



Strategy for the Implementation of the City Minimum Wage Determination Policy in the City of Cimahi

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Abstract

Research Background Cimahi City Minimum Wage in 2019 is set at Rp. Rp 2,893,074.13 up 8,029%. Previously, the Cimahi City Minimum Wage (UMK) in 2018 was Rp. 2,678,028.45. From this government policy, which is expected to be a mediation between employers and workers/laborers in government regulation number 78 of 2015 concerning wages, decent living needs, from now on referred to as KHL, are the everyday needs of a single worker/laborer to be able to live physically decently in one month. Qualitative approach method with descriptive analysis method where the data collected is not in the form of numerical data, but data derived from interview scripts, field notes, personal documents, notes or memos of researchers and other supporting official documents both problems related to the organization and between individuals within the organization. Implementing the City Minimum Wage (UMK) policy in Cimahi City carried out by the Manpower Office is certainly not easy; the policies implemented by the implementers are usually still general and have not been explained in detail.

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A. INTRODUCTION

Workers are one of the leading forces in determining the "face" of Indonesian society. Labor is a dynamist of the economic sector, a balancer, and even a savior of the country's financial growth balance (Vivarelli, 2014; Bracci et al., 2015; Smith et al., 2016). Therefore, efforts and seriousness from various parties are needed to increase the sense of security and welfare of workers or laborers (Hart, 1986; Harrel, 1985; Geroy et al., 2000). In general, the right to welfare is seen from the achievement of fulfilling the needs of a person, how they can live in a decent house, how he can get a job to

how he gets a decent wage and fulfills the needs of himself and his family (Stewart, 1989; Cohen, 1989). 1990; Reinboth et al., 2004).

Wage is the right of the worker/laborer that is received and expressed in the form of money as a reward from the entrepreneur or employer/labor, which is determined and paid according to a work agreement, agreement, or statutory regulations, including benefits for workers/laborers on an agreement and services that have been or will be performed (Michael, 2017; Suhartini et al., 2019; Hamid, 2020). The wages these workers receive arise when there is an employment relationship between the



worker and the employer and ends at the end of the employment relationship. The workforce is an essential element in increasing the growth of industrial development, both state-owned and private industries; therefore, all activities carried out by workers or laborers will contain aspects of the working relationship between workers and companies (Lawler et al., 1995; Al Hamadi et al., 2007). ; Zhao & Du, 2012).

In Indonesia, the problem of wages has become a classic problem that occurs from year to year because of the desire of workers to increase their wages. This is because the wages received are considered not comparable or not sufficient for real needs. It can be likened to an increase in the price of necessities like running while workers' wages are running in place or even experiencing a decline (Savitz, 2013; Beyer et al., 1999; Winters, 2002). This condition occurs because of differences in interests between the wage provider (entrepreneur) and the one who is paid (worker or laborer). On the worker's side, their main motive for working for employers is to earn wages; besides that, wages can be useful to increase the motivation of workers to work harder and to meet the needs of themselves and their families properly (Binswanger & Rosenzweig, 1984; Campbell & Kamlani, 1984). 1997; Oi & Edison, 1999). In the business world, wages are part of the cost of production, which is seen as reducing the level of profit generated. So employers try to reduce wages to the minimum level to increase company profits (Douglas & Shepherd, 2000; Holcombe, 2003; Porter & Kramer, 2019).

There are two types of Minimum Wages: provincial minimum wages and district or city minimum wages. The difference between the two lies in the coverage area of the applicable wage (Firmansyah & Fauzy, 2017; Shintia & Abbas, 2019). The Provincial Minimum Wage applies to all regencies/cities in one province. At the same time, the UMK is valid only in a district/city with the conditions of economic growth and inflation of the regencies/municipalities concerned. The Minimum Wage is determined through a Governor's Decree no later than November 21

of the current year for the provincial minimum wage (UMP) and November 30 for the district or city minimum wage (UMK). The minimum wage comes into effect on January 1, 2022 (Lokiman et al., 2014; Islami & Anis, 2019).

