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Formulation of Arrangements for Not Achieving Work Targets of Workers/Laborers as a Reason for Termination of Work Relationships

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Abstract

Article 154A of Law of the Republic of Indonesia No. 13 of 2003 on Manpower and Article 36 of Government Regulation No. 35 of 2021 on Fixed-term Employment Agreements, Outsourcing, Working Time and Rest Time, and Termination of Employment have regulated the reasons for termination of employment in a limitation and enumerative. However, there is a legal vacuum regarding the non-fulfillment of targets by workers or laborers as a reason for termination of employment, even though employers often use this reason. Based on these legal issues, the problem formulation in this article is first, how is the validity of not achieving sales targets as a reason for termination of employment? Second, what are the legal considerations of the Panel of Judges regarding the non-achievement of sales targets as a reason for termination of employment? This research is a normative legal research with statutory, conceptual, and case approaches. The results of this research are first, the reason for termination of employment related to the non-fulfillment of targets by workers or laborers can be used as a reason for termination of employment if the reason is regulated in the Work Agreement, Company Regulation, or Collective Labor Agreement and has previously been given the first, second, and third warning letters consecutively each valid for a maximum of 6 (six) months unless otherwise stipulated in the Work Agreement, Company Regulation, or Collective Labor Agreement. Secondly, based on existing court decisions, the reasons for termination of employment related to non-fulfillment of targets by workers or laborers are valid.

Keywords: reasons for termination of employment, employment, termination of employment, non-achievement of target

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1. Introduction

In the General Elucidation of Law of the Republic of Indonesia, Number 13 of 2003 Concerning Manpower (hereinafter referred to as the Manpower Law) as amended by Government Regulation instead of Law of the Republic of Indonesia Number 2 of 2022 on Job Creation enacted by Law of the Republic of Indonesia Number 6 of 2023 on the Stipulation of Government Regulation instead of Law Number 2 of 2022 on Job Creation into Law can be understood that labor development in Indonesia is carried out based on Pancasila and the 1945 Constitution of the Republic of Indonesia to create a prosperous, just, thriving, and equitable society, both materially and spiritually. (Dwi, 2021). This is also parallel to Article 2 of the Labor Law and its explanation:

> Article 2 of the Labor Law: "Labor development is based on Pancasila and the 1945 Constitution of the Republic of Indonesia."
>
> Explanation of Article 2 of the Labor Law: "Labor development is carried out within the framework of the development of the Indonesian human being as a whole. Therefore, Labor development is carried out to create a prosperous, just, prosperous, and equitable Indonesian people and society, both materially and spiritually."

Based on a grammatical interpretation that interprets a word in the context of a series of uses of the word (noscitur a sociis) (Prisilla, 2020), in interpreting the meaning of "Indonesian society" in the Labor Law, it can be interpreted as not only workers or laborers, but also employers, entrepreneurs, and companies (Abas et al., 2022). This is because the subjects regulated in the Labor Law are not only workers or laborers, but also employers, entrepreneurs, and companies (Kurniasari, 2022).

Since the context of "Indonesian people" referred to in the Labor Law is not only workers or laborers but also employers, entrepreneurs, and companies, the meaning of labor development is to create welfare, justice, prosperity, and equity, both material and spiritual is not only for workers or laborers, but also employers, entrepreneurs, and companies. Thus, it can be interpreted that legal protection in the Labor Law also includes employers, employers, and companies. Therefore, the articles in the Labor Law must also be read as a form of protection made by the government to protect employers, employers, and companies to realise justice. (Suwadji et al., 2023).. It can be said that proportional justice is the basis for the Labor Law to provide protection not only to workers or laborers, but also to employers, employers, and companies. (Juniardi et al., 2021).

One form of legal protection of proportionality between workers and employers, employers, and companies in the Labor Law is related to the reasons for termination of employment. (Jamal et al., 2023). The limitation and enumerative arrangement of reasons for termination of employment in Article 154A of the Labor Law reflect proportionality justice between workers and employers, entrepreneurs, and companies because, on the one hand, legal certainty is provided for workers regarding the matters that can terminate their work relations with employers, employers, and companies and on the other hand, legal certainty is provided for

employers, employers, and companies to terminate the employment relationship with workers or laborers, when there are circumstances and violations committed by workers or laborers, which are also regulated in parallel in Article 36 of Government Regulation Number 35 of 2021 concerning Specific Time Work Agreements, Outsourcing, Working Time and Rest Time, and Termination of Employment Relations (hereinafter referred to as PP 35/2021). (Pramudhita et al., 2021).

