as a guarantor of the rights of workers risks being marginalized, and the question of legitimacy

[30] Syahrana Kezia Anjunien Gunawan and Gunardi Lie, "An Analysis of Unilateral Termination of Employment by Employers under Indonesia's Manpower Law," *Academia Open* 10, no. 2 (November 19, 2025), https://doi.org/10.21070/acopen.10.2025.12931.
[31] Pemerintahan Republik Indonesia, "UU No. 2 Tahun 2004," Sekretariat Negara § (2004), https://peraturan.bpk.go.id/Details/40452/uu-no-2-tahun-2004.
[32] Mahy, "Indonesia's Omnibus Law on Job Creation: Legal Hierarchy and Responses to Judicial Review in the Labour Cluster of Amendments."
[33] Sofianti and Razak, "LEGAL PROTECTION OF OUTSOURCED WORKERS UNDER LAW NO. 6/2023: A PT. SSBI SIDOARJO CASE."
[34] Mahy, "Indonesia's Omnibus Law on Job Creation: Legal Hierarchy and Responses to Judicial Review in the Labour Cluster of Amendments."
[35] Rawls, *A Theory of Justice*.

then shifts to the quality of the process through which workers lose their employment.

Procedural Gaps in Platform and Informal Work

The termination rules presuppose an employment relationship, and the Manpower Law identifies that relationship through the presence of work, wage, and command. Workers in the informal sector and in platform-based work often stand at or beyond the edge of this definition, because they frequently lack written agreements and union representation and, in the case of platforms, are designated as partners and not as employees.[36] Vallas and Schor describe this as a governance arrangement in which platforms externalize responsibility while retaining control,[37] and the consequence under Indonesian law is that the ending of a platform worker's access is not treated as a termination, so that none of the protective sequence described above is triggered.

Where a platform ends a worker's access through an algorithmic rating, a customer score, or an automated rule, the decision operates in substance as a dismissal even though it is described as account management. Assessed against the four criteria, such a decision fails each of them under the framework reviewed here. The reasons may not be disclosed in a form that the worker can verify, no recognized opportunity to take part exists, no institutional route is available through which the decision can be corrected, and no support follows the loss of income. The result deepens the structural imbalance between workers, who are the most vulnerable participants in digital production chains, and the platforms that govern those chains.

Comparative Models and Lessons from Germany and South Korea

The German system illustrates how participation can be built into the dismissal process before a decision takes effect. Statutory protection against dismissal operates alongside the participation of works councils,[38] and the Works Constitution Act requires the works council to be heard before each dismissal, with a dismissal made without that hearing being invalid.[39] In terms of the criteria used here, the German model secures participation and a form of review at the moment of decision and not only afterwards.

South Korea approaches the same problem through substantive justification. The Labor Standards Act prohibits dismissal without just cause and, for dismissal

[36] Valeria Pulignano et al., "Informal Employment on Domestic Care Platforms: A Study on the Individualisation of Risk and Unpaid Labour in Mature Market Contexts," *Transfer: European Review of Labour and Research* 29, no. 3 (August 23, 2023): 323–38, https://doi.org/10.1177/10242589231177353.
[37] Vallas and Schor, "What Do Platforms Do? Understanding the Gig Economy."
[38] Zimmer, "Protection Against Unfair Dismissal in Germany."
[39] "Works Constitution Act (Betriebsverfassungsgesetz – BetrVG)," Federal Republic of Germany §, accessed November 5, 2026, https://www.gesetze-im-internet.de/englisch_betrvg/englisch_betrvg.html.

on managerial grounds, sets four conditions, namely an urgent managerial necessity, efforts to avoid dismissal, fair and rational criteria for selecting the workers affected, and good-faith consultation with the workers' representative.[40] These conditions correspond closely to the transparency and participation criteria, because they require the employer to justify the decision with verifiable reasons and to consult before acting.

Taken together, the two models show that protection can be achieved through justification and consultation before dismissal and need not depend only on disputes after it, and that strong procedural protection is compatible with workplace flexibility. They also show a limit, since both models are built around workplaces with identifiable employers and stable representation, which platform and informal workers often lack. For Indonesia the lesson is therefore one of adaptation, in which the principles of justification, consultation, and review are retained while the institutions that carry them are redesigned for digital work, with due regard for the differences in institutions and legal culture noted in the method.

A Procedural Justice Framework for Digital Work

On the basis of these findings, the article proposes a procedural justice framework with four pillars that can serve the reform of Indonesian termination law and extend to digital work. The pillars correspond to the fairness rules identified by Leventhal, namely accuracy and consistency, representation, and correctability,[41] with a fourth pillar added to address the consequences of job loss.