Minimum wage determination is carried out, considering economic and labor conditions. Variables in calculating economic and employment conditions include purchasing power parity, labor absorption rate, and median wages (Malik, 2018; Nadhifah, 2018). These three variables reference data from the Central Statistics Agency (BPS). In addition, the minimum wage adjustment also uses a specific value range by setting the upper and lower limits of wages in the area concerned. In short, the minimum wage is influenced by the current year's minimum wage, economic growth, and inflation; in other words, if inflation and economic growth decline, it will also affect the minimum wage set. In this Government Regulation, it is not clear how the contribution of the Decent Living Needs (KHL) to the increase in minimum wages (Pratomo & Saputra, 2011; Mahila, 2017).

The need for a decent living, or what is known as KHL, is the standard of living that every worker/laborer should experience as regulated in presidential regulation no. 78 of 2015 concerning wages, the need for a decent life, referred to as KHL, is the standard of need for a single worker/laborer to be able to live physically decently in 1 month (Arifin, 2011). However, even though various rules have been made, findings in the field still occur, and there are still various problems that afflict employers and workers/workers; various reasons trigger this, one of which is multiple interpretations of them the sound of the law due to the inability of one party to carry out the law. The law could be because they do not want to implement it for specific reasons, but what is often found in employment problems, one of which is the City/UMK minimum wage in each district/city (Sielmy, 2016).

When implementing the City Minimum Wage (UMK) policy in Cimahi City is viewed from the organizational aspect, the



determination of the UMK amount is an activity involving various elements of the government. In addition, determining the size of the MSE and the role of the government also involves the role of employers and trade unions. Therefore, from the organizational perspective, it can be seen how the clarity of the division of authority and the cooperative relationship between these multi- *stakeholders* can work synergistically through limited resources. Viewed from the interpretation side, the policy's implementation determining the size of the MSE requires further elaboration and interpretation in the form of action programs and concrete activities at the operational level. In this case, a policy cannot necessarily be appropriately implemented without the support and shared perceptions of the parties involved. This can be done through coaching, socializing, and providing operational tasks to officers/officers in the field and other *stakeholders*. involved (Makasau, 2009; Prasetyo, 2018) .

Policy implementation as an application process focuses on the process, which includes function, cause and effect, and trust. Thus, the implementation process contains a combination of responsibility (*responsibility*) and trust (*trust*) in the relationship between the community (labor), entrepreneurs, and the bureaucratic apparatus. Concerning the application in determining the size of the MSE, there are three essential elements, namely the policies implemented, the targeted workers, and employers. Determining the size of the MSE requires an analysis of how resources (human/apparatus, funds, facilities, and information) are obtained and utilized so that the *output* of determining the size of the MSE can be achieved as expected (Junaedi & Kavling, 2018; Damanik & Zalukhu, 2021).

Starting from the description of the background of the problem above, this research focuses on determining The City Minimum Wage, which the author formulated with the title: " The Strategy for Implementation of the City Minimum Wage Determination Policy (UMK) in the City of Cimahi. "This research is focused on the implementation of the City

Minimum Wage (UMK) policy in Cimahi City, which will be studied and explored based on the policy implementation model according to Charles O Jones (1984), which consists of *organizational activities, interpretation, and application*.

B. METHOD

This study uses a qualitative approach with a descriptive analysis method. The data collected is not numerical but data derived from interview scripts, field notes, personal documents, notes or memos of researchers, and other supporting official documents. The descriptive analysis method is used to photograph conditions in the field and find facts by interpreting and accurately describing the nature of various group or individual phenomena derived from research findings. According to Keirl and Miller in Moleong (2010), what is meant by qualitative research is "a particular tradition in social science that is fundamentally dependent on observations, humans, their region, and relates to these people in their language and terminology."