From the reasons for termination of employment, which are a manifestation of proportionality legal protection between workers or laborers and employers, entrepreneurs, and companies, some reasons reflect proportionality justice for these parties but are not included in Article 154A of the Manpower Law and PP 35/2021, namely related to the non-achievement of labor targets as a reason for termination. (Gabriella & Attalim, 2019). Many employers, businesses, and companies operate highly dependent on certain targets, such as sales targets, number of customers, and so on. These "targets" from workers can be said to be the "support" so that these employers, employers, and companies can survive. Hence, employers and companies often perform strict supervisory functions on workers to meet these work targets. On this basis, it is logical that these targets usually become the main element of worker or labor performance assessment to determine the sustainability of the worker's work performance. (Yasin, 2024). This then makes Employers, Employers, and Companies terminate the employment of workers or laborers based on the non-fulfillment of targets made by the Employer, Employer, and Company (Romauda, 2022).

In practice, although there is no clear and explicit regulation (expressis verbis) related to the termination of employment due to the non-achievement of labor targets, with the basis of the principle of contra legem (Ghambaryan, 2023)there are times when the Panel of Judges grants termination of employment related to this matter. Some examples of such decisions include Supreme Court Decision No. 337 K/Pdt.Sus/2012, Supreme Court Decision No. 675 K/Pdt.Sus-PHI/2017, and Supreme Court Decision No. 186 K/Pdt.Sus-PHI/2014. However, it is undoubtedly a question related to the validity of the legal considerations (ratio decided) of the Panel of Judges who granted the termination of workers' employment because they did not achieve the existing targets, even though the legislation is not regulated expressis verbis in this regard.

Based on the above background, it is undoubtedly important to conduct further research related to the validity of not achieving labor targets as a reason for termination of employment, especially in judicial practice (in case: court decisions that have permanent legal force [inkracht van gewjisde]) it was found that the Panel of Judges granted termination of employment, because the labor target was not achieved, even though the legislation does not regulate the reason for dismissal (in case: legal vacuum or element in het recht). When this legal problem, in the form of a legal vacuum, is left unaddressed, there will be a dualism of opinion regarding the termination of employment due to the non-achievement of the worker's target. The first view is that the termination of employment due to non-achievement of the worker's target is legal. The

second view is that the termination of employment due to non-achievement of the worker's target is illegal. Therefore, it is necessary to analyze these legal issues.

Based on the above background, the problem formulations in this article are as follows: first, how is the validity of not achieving sales targets as a reason for termination of employment? Second, what are the legal considerations of the Panel of Judges regarding the non-achievement of sales targets as a reason for termination of employment? The objectives of this article are as follows: first, to analyze the validity of not achieving sales targets as a reason for termination of employment. Second, to analyze the legal considerations of the Panel of Judges regarding the non-achievement of sales targets as a reason for termination of employment.

To ensure novelty in this article, several similar articles and differences with these articles will be described. First, an article by Sudibyo Aji Narendra Buwana, Mario Septian Adi Putra entitled: "Implementation of Termination of Employment (PHK) Against Workers with Specified Time Work Agreement Status (PKWT) at PT X in Malang City" published in Competence: Journal of Management Studies, Vol. 9, No. 2, 2015. In the article, the author focuses on the reasons for termination of employment in the company and the implementation of termination of employment in the company. (Buwana & Putra, 2015). The difference is that in this article, the focus of the discussion is only related to the non-achievement of sales targets as a reason for termination of employment, not the reasons for termination of employment in general and the focus of the analysis is with real cases examples (in case: based on court decisions). Second, an article by Ropidin and Setyo Riyanto entitled: "The Impact of Termination of Employment in Pharmaceutical Companies Related to COVID-19 in Indonesia" was published in the Syntax Transformation Journal, Vol. 5, No. 1, 2020. In the article, the focus of the discussion is related to termination of employment, due to the Covid-19 pandemic. (Ropidin & Riyanto, 2020). In this article, the focus of the discussion is related to not achieving sales targets as a reason for termination of employment, in times of emergency or ordinary circumstances.