Transparency about the reasons for dismissal forms the first pillar. A dismissal should rest on an open explanation of the organizational, economic, or technical grounds, supported by documentary evidence that the worker can examine.[42] In platform work, transparency extends to the rating criteria, system logs, and interaction records that led to a decision, so that a worker can see the basis of any decision affecting basic rights. The second pillar concerns the participation of workers and their organizations. Involvement in consultation, performance appraisal, and the review of dismissal policy should be substantive and structured, and it should not be symbolic. Because many digital workers are not unionized, new collective arrangements are needed, such as advocacy forums or state-recognized digital unions, through which their voice can be represented.[43]

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[40] "LABOR STANDARDS ACT," Republic of Korea §, accessed November 5, 2026, https://elaw.klri.re.kr/eng_service/lawView.do?lang=ENG&hseq=68845.
[41] Leventhal, "What Should Be Done with Equity Theory?"
[42] Yvette E. Hofmann and Maria Strobel, "Transparency Goes a Long Way: Information Transparency and Its Effect on Job Satisfaction and Turnover Intentions of the Professoriate," *Journal of Business Economics* 90, no. 5–6 (June 24, 2020): 713–32, https://doi.org/10.1007/s11573-020-00984-0.
[43] Sean O'Brady, Virginia Doellgast, and Jelena Starcevic, "Worker Voice and Mutual Gains From Remote Performance Management: Evidence From Digitalized Services in North America and Germany," *Human Resource Management Journal* 35, no. 4 (November 6, 2025): 864–78, https://doi.org/10.1111/1748-8583.12601.

Access to effective appeal mechanisms is the third pillar. The dispute settlement institutions, and the Industrial Relations Court in particular, should be strengthened, and specialized divisions for digital disputes could be created. Legal technology such as electronic litigation and online mediation can make review accessible to workers who are geographically dispersed or lack the resources to pursue lengthy proceedings.[44]

The fourth pillar is comprehensive support after dismissal. Reskilling policies and universal social security, including psychosocial assistance, should be integrated with the right to severance pay, so that dismissal does not become the start of structural poverty, and the state should develop sustainable support mechanisms with particular attention to vulnerable workers.[45] Together the four pillars give practical form to a legal paradigm that treats the fairness of process as part of social justice.

The findings on platform dismissal are consistent with the algorithmic management literature reviewed in the Introduction. Kellogg, Valentine, and Christin showed that algorithms discipline workers through replacing them,[46] and the analysis above shows how, under Indonesian law, such replacement can occur without any of the safeguards attached to termination. Duggan and colleagues observed that app-work departs from the standard employment relationship,[47] and the finding that the test of work, wage, and command excludes platform workers from the termination rules gives that observation a specific legal expression. Rani and Furrer argued that transparency in platform design and algorithms is needed to protect workers in developing countries,[48] and the first pillar of the framework translates this argument into a requirement attached to the decision to end a relationship. The proposals of Adams-Prassl and colleagues for meaningful review and for information and consultation rights are echoed in the transparency, participation, and appeal pillars.[49] Their proposed ban on fully automated terminations has no direct counterpart in the framework, which instead requires reasons and review that are accessible to a human decision-maker, and whether Indonesian law should adopt such a ban deserves separate study.

The findings on the Indonesian framework also align with earlier national scholarship. Kunarti and colleagues concluded that the post-2020 instruments

[44] Tania Sourdin, Bin Li, and Donna Marie McNamara, "Court Innovations and Access to Justice in Times of Crisis," *Health Policy and Technology* 9, no. 4 (December 2020): 447–53, https://doi.org/10.1016/j.hlpt.2020.08.020.
[45] M Muhyiddin et al., "Evaluating Indonesia's Job Loss Insurance Program (JKP): Policy Implications for Financial Assistance, Labor Market Integration, and Reskilling," in *Proceedings of the 3rd International Conference on Public Administration and Governance, ICOPAG 2024, 30 October 2024, Malang, Indonesia* (EAI, 2025), https://doi.org/10.4108/eai.30-10-2024.2354824.
[46] Kellogg, Valentine, and Christin, "Algorithms at Work: The New Contested Terrain of Control."
[47] Duggan et al., "Algorithmic Management and App-work in the Gig Economy: A Research Agenda for Employment Relations and HRM."
[48] Rani and Furrer, "Digital Labour Platforms and New Forms of Flexible Work in Developing Countries: Algorithmic Management of Work and Workers."
[49] Adams-Prassl et al., "Regulating Algorithmic Management: A Blueprint."