Qualitative research searches for data to understand social problems based on holistic research, formed by words and obtained from realistic situations. In qualitative research, the researcher tries to understand the subject from his frame of mind. Thus, what is essential is the experience, opinions, feelings, and knowledge of the participants. Therefore, all perspectives become valuable to the researcher. Researchers do not see right or wrong, but all data is essential. This approach is often referred to as humanistic because researchers do not lose the human side of social life. Researchers are no longer limited by numbers, statistical calculations, or variables that reduce the value of individual uniqueness. Thus, following the phenomenon and research objectives regarding implementing the City Minimum Wage determination policy, the authors use a phenomenological approach because this study tries to understand and interpret how to express phenomena in research by digging further into a variety of relevant

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data/information, then interpreting and explaining in depth and comprehensively.

C. RESULTS AND DISCUSSION

Implementation of the Minimum Wage Determination Policy for the city of Cimahi

a) Organization

Determining the city minimum wage in Cimahi City requires an institution prioritizing professionalism and performance accountability. In handling institutions, it is necessary to have a regulation that effectively regulates the issue of determining the city minimum wage, lest there be a sectoral and partial determination of the city minimum wage. A law has regulated the city's minimum wage setting process that more operational and detailed rules must follow. Two essential aspects regulate the determination of the city's minimum wage, namely the management and technical aspects.

The existence of the Manpower Office in implementing the city's minimum wage setting policy is currently subject to various challenges and increasingly complex demands accompanied by various policies (including referring to the vision and mission of the Cimahi City Government). The Manpower Office, as a public organization, certainly has a strategic role in policy implementation. In implementing the city's minimum wage setting policy, the Manpower Office has the duties and authorities stated in Regional Regulation 21 of 2009.

From the mandate of the Regional Regulation, it can be interpreted that implementing the city's minimum wage setting policy is technical but also managerial and strategic. The functionalization of the organization in the implementation of the determination of the city minimum wage contains 4 (four) essential things that receive attention, namely: First, how the organization can rearrange its resources (human resources, information, facilities, and finance) so that they can be more efficient. Utilized. Second, the arrangement of the units is illustrated from the aspects of the structure and work procedures of the organization in the implementation of the

determination of the UMK. The third is the technical aspect, namely the strategy or method used so that the program that has been designed can be implemented according to standard procedures and expected results. Fourth, with these resources, it is how the regional apparatus organizations (Disnaker) can explore, utilize and make priorities so that each available resource (human, financial, information, facilities) can be utilized optimally.

Viewed from the point of view of policy implementation, determining the city's minimum wage is very dependent on the ability of the implementing organization, especially the Manpower Office, to carry out the arrangement in carrying out its duties, functions, and authorities. Jones (1984: 98) emphasizes: "The importance of implementing organizations can carry out their main duties and functions following their authority ."By structuring the regional apparatus's organizational structure, it is hoped that there will be improvements in implementing the city's minimum wage setting policy. Thus, of course, the preparation and implementation require consideration and accuracy in determining the functions, authorities of each institution, unit, section, and pattern of relationships developed so that the built organization can respond and adapt to environmental demands.

City minimum wage, as stated earlier, is handled by a tripartite consisting of elements of the local government, trade unions, and entrepreneurs with an established structure. Not an easy challenge. Such indications are that in the division of labor, the distribution of tasks, coordination, and cooperation carried out by the Manpower Office can not be said to function optimally. Meanwhile, in terms of the division of tasks, functions, and authorities between and between fields within the Manpower Office, the Manpower Office still tends to use a mechanistic organizational pattern, which prioritizes formalistic structural aspects by prioritizing the division of tasks and functions in each unit. Hierarchically. However, the tasks that have been delegated are not matched by an adequate level of authority from



implementing officials in implementing the city's minimum wage setting policy.

Resource management activities are significant in implementing the city's minimum wage setting policy. Edward III emphasized that the resource factor plays an essential role in the success of policy implementation (Edward III, 1980). These resources include human resources, infrastructure, finance, information, and organizational environment. Human resources (employees and field officers) in the organization's context are not only seen in the number of employees. However, they are also related to the ability to work for wages.