2. Research Method

This research is doctrinal research. Legal research is finding legal rules, principles, and doctrines to deal with the legal issues at hand. (Purwati, 2020). In this research, the legal issues to be analyzed and answered are related to the validity of not achieving sales targets as a reason for termination of employment and the legal considerations of the Panel of Judges regarding not achieving sales targets as a reason for termination of employment.

In legal research, it is classified into 2 (two), namely normative and empirical legal research. (Renggong et al., 2020). Normative legal research examines document studies using various secondary data such as laws and regulations, court decisions, and legal theories, and can be in the form of scholars' opinions or doctrine. (Benuf & Azhar, 2020). Empirical legal research is a legal research method that uses empirical facts taken from human behavior, both verbal behavior obtained from interviews and real behavior carried out through direct observation. (Janna et al.,

2024). In this research, the normative legal research method is used by examining the validity of not achieving sales targets as a reason for termination of employment and the legal considerations of the Panel of Judges regarding not achieving sales targets as a reason for termination of employment using secondary data, such as laws and regulations, court decisions, legal theories, legal doctrines, and so on.

In this normative legal research, there are 3 (three) approaches used, namely the statute approach, conceptual approach, and case approach. In the statutory approach, the data used is secondary legal data, in the form of primary, secondary, and thesis legal materials. The conceptual approach is an approach based on theories and expert opinions as well as doctrines that exist in legal science to find conceptual, legal ideas and principles that answer research issues. Meanwhile, the case approach is an approach that uses judicial decisions with permanent legal force as a source of legal material. Legal materials are collected through literature study. The legal materials were analyzed through interpretation and construction to answer the legal issues. (Aryani, 2021).

3. Results and Discussion

3.1. Not Achieving Sales Targets as a Reason for Termination of Employment

The employment relationship is a relationship that is born between employers and workers due to the existence of a work agreement made and agreed upon by the parties. Imam Soepomo stated that the will to be bound to the employment relationship is because the employer will pay the worker for the work he has done. (Sinaga & Zaluchu, 2021).. From the perspective of the labor law regime, the notion of employment relationship is defined in Article 1 number 15 of the Labor Law which stipulates: "Employment Relationship is a relationship between an Employer and a worker/laborer based on a work agreement that has elements of work, wages, and orders (emphasis added)." This is parallel to the legal principle: "consensus facit legem" which basically means that an agreement produces a legal relationship. (Manukyan, 2020).

Examining in the perspective of contract law, all employment agreements that have been made between Workers and Employers which have fulfilled the legal requirements of an Agreement based on Article 1320 of the Civil Code (hereinafter referred to as KUHPer) are binding as law, as per Article 1338 of the KUHPer and of the *pacta sun servanda*. (Suhardana et al., 2024). Regarding matters regulated or determined by the parties in an employment agreement, basically under the principle of freedom of contract, in which the parties are free to determine or choose the cause of the agreement to be made, determine the object of the agreement, the form of the agreement, and decide to bind or not bind themselves to an agreement.

Limitatively, freedom of contract itself is limited by permissible causation as one of the objective conditions of the validity of an agreement (vide Article 1320 of KUHPer). The meaning of this "permissible cause" basically refers to the things that are agreed upon and agreed upon must be by the rules of positive law. (Taun, 2020). In particular, the Labor Law as a lex specialis

of the ICC through Article 52 paragraph (1) of the Labor Law determines the validity of a Work Agreement as follows: "(1) Employment Agreements shall be made based on: a. Agreement of both parties; b. Ability or capacity to perform legal acts; c. The existence of promised work; and d. The work agreed upon does not conflict with public order, decency, and prevailing laws and regulations.

The logical-juridical consequence of not fulfilling the provisions in Article 52 paragraph (1) letters a and b is that the employment agreement can be canceled (voidable). (Illiyyin & Nugroho, 2019). This is explicitly confirmed through Article 52 paragraph (2) of the Labor Law that: "Work agreements made by parties that contradict the provisions referred to in paragraph (1) letters a and b may be cancelled." Meanwhile, the legal consequence of not fulfilling the provisions of Article 52 paragraph (1) letters b and c is that the work agreement becomes null and void. (Lubis, 2022). In this regard, it is stipulated in Article 52 paragraph (3) that: "Employment agreements made by the parties that are contrary to the provisions referred to in paragraph (1) letters c and d are null and void." In the event that a work agreement made and agreed between the employer as the employer and the worker has fulfilled the conditions for the validity of the work agreement as stipulated in Article 52 of the Labor Law, the work agreement is qualified as a valid agreement and will give rise to legal rights and obligations to the parties. (Yuli et al., 2018).