accommodate the interests of employers and leave a deficit in protection,[50] and the analysis of the termination sequence supports that conclusion at the level of procedure, since the revision of the external determination requirement and the weight placed on the dismissed worker reduce the procedural constraint on employers. Liana and Yahman reported that fixed-term workers in outsourcing arrangements receive legal protection and compensation,[51] and the present results are consistent with this on the side of entitlements while qualifying its sufficiency, because compensation received after the event does not satisfy the criteria of reasons, participation, and review that procedural justice requires. Sofianti and Razak found that a company could meet its obligations on wages, safety, insurance, and leave while the legal standing of fixed-term outsourced workers remained vulnerable,[52] and this finding fits the argument made here that formal compliance with entitlements and procedural vulnerability can coexist.

At the level of theory, the results support the position of Tyler that the fairness of procedures shapes the legitimacy of legal authority, although the present study is doctrinal and does not measure how workers perceive fairness.[53] The analysis extends Tyler's account in one direction, because the authority that decides on the end of work in platform settings is a private and automated system and not a public institution, so that the criteria of fair process need to be applied to private governance. It also supports the use of the difference principle of Rawls as a test of reforms that increase flexibility, since the reforms examined here lack a demonstrated link to the benefit of the least advantaged.[54]

In summary, the results support earlier research in three respects, namely the vulnerability created by algorithmic and platform arrangements, the employer-oriented direction of the Indonesian reforms, and the relevance of procedural justice as a criterion for assessing dismissal. They extend earlier work by locating the gap in the termination procedure itself, by showing that the employment relationship test excludes platform workers from that procedure, and by proposing a four-pillar framework that combines transparency, participation, appeal, and social support. They qualify, and in this limited sense depart from, the view that the availability of compensation for fixed-term outsourced workers is sufficient protection, since the analysis shows that the quality of process remains unresolved even when compensation is paid. No finding contradicts the earlier studies directly, and the

[50] Kunarti et al., "The Legal Politics of Outsourcing and Its Implication for the Protection of Workers in Indonesia."
[51] Liana and Yahman, "Legal Protection of Workers with A Specific Time Work Agreement (PKWT) in The Transfer of Outsourcing Companies Following The Enactment of Law No . 6 / 2023."
[52] Sofianti and Razak, "LEGAL PROTECTION OF OUTSOURCED WORKERS UNDER LAW NO. 6/2023: A PT. SSBI SIDOARJO CASE."
[53] Tyler, *Why People Obey the Law*.
[54] Rawls, *A Theory of Justice*.

reliance of this study on doctrinal analysis means that claims about the frequency of unfair practice remain a task for empirical research.

CONCLUSION

Indonesian law still presents dismissal as a last resort governed by a sequence of notification, negotiation, dispute settlement, and adjudication, yet the analysis in this article shows that the sequence protects workers less fully than its design suggests, particularly in digital and informal work. The Job Creation reforms revised the external determination requirement and left the task of initiating review largely to the dismissed worker, and the test of work, wage, and command excludes many informal and platform workers from the sequence altogether. As a result, the ending of a platform worker's access can occur without verifiable reasons, participation, review, or support. The comparison with Germany and South Korea showed that protection can be secured before a dismissal takes effect through consultation and justification, although both models depend on workplace structures that digital workers often lack.

The findings support the adoption of a procedural justice framework built on four pillars, namely transparency about the reasons for dismissal, participation of workers and their organizations, access to effective appeal mechanisms, and comprehensive support after job loss. For legislators, the framework implies that the rules on termination should be clarified so that decisions to end a platform worker's access are subject to a duty to state reasons and to a route for review, and that dispute settlement institutions, including the Industrial Relations Court, should be equipped with specialized and technology-supported procedures for digital disputes. It further implies that severance entitlements should be linked to reskilling and social security measures, so that dismissal does not lead to lasting hardship for the most vulnerable workers. Realizing these changes will require cooperation among government, businesses, trade unions, and academia, and the measures adopted should be adapted to the socio-economic and institutional conditions of Indonesia and not copied from foreign models.

The study has limits that point to further work. Because it relies on doctrinal analysis and on scholarly and legal sources, its conclusions concern the adequacy and design of legal norms and do not establish how often unfair dismissals occur or how workers perceive the fairness of the process. Empirical research on dismissal practices in the informal and platform sectors, and on the experience of workers who use the dispute settlement system, would test and refine the framework proposed here. Further study is also needed on whether Indonesian law should restrict fully automated terminations, and on how the comparative models of other jurisdictions could be examined more broadly to inform the design of institutions for digital workers.

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