



## Implementation of the 2025 Minimum Wage Determination Policy in Purwakarta Regency

Fauzi Nurbayanti<sup>1</sup>, Mohammad Benny Alexandri<sup>2</sup>, Mas Halimah<sup>1</sup>

<sup>1</sup>Padjadjaran University

\*Corresponding Author: Fauzi Nurbayanti



### Article Info

#### Article history:

Received 10 March 2025  
Received in revised form 9  
May 2025  
Accepted 2 June 2025

#### Keywords:

Implementation,  
Minimum Wage  
Purwakarta

### Abstract

The 2025 minimum wage policy is a new chapter in wage policy in Indonesia. The 2025 wage policy was determined by the President in his press release on November 29, 2024. Through the Ministry of Manpower, the Minister of Manpower Regulation Number 16 of 2025 was stipulated. The minimum wage policy changed after the Constitutional Court Decision Number 168/PUU-XXI/2023 Concerning the Protection of Workers' Rights in the Job Creation Law on October 31, 2024. Research was conducted in Purwakarta Regency, which is one of the regencies in the West Java Province. The objective of this study was to examine how the Purwakarta Regency implements the wage determination policy using the Marilee S. Grindle implementation model. This model will show how the Purwakarta Regency implements the minimum wage of 2025. Document analysis serves as the primary source for this descriptive qualitative study, which is confirmed by interviews with employment sector stakeholders. The study's findings indicate that Purwakarta Regency's 2025 minimum wage determination process has entered a new phase by examining how policies are implemented through their contents and the policy environment when determining the district minimum wage and the district sectoral minimum wage. The researcher offers a proposal for setting the minimum wage in Purwakarta Regency going forward, taking into account the favorable industrial relations and working circumstances in the area.

## Introduction

The minimum wage is a significant element in employment policy that seeks to protect workers' welfare while also maintaining people's purchasing power. The minimum wage policy changes annually based on a variety of social and economic considerations, as well as government laws. Purwakarta Regency, a West Javan industrial zone, also struggles with the dynamics of determining minimum wages, which are influenced by factors like inflation, economic expansion, and finding a balance between the interests of employers and employees (Rahmi & Riyanto, 2022; Rasulong & Syam, 2024; Silalahi & Walsh, 2023). Purwakarta Regency's 2025 minimum wage policy shift is relevant in light of post-pandemic economic issues, changes in basic food prices, and the central government's ever-changing policies. Another important consideration in this decision-making process is the gap between salary increase and worker productivity (Md et al., 2025; Ali & Anwar, 2021; Marín Díaz et al., 2023). As a result, study on this topic is critical for understanding how it affects various stakeholders.

This study is required to understand how Purwakarta Regency will execute the 2025 minimum wage rule. With numerous aims to balance, rules must be well-founded to prevent offending employers or employees. Furthermore, the purpose of this research is to assist local governments in developing wage policies that are more egalitarian and responsive to local economic conditions (Stoney et al., 2023; Wasielec et al., 2025; Dimitrijevska-Markoski et al.,

2023). In order to more effectively fulfill the needs of all stakeholders, the minimum wage policy is implemented in practice based on the need for a data-driven approach to policymaking. The primary goals of this study are to provide an overview of how the 2025 minimum wage policy is being implemented in Purwakarta Regency, to make policy recommendations that will assist local governments in implementing the minimum wage policy as effectively as possible, and to identify opportunities and barriers to enacting a more equitable minimum wage. In this study, several literatures related to minimum wage policies are used as the basis for analysis. Several main concepts that will be studied include:

### **Policy Implementation**

Policy implementation plays an important role in the public policy cycle. The success of policy aims and community benefits is determined by how successfully they are executed. This review of the literature investigates the models, theories, and factors that influence how policies are implemented. The purpose is to provide a comprehensive understanding of the opportunities and challenges associated with implementing policy (Jaiswal et al., 2025; Chatterjee et al., 2022). The purpose of public policy is to address social challenges and achieve certain goals. On paper, however, good policies do not necessarily translate into successful ones. Policy implementation refers to the process of turning policy plans into actionable steps. To ensure that policies meet their aims and benefit the society, effective implementation is critical.

The administrative and political process model, which Marilee S. Grindle described, is used in this study (Fajarwati & Rahmadila, 2019). Policy implementation is evaluated administratively depending on how well it adheres to the design of the policy action. As a political process, the implementation of this strategy is assessed in terms of achieving its aims by assessing the impact factors and how they effect society, either individually or collectively, as well as the degree of change that occurs and the target group's acceptance (Sager & Gofen, 2022; Skivington et al., 2021). There are 2 variables of public policy implementation that according to Grindle can determine the success of a policy, including the content of the policy and the policy implementation environment which have their respective scopes, namely (1) Content of Policy with variables the interest affected, related to various interests that influence a policy implementation; type of benefits which shows or explains that in a policy there must be benefits that show a positive impact; the extent of change envision which find that each policy has a target to be achieved and has a clear scale; the site of decision making which decision making in a policy plays an important role in the implementation of a policy; the program implementor which policies or programs must be supported by the presence of competent policy implementers and have the ability to achieve policy success; resources committed that adequate resources so that policy implementation can run well. The second is Context of Implementation with variables including power, interest and strategy of actor involved that in policy implementation it is necessary to consider the power, interests and strategies of actors involved so that the implementation process can run smoothly in accordance with the objectives of the policy; the institution and regime characteristic that the environment in which the policy is implemented and the characteristics of an institution can also affect the success of a policy; the compliance and responsiveness which is related to the extent of compliance and response from implementers in responding to a policy.

According to Marilee S. Grindle, the variables in the public policy implementation model indicate that policy implementation is relevant to issues of conflict, decisions, and "who" receives "what" from a policy, in addition to serving as a mechanism for converting political decisions into standard procedures for bureaucratic channels (Subianto, 2020). As a result, policy implementation is a crucial part of the entire process since it considers the target group

in addition to the bureaucratic element of the implementer. The following is a picture of the policy implementation model from Marilee S