In connection with the employment agreement that gives rise to the employment relationship, the laws and regulations regulate limitatively and enumeratively related to the reasons for termination of employment (Suwadji, 2019). The reasons for termination of employment can be found in Article 154A of the Labor Law, among others:

(1) Termination of employment may occur for the following reasons:
   a. The Company conducts a merger, consolidation, acquisition, or separation of the Company and the Worker/Laborer is not willing to continue the Employment Relationship or the Employer is not willing to accept the Worker/Laborer;
   b. The Company conducts efficiency followed by the Closing of the Company or not followed by the Closing of the Company due to the Company experiencing losses;
   c. The Company is closed due to the Company's continuous losses for 2 (two) years;
   d. Company closure due to *force majeure;*
   e. The company is in a state of suspension of debt payment obligations;
   f. Bankrupt company;
   g. there is a request for termination of employment submitted by a Worker/Laborer because the Employer has committed the following acts: 1. mistreats, abusively insults or threatens a Worker/Laborer; 2. induces and/or orders a Worker/Laborer to commit an act contrary to laws and regulations; 3. fails to pay wages at the specified time for 3 (three) consecutive months or more, although the Employer pays wages on time thereafter; 4. fails to perform an obligation promised to a Worker/Laborer; 5. orders a Worker/Laborer to perform work other than that

agreed upon; or 6. provides work that endangers the life, safety, health, and morals of the Worker/Laborer while such work is not included in the Work Agreement;

h. there is a decision of the Industrial Relations Dispute Settlement Institution stating that the Employer has not committed the act as referred to in letter g against the application submitted by the Worker/Laborer and the Employer decides to terminate the employment relationship;
i. Workers/Laborers resign on their own volition and must meet the following conditions: 1. submit a written request for resignation no later than 30 (thirty) days before the resignation start date; 2. not be bound by service bonds; and 3. continue to carry out their obligations until the resignation start date;
j. Workers/Laborers are absent for 5 (five) or more consecutive working days without a written explanation accompanied by valid evidence and have been summoned by the Employer 2 (two) times properly and in writing;
k. The Worker/Laborer violates the provisions stipulated in the Work Agreement, Company Regulation, or Collective Bargaining Agreement and has previously been given the first, second, and third warning letters consecutively each valid for a maximum of 6 (six) months unless otherwise stipulated in the Work Agreement, Company Regulation, or Collective Bargaining Agreement;
l. The worker/laborer is unable to perform work for 6 (six) months due to being detained by the authorities for allegedly committing a criminal offense;
m. The worker/laborer suffers from a prolonged illness or disability due to a work accident and is unable to perform his/her job after exceeding the limit of 12 (twelve) months;
n. The worker/laborer enters retirement age; or
o. The worker/laborer dies.

(2) In addition to the reasons for termination of employment as referred to in paragraph (1), other reasons for termination of employment may be stipulated in the Work Agreement, Company Regulation, or Collective Labor Agreement as referred to in Article 61 paragraph (1).
(3) Further provisions regarding the procedures for termination of employment are regulated in a Government Regulation.

Regarding the reasons for termination of employment, this is reaffirmed in Article 36 of PP 35/2021, which is set out in full as follows:

Termination of employment may occur for reasons:

a. The Company conducts a merger, consolidation, acquisition, or separation of the Company and the Worker/Laborer is not willing to continue the Employment Relationship or the Employer is not willing to accept the Worker/Laborer;
b. The Company conducts efficiency followed by the closure of the Company or not followed by the closure of the Company due to the Company experiencing losses;