From the capacity of human resources, especially from the level of education, the ability of employees is related to the burden and breadth of tasks and responsibilities, which show that they are insufficient to carry out tasks in determining the city minimum wage. The limited number of personnel impacts the implementation of policies; as Santoso (1991) said: "Inadequate personnel in number and with low skills will have an impact on the ability to implement policies." This is reinforced by the opinion of Tahir (204), who states, "Changes in the form will not produce better benefits or results if the human factor does not change. Any changes that are made at the end depend on the person." Another aspect of structuring resources, namely financial/financial sources, is intended for operational activities determining the city's minimum wage. As is known, budget resources are an essential factor in implementing a policy's success or failure. Budget management is determined by the amount of the available budget and how the available budget can be managed, utilized effectively, and efficiently.

b) Interpretation

Every policy implemented needs to be interpreted or interpreted properly and correctly. Interpretation of a policy aims to ensure that the goals and objectives governing the setting of the city minimum wage can be understood and supported by all actors involved in implementing the policy. Jones (1996: 296) argues that interpretation is "The

translation of language (often contained in a statute) into acceptable and feasible plans and directives." (interpreting so that the program (a series of states) into plans and directions that are appropriate and acceptable and implemented"). So interpretation is closely related to implementors understanding what they have to do as they should.

Interpretation in the implementation of the city's minimum wage setting policy can be seen from the following aspects: **First**, it concerns an understanding of the objectives of the city's minimum wage setting policy. Normatively, the city's minimum wage setting policy aims to improve the standard of living of the workers/laborers. **Second**, understanding of roles and primary functions. Understanding the main duties and functions that officers must carry out is very important because, after all, the officers in carrying out their work are primarily determined by understanding and commitment based on their primary duties and responsibilities. This greeting is guidance from the leadership of the Regional Apparatus Organization (OPD). The City of Cimahi is carried out through coordination meetings, consultations, technical guidance, and monitoring of all activities in determining wages. **Third**, understanding the program and socialization of the city's minimum wage setting policy is translated into *action programs* as OPD products in the form of a more detailed plan that describes comprehensive objectives, procedures, methods, standards, and budgets using natural resources. Directed and integrated. In other words, the city's minimum wage setting policy, which is derived in the form of a program, is a translation of the policy into actual action patterns and the allocation of OPD's potential and other resources.

In order to create a harmonious industrial relationship between workers and employers, regulations regarding minimum wages are needed to protect the workforce, and this minimum wage aims to improve the welfare of workers without neglecting worker productivity and company operational activities. The minimum wage is the minimum standard



that the company must pay to workers in its company environment. If viewed from Law no. 13 of 2003, it is stated that the minimum wage is intended for workers with a working period of 0 (zero) to 1 (one) year.

However, now the world is being hit by a global pandemic, namely the outbreak of Corona Virus Disease 2019 (COVID-19). This virus, which has claimed millions of lives, not only impacts health problems but has now begun to attack the world economy, including Indonesia. Global economic growth is now predicted to decline to 1.5%; not only the global economy is experiencing a decline, but Indonesia, as a country affected by Covid19, is also experiencing the same thing where economic growth in Indonesia will experience minus 1.7% to 0.6% in 2017. 2020.

The condition of Indonesia, which Covid-19 is currently hitting, makes the wage issue in 2021 a problem. The Covid-19 outbreak has spread to economic problems such as social restrictions policies that impact company

productivity and directly harm the workforce, namely the number of layoffs. To answer this problem, the central government, through the Circular of the Minister of Manpower Number M/11/1 HK.04/2020, contains an appeal to all regional governments not to increase the minimum wage amid the Covid-19 pandemic.