c. The Company is closed due to the Company's continuous losses for 2 (two) years;
d. Company closure due to *force majeure;*
e. The company is in a state of suspension of debt payment obligations;
f. Bankrupt company;
g. there is a request for termination of employment submitted by a Worker/Laborer on the grounds that the Employer has committed the following acts: 1. mistreats, violently insults, or threatens a Worker/Laborer; 2. persuades and/or orders a Worker/Laborer to commit an act contrary to laws and regulations; 3. fails to pay wages at the specified time for 3 (three) consecutive months or more, although the Employer pays wages on time thereafter; 4. fails to perform an obligation promised to a Worker/Laborer; 5. orders a Worker/Laborer to perform work other than that agreed upon; or 6. provides work that endangers the life, safety, health, and morals of the Worker/Laborer while such work is not included in the Work Agreement;
h. there is a decision of an industrial relations dispute settlement institution stating that the Employer has not committed the act as referred to in letter g against the application submitted by the Worker/Laborer and the Employer decides to terminate the employment relationship;
i. Workers/Laborers resign on their own volition and must meet the following conditions: 1. submit a written request for resignation no later than 30 (thirty) days before the resignation start date; 2. not be bound by service bonds; and 3. continue to carry out their obligations until the resignation start date;
j. Workers/Laborers are absent for 5 (five) or more consecutive working days without a written explanation accompanied by valid evidence and have been summoned by the Employer 2 (two) times properly and in writing;
k. The Worker/Laborer violates the provisions stipulated in the Work Agreement, Company Regulation, or Collective Bargaining Agreement and has previously been given the first, second, and third warning letters consecutively each valid for a maximum of 6 (six) months unless otherwise stipulated in the Work Agreement, Company Regulation, or Collective Bargaining Agreement;
l. The worker/Laborer is unable to perform work for 6 (six) months as a result of being detained by the authorities for allegedly committing a criminal offense;
m. The worker/Laborer suffers from a prolonged illness or disability due to a work accident and is unable to perform his/her job after exceeding the limit of 12 (twelve) months;
n. The worker/Laborer enters retirement age; or
o. The worker/Laborer dies.

Based on the description in the provisions of Article 154A of the Labor Law and 36 of Government Regulation No. 35/2021, it can be understood that there are 2 (two) classifications of reasons for termination of employment based on the form of regulation. This classification is based on Moch Isnaeni 's theory of legal protection in civil law, which classified the sources of

legal protection into 2 (two), namely *first*, internal legal protection, which is legal protection derived from agreements made by the parties, and *second*, external legal protection derived from laws and regulations made by the legislators. (Isnaeni, 2016).

The following is a classification of reasons for termination of employment based on the form of regulation: *First*, externally regulated grounds for termination of employment. Externally regulated reasons for termination of employment mean that the reasons for termination of employment are regulated *expressis verbis* in the laws and regulations. For example, the reasons for a company closing down due to *force majeure*, a company in a state of postponement of debt payment obligations, and a company going bankrupt are valid reasons for an employer to terminate the employment relationship with workers or Laborers. *Second*, internally regulated reasons for termination of employment. Internally regulated reasons for termination of employment mean that the reasons for termination of employment are based on an agreement between the employer and the worker or Laborer, in accordance with the Work Agreement, Company Regulation, or Collective Labor Agreement, provided that the first, second, and third warning letters have been given consecutively, each valid for a maximum of 6 (six) months unless otherwise stipulated in the Work Agreement, Company Regulation, or Collective Labor Agreement.

About the act of termination of employment based on non-achievement of a sales target or other business target, it must be placed in the perspective of "a valid Work Agreement gives rise to legal consequences" relating to the reasons for termination of employment which are regulated internally. The meaning of "legal consequences" here is "the existence of an obligation that limits a worker's rights". In other words, as long as a matter has been agreed and agreed in the employment agreement, the worker is obliged to obey and carry out this matter, including achieving sales targets or similar business targets. (Nasution et al., 2021).

Furthermore, regarding the reason for termination of employment, due to the non-achievement of a sales target or business target by the Worker, if it is related to the reason for termination of employment which is regulated internally or the reason for termination of employment related to the existing agreement, it can be related to Article 154A paragraph (1) letter k of the Labor Law which regulates that violation of the provisions stipulated in the employment agreement can be the reason for termination of employment, as follows:

"(1) Termination of employment may occur for reasons:

.k.The worker/Laborer violates the provisions stipulated in the Work Agreement, Company Regulation, or Collective Bargaining Agreement and has previously been given the first, second, and third warning letters consecutively each valid for a maximum of 6 (six) months unless otherwise stipulated in the Work Agreement, Company Regulation, or Collective Bargaining Agreement (emphasis by author);"

Based on these provisions, it can be understood that the performance of an employee who does not achieve the sales target as agreed in the employment agreement can be interpreted as a

form of violation of the employment agreement. In addition, the provisions of the article quo also provide space for employers to be able to determine sales targets in company regulations. So that workers are obliged to carry out and fulfill the targets set. In the event that an employee is unable to fulfill his/her obligations, the employer may terminate the employment of the employee, provided of course that the first, second, and third warning letters are given consecutively, each valid for a maximum of 6 (six) months unless otherwise stipulated in the Work Agreement, Company Regulation, or Collective Labor Agreement. As for the procedure, it can be determined otherwise as long as it is stipulated in the work agreement agreed upon by the Parties or the Company Regulation stipulated by the employer.