The central government issued the circular due to the problematic conditions of the COVID-19 pandemic and considering business conditions and existing wage protection. In addition, the policy has also been based on a study by the National Wage Council, which says adjustments are needed in determining the 2021 minimum wage. However, the Cimahi City government chose to increase the minimum wage based on the calculation of PP No. 78 of 2015 and did not follow the circular issued by the central government regarding the figures for setting minimum wages in 2021; the following is the data on the increase in the Cimahi minimum wage in the last four years.

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Table 1 Comparison of UMK Cimahi Period 2018 – 2021

Month	2016	2017	2018	2019	2020
Month	(2)	(3)	(4)	(5)	(6)
January	NA	NA	NA	NA	NA
February	NA	NA	NA	NA	NA
March	NA	NA	NA	NA	NA
April	NA	NA	NA	NA	NA
May	NA	NA	NA	NA	NA
June/	NA	NA	NA	NA	NA
July	NA	NA	NA	NA	NA
August	NA	NA	NA	NA	NA
September	NA	NA	NA	NA	NA
October	NA	NA	NA	NA	NA
November	NA	NA	NA	NA	NA
December/	2,032,412	2,279,180	2,391,318	2,592,008	NA
The Minimum Wage	2,275,715	2,468,461	2,678,028.45	2,893,074.13	3,130,271.74



The development of the Cimahi City Minimum Wage from 2014 to 2022 can be seen in the following table.

Table 2 Development of Cimahi City Minimum Wage

Year	MSE (Rp)	KHL (Rp)	Percentage UMK/KHL (%)
2014	1,735,473	1,725,168	100.60%
2015	2,041,000	1,955,384	104.38%
2016	2,275,715	2,032,412	111.97%
2017	2,463,461	2,303,073	106.96%
2018	2,678,028.45	2,394,318	111.85%
2019	2,893,074.13	2.592.088	121.11%
2020	3,139,274.74	-	-
2021	3,241,929.00	-	-
2022	3,272,668,50		

Source: Department of Manpower

Decent living needs consist of 60 (sixty) components and types of needs as listed in Appendix I of Ministerial Regulation No. 13 of 2012. However, after the enactment of PP. 78 of 2015 and Permenaker No. 21 of 2016 surveys are no longer carried out annually by the Regency/City Wage Council. However, they will be reviewed every 5 (five) years by the Minister by taking into account and considering the recommendations of the National Wage Council and the Central Statistics Agency. Center. This has resulted in conflicts and annual demonstrations leading up to the determination of the UMP, UMSP, UMK, and UMSK in almost all regions in Indonesia and even a wave of demonstrations with demands that the government immediately revise or revoke PP No. 78 of 2015 concerning Wages and their derivative regulations.

The technical aspect in the field of wages is not only limited to calculating and paying wages but also concerns setting wages. For the economic aspect in the field of wages, look at both macro and micro conditions, which

operationally then consider how the company's ability when the wage value will be determined and how it is implemented in the field. On a macro basis, it is often associated that if there is economic growth, then work is an element of society, so if there is economic growth, there will be an increase in income for workers, which can also be said to an increase in wages or an increase in wages.

c) Application

In policy implementation, the application aspect, according to Jones (1996: 296) Application: the routine provision of services, payments, or other agreed-upon program objectives or instruments. Program equipment". In public policy, the application is one of the factors in implementing public policy, which includes the provision or adjustment of program objectives and equipment. The implementation of the policy that will be carried out by mobilizing all resources through this application can be seen how the response of employers and workers to the policy.



The technical aspect in the field of wages is not only limited to calculating and paying wages but also concerns setting wages. For the economic aspect in the field of wages, look at both macro and micro conditions, which operationally then consider how the company's ability when the wage value will be determined and how it is implemented in the field. On a macro basis, it is often associated that if there is economic growth, then work is an element of society, so if there is economic growth, there will be an increase in income for workers, which can also be said to an increase in wages or an increase in wages. For this reason, in determining wages, essential things that must be considered include:

a. Minimum wage

The minimum wage is a stipulation issued by the government regarding the company's obligation to pay wages at least equal to the workers' Decent Living Needs (KHL) to the lowest-level workers. Wage policies need to be pursued systematically, both in terms of macro and micro, in line with labor development efforts, especially the expansion of employment opportunities, increased production, and improvement of workers' standard of living following their minimum basic needs. In determining the minimum wage, there are still differences based on the level of ability, nature, and type of work in each company with different conditions, which are not the same in each region/region. Therefore, the minimum wage is determined based on the province or district/city and the sector in the province or district/city, as well as nationally.

b. Wage Agreement

Law Number 13 of 2003 concerning Manpower stipulates the minimum wage based on the need for a decent living, taking into account productivity and economic growth, which includes the minimum wage based on the province or district/city and the minimum wage based on the sector in the province or district/city. The Governor for the province and the Regent/Mayor for the regency/city area set the minimum wage. Suppose the minimum wage is determined by an agreement between

the entrepreneur and the worker or labor union. In that case, the determination may not be lower than the wage provisions that have been regulated in the prevailing laws and regulations, and this is because if the determination is lower than the law, it will be canceled for the sake of law and are obliged to pay workers wages based on the applicable laws and regulations.

c. Determination of Wage Scale Structure

Wage structure is the arrangement of wage levels from the lowest to the highest or from the highest to the lowest. What is meant by Wage Scale is the range of nominal wages from the smallest to the largest for each position group. The employer must prepare the Wage Structure and Scale by considering the class, position, tenure, education, and competence. Article 3 paragraph (1) Regulation of the Minister of Manpower Number 1 of 2017 concerning Wage Structure and Scale. Wages listed in the Wage Structure and Scale are basic wages. The structure and scale of this wage are determined by the company's leadership in the form of a decree. This wage structure and scale applies to every worker/ laborer who has a working relationship with the entrepreneur in the company concerned. The structure and scale of wages must be notified to all workers/ laborers by the entrepreneur individually, who at least is notified of the structure and scale of wages in the group of positions following the position of the worker/ laborer concerned.

d. Periodic salary review

Article 92 of the Manpower Act and its elucidation stipulate that employers conduct periodic wage reviews considering the company's capabilities and productivity. This wage review is carried out to adjust the price of living necessities, work performance, development, and company capabilities. This review can be carried out either for an increase in the minimum wage (in the form of a header wage for those with experience), an increase in inflation, an increase in productivity, and an increase in company wealth. Periodic wage reviews are usually regulated in employment agreements, company regulations, or collective



labor agreements. The laws and regulations do not regularly regulate the question (how much) of the percentage adjustment/increase in wages. However, the laws and regulations have provided guidelines and mandated employers to draw up the structure and scale of wages as one of the wage policies, which is regulated in more detail in the Regulation of the Minister of Manpower Number 1 of 2017 concerning the structure and scale of wages.

Strategy for the Implementation of the City Minimum Wage Determination Policy (UMK) in the City of Cimahi

Public policy implementation is one of the stages of the public policy process. Furthermore, Jones (1984: 12) defines the implementation of public policy as: "*Getting the job done "and" doing it.*" However, according to Jones, implementing public policy requires conditions, including the presence of people or implementers, money, and organizational capabilities. What Jones stated about the implementation in the context of implementing the city's minimum wage setting policy is a stage of a policy, which requires at least two kinds of subsequent actions: *First*, formulating the actions to be taken, namely in the form of determining goals, program targets, and activities for determining the city's minimum wage. Carry out the actions that have been formulated, described in the form of activities in implementing the city's minimum wage setting policy, both technical, managerial, and strategic. Concerning the implementation of the city's minimum wage setting policy, concerning the opinion of Charles O. Jones (1996: 296), three activities become pillars in the implementation of the policy, namely: *Organization; Interpretation; The three applications* are interrelated.