As a legal comparison, in other countries, non-fulfillment of targets as a reason for termination of employment is also not qualified as a valid reason. This, for example, can be seen from several decisions, among others:

a. Moneyline Financial Services (Pty) Ltd v Chakane NO and Others (JR245417) [2019] ZALCJHB 156 (19 JUNI 2019)
   In the case, Moneyline Financial Services (Pty) Ltd, the employer, dismissed 7 employees who were employed in the capacity of sales representatives for failure to achieve their sales targets.
b. Damelin (Pty) Ltd v Solidarity obo Parkinson [S]; Commissioner Sithole [S] N.O.;CCMA (JA48/2015) [2017] LAC
   In the case, the employer dismissed Parkinson who was appointed as the general manager of the Boksburg campus. He was dismissed, due to poor performance related to his failure to achieve sales targets and was fired.

What needs to be considered in relation to termination of employment for reasons of not achieving sales targets or similar business is the possibility of "unreasonable and humane targets that the employer may set". This is very likely to happen, considering that the position of the Employer, Employer, and Company is "higher" than the worker or Laborer and there is a tendency to abuse the situation (*misburik van omstandigheiden*). (Purnomo et al., 2021). Considering the often unequal position between workers and employers where workers are the ones who need work and wages, there is a possibility that employers set sales targets or business targets that are not reasonable and humane towards workers. To close the possibility of this happening and to protect workers' rights, it is necessary to formulate the validity of the reason for dismissal due to the non-achievement of a sales target or similar business target through 2 (two) schemes.

Firstly, in the short term, the Ministry of Manpower of the Republic of Indonesia ("MOMA") could issue a Ministerial Circular that essentially calls on companies that impose sales or other business targets on workers along with the threat of termination of employment to specify this in their Company Regulations. With the determination of these targets in the Company Regulation, the Ministry of Manpower has the space to make corrections or protect workers from unreasonable and inhumane targets set by the employer, considering that each Company Regulation must go through the ratification process carried out by the Regional Work Unit in the

field of manpower under the Ministry of Manpower by with the provisions of Part Two concerning Ratification of Company Regulations Article 7 to Article 11 of the Regulation of the Minister of Manpower of the Republic of Indonesia Number 28 of 2014 concerning Procedures for Making and Ratification of Company Regulations and Making and Registration of Collective Work Agreements. (Nazaruddin, 2020). It is in this ratification process that the Ministry of Manpower can be involved in ensuring the protection of workers' rights.

Secondly, ideally the solution to this problem should be done in the long term by revising Law No. 6 of 2023 on the Stipulation of Government Regulation instead of Law No. 2 of 2022 on Job Creation into Law, to explicitly regulate that only reasonable and humane sales targets or business targets can be used as a reason for terminating employment. The explanation part of the Article in the revised Law will also outline the indicators used in measuring the reasonable and humane limits referred to. Furthermore, it needs to be emphasised that in the event that an employer wishes to determine sales targets or similar business targets as a reason for termination of employment, he/she is obliged to regulate it clearly in the Company Regulations including procedures for termination of employment for such violations. Through this scheme, the involvement of Labor unions and regional units under the auspices of the Ministry of Manpower can correct unreasonable and inhumane sales target clauses that may be applied to workers.

3.2. *Ratio Decidendi* of Judges' Decision on Not Achieving Targets as a Reason for Termination of Employment

As the legal adage goes: "*judicia sunt tanquam juris dicta, et pro veritate accipiuntur*" (free translation: "a judgment is the application of the law and is accepted as true"). (Highet, 1987)Therefore, the application of termination of employment due to non-fulfilment of targets can be examined by analysing several related decisions. Furthermore, based on the provisions of Article 5 paragraph (1) of Law Number 48 of 2009 concerning Judicial Power which outlines that: "Judges and constitutional judges are obliged to explore, follow, and understand the legal values and sense of justice that live in society." This shows that court decisions in Indonesia are born from in-depth analyses, not only of existing laws and regulations but also the values of justice that exist in society. Thus, it can be stated that one of the best ways to analyze the application of law in Indonesia is by analyzing court decisions that have permanent legal force (*inkracht van gewjisde*). Based on this, this research will analyse court decisions that have permanent legal force in relation to termination of employment due to non-fulfillment of targets, namely as in Supreme Court Decision No. 337 K/Pdt.Sus/2012, Supreme Court Decision No. 291 K/Pdt.Sus-PHI/2016, Supreme Court Decision No. 675 K/Pdt.Sus-PHI/2017.