Therefore, in implementing the policy, it is necessary to have a strategy on how the Cimahi City Manpower Service determines the city's minimum wage, which so far has not seen the proper method of determining the city's minimum wage. The increased participation of relevant institutions in implementing an

integrated city minimum wage setting system is still not optimal.

Based on the results of the research and discussion above, the findings of this study related to the implementation strategy of the minimum wage setting policy (UMK) in Cimahi City are as follows:

a. Wage Suspension Strategy

Some companies that panic enough to face the increase in the minimum wage or the minimum wage often take legal action regarding the increase in the minimum wage. Not a few companies also threatened to leave Indonesia because they objected to meeting the increasing wages of workers and employees. When companies want to be more observant and intelligent in responding to an increase in the UMK or UMR, they can find a strategy that can be taken as one of the steps to deal with the increase in the minimum wage in the region, namely by making an effort to defer wages. This effort to defer wages has also been regulated in Article 90, paragraph 2 of Law No. 13 of 2003 concerning Manpower. The article states that 'entrepreneurs who are unable to pay the minimum wage as stated in article 89 can be done with a suspension.'

The way to carry out a wage deferral effort is quite simple. The company only needs to apply suspension to the local government through the agency responsible for workforce affairs at least ten days before the date of entry into force of the minimum wage. The application must also be based on a written agreement between the company and the labor union. In the application process, the company must also attach several supporting documents, such as financial statements for the last two years, which a public accountant will then audit to prove that the company can indeed not pay the minimum wage as stipulated. Apart from deferring wages, the strategy to deal with the increase in the minimum wage that can be an alternative for entrepreneurs is through legal action.

b. Bipartite Negotiation Strategy

The company can also take a strategy to deal with the increase in the UMR and UMK



with several other alternative solutions, such as reducing production costs. In order to implement this solution, the company will lay off some workers. This solution may be pretty extreme, but it can be one of the solutions and strategies to deal with an increase in the minimum wage. In addition, some employers are considering relocating the company to areas with lower minimum wages. Whatever strategy the company takes when facing an increase in the UMR and UMK, it should also go through a wise and mature consideration so that everything can be a solution to solve the problem. The government must protect against unofficial levies that cause significant production costs, which result in higher production costs. The magnitude of these costs causes the setting of higher prices that sell products will undoubtedly result in less competitive prices compared to outside prices. This condition causes the company's productivity level to be low, so the company will find it difficult to determine the wages following what is set by the government.

c. Strategy to reduce production costs

The company can also take a strategy to deal with the increase in the UMR and UMK with several other alternative solutions, such as reducing production costs, which in order to implement this solution the company will lay off some workers. This solution may be quite extreme to do but it can be one of the solutions and strategies to deal with an increase in the minimum wage. In addition, some employers are taking steps to consider relocating the company to areas with lower minimum wages. Whatever strategy the company takes when facing an increase in the UMR and UMK, it should also go through a wise and mature consideration so that everything can be a solution to solve the problem. The government must protect against unofficial levies that cause large production costs which result in higher production costs. The impact of the magnitude of these costs causes the setting of prices that sell products higher will certainly result in less competitive prices compared to outside prices. This condition causes the company's

productivity level to be low, so the company will find it difficult to determine the amount of wages in accordance with what is set by the government

D. CONCLUSION

The City Minimum Wage (UMK) policy implementation in Cimahi City has not effectively implemented the city minimum wage setting in Cimahi City, which is the main task and responsibility of the Manpower Office. Local governments must produce appropriate regulations and the ability of managers to carry out their responsibilities. Implementation will run well if the measures and objectives are understood by the individuals responsible for policy performance. Thus, it is imperative to pay great attention to the clarity of the primary measures and objectives of the policy, the accuracy of their communication with implementers, and the consistency or uniformity of the primary measures and objectives communicated with various sources of information. Strategies in implementing the City Minimum Wage (UMK) policy in Cimahi City include 1) Wage deferral strategy, 2) Bipartite negotiation strategy, and 3) Strategies to reduce product costs.

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