The reasons for the decision were chosen: 1) These decisions are qualified as decisions with permanent legal force (*inkracht van gewjisde*), so these decisions are legally binding for the parties and no legal remedies are possible.(Putri, 2023); and 2) These decisions have considerations related to the justification of termination of employment due to non-achievement of targets. Furthermore, the description of the decisions will be elaborated as follows:

Table 1. Legal Facts and Judges' Considerations in the Decision

The Verdict	Reason for dismissal	Judge's Consideration
Supreme Court Decision Number 337 K/Pdt.Sus/2012	Workers in the company are *Sales Forces*, and in carrying out their duties and responsibilities, cannot achieve the **sales target** in the sense that it is not achieved according to the provisions of the Company, then the *sales forces* concerned are considered not carrying out their duties as well as possible. And if the Worker does not carry out his duties to the best of his ability, then this action has violated the provisions of Article 25 paragraph 2 of the Company Regulation of PT Asia Safety Indonesia which applies for the period 2009-2011. Furthermore, the worker had received Warning Letter 1, Warning Letter II and Warning Letter III, where the letter was given based on the position of the Plaintiff/Case Respondent as Sales Forces, where a Sales Forces must achieve sales targets and "if the sales target is not achieved then he has failed as a sales force".	Because the Worker/Respondent had received 3 (three) warning letters in a row, the Respondent should have been terminated based on Article 161 of Law No. 13 of 2003. (Page 8 of Supreme Court Decision Number 337 K/Pdt.Sus/2012)
Supreme Court Decision Number 291 K/Pdt.Sus-PHI/2016	The worker is unable to fulfil the targets set by the company and the term of the employment contract has expired.	That the plaintiff/worker was unable to achieve the agreed work targets so that in accordance with the provisions of Article 59 of Law No. 13/2003 *jo.* Article 3 paragraph (8) of Decree of the Minister of Manpower and Transmigration Number 100/Men/VI/2004, the company's action in terminating the employment relationship with the worker because the work target was not met is justified. (Page 14 of Supreme Court Decision Number 291 K/Pdt.Sus-PHI/2016)
Supreme Court Decision Number 675 K/Pdt.Sus-PHI/2017	The worker as the Head of the marketplace did not understand and could not provide a	If carefully considered, the legal facts can be obtained that the Plaintiff/worker cannot carry

The Verdict	Reason for dismissal	Judge's Consideration
	marketplace concept that was by the company's business objectives, and could not achieve the target. The company then made efforts to increase and improve the worker's performance, namely by transferring or moving to another section, namely Project Management. However, in this position, the worker was also unable to provide good performance, so then he was transferred again to another section, namely as a Transporter Trainer. However, again the worker was unable to carry out his work properly.	out his obligations as a marketplace properly or cannot achieve work targets while the Plaintiff's position is very decisive for the Defendant company. (Page 14 of the Supreme Court Decision Number 675 K/Pdt.Sus-PHI/2017)

Source: Supreme Court Decision No. 337 K/Pdt.Sus/2012, Supreme Court Decision No. 291 K/Pdt.Sus-PHI/2016, Supreme Court Decision No. 675 K/Pdt.Sus-PHI/2017

Based on the description of the decision as above, it shows that the judge through his decision justified the termination of employment by the company to the worker due to the worker being unable to achieve the work targets set by the company. In addition, the decision as above not only shows that termination of employment due to workers not achieving sales targets can be justified if the requirement is specified in the work agreement or company regulations, but also shows the conditions that must be met before termination of employment, namely the issuance of warning letters 3 (three) times consecutively. The importance of achieving targets by the company is due to the important position of workers for the company. Henceforth, the author will analyze each of the above decisions about the validity of termination of employment due to failure to meet targets.

First, the Supreme Court Decision Number 337 K/Pdt.Sus/2012 shows that the role of the sales force in achieving targets is very important and this is stated in the company regulations, in the event that the target is not achieved, it is considered that they have not carried out their duties properly. In the decision, the judge stated that termination of employment due to workers not achieving sales targets can be justified if the requirements are specified in the Company Regulation, but it is also necessary to show the conditions that must be met before termination of employment, namely the issuance of 3 (three) warning letters consecutively. Where in this case, the company has given 3 (three) warning letters in a row, so that termination of employment due to not reaching the target can be justified by the provisions of Article 161 of the Labour Law. Second, in Supreme Court Decision Number 291 K/Pdt.Sus-PHI/2016, it can be seen that the reason for termination of employment was because the worker did not meet the target and the term of the employment agreement had expired, this shows that the issue of termination of

employment is also very dependent on the employment agreement, and company regulations. Third, in Supreme Court Decision Number 675 K/Pdt.Sus-PHI/2017, workers were unable to carry out their duties according to the target and did not understand their duties properly, even though the position of workers is very decisive for the company. However, on the other hand, the company did not give warning letters 3 (three) times in a row before termination of employment, but only made 2 (two) job mutations in the project management and transport trainer sections. Workers in the mutation were also unable to carry out their duties properly, resulting in termination of employment. Even though there was no warning letter, the job transfer was considered an effort to prevent termination of employment, which means that the company's actions were in line with the provisions of Article 151 paragraph (1) of the Labour Law. Thus, this decision shows that companies are justified in terminating employment if workers do not perform their obligations well or cannot achieve work targets even though the worker's position is crucial for the company. In addition, this decision also shows that the judge considers the principles of propriety and justice for the company by applying the provisions of Article 161 of the Labour Law. This indicates that the role of warning letters before termination of employment due to non-fulfilment of targets is important.

Based on the description above, it can be concluded that termination of employment due to non-fulfillment of targets is justified, provided that the following conditions have been fulfilled: 1) there has been a warning letter of 3 (three) times in a row to workers who do not meet the targets as agreed in the work agreement, company regulations, or collective bargaining agreement, 2) there is an effort from the company to try to prevent termination of employment, 3) termination of employment is very dependent and related to the work agreement, company regulations, or collective bargaining agreement, 4) the substance of the work agreement, company regulations, or collective bargaining agreement must not conflict with laws and regulations relating to employment such as the Manpower Law.

4. Conclusion and Recommendations

Termination of employment due to non-achievement of sales targets made by the employer is valid if there is an internal regulation that has been agreed between the worker or laborer and the employer which stipulates that if the worker or laborer cannot meet the targets made by the employer, then termination of employment can be carried out. However, the validity of the termination of employment must have a basis in the form of a written and legally valid regulation either made by the employer or made by the employer together with workers or trade unions such as company regulations, work agreements, or collective labour agreements, which explicitly states that the employer can terminate employment if workers do not meet work targets. In addition, the termination of employment must be preceded by the first, second, and third warning letters consecutively each valid for a maximum of 6 (six) months unless otherwise stipulated in the Work Agreement, Company Regulation, or Collective Labour Agreement.

The *ratio decidendi of* the judge's decision regarding the non-achievement of targets as a reason for termination of employment is that termination of employment by the company to workers because workers cannot achieve the work targets set by the company can be justified. However, the termination of employment must meet the following conditions: 1) there have been 3 (three) consecutive warning letters to workers who do not meet the targets as agreed in the work agreement, company regulations, or collective bargaining agreement, 2) there is an effort from the company to try to prevent termination of employment, 3) termination of employment is very dependent and related to the work agreement, company regulations, or collective bargaining agreement, 4) the substance of the work agreement, company regulations, or collective bargaining agreement must not conflict with laws and regulations relating to employment such as the Manpower Law. The judge's decision seems to have answered the problem of a legal vacuum related to the reasons for termination of employment due to non-fulfilment of targets and provides a sense of justice for workers or labourers as well as employers or companies.

In the future, there needs to be a formulation in regulating the non-achievement of work targets of workers/labourers as a reason for termination of employment, namely First, in the short term, the Ministry of Manpower can issue a Ministerial Circular Letter which basically urges companies that impose a sales target or other business target on workers accompanied by the threat of termination of employment to specify this in their Company Regulations. Secondly, ideally the solution to this problem should be done in the long term by revising Law No. 6 of 2023 on the Stipulation of Government Regulation in Lieu of Law No. 2 of 2022 on Job Creation into Law, to explicitly regulate that only reasonable and humane sales targets or business targets can be used as a reason for terminating employment.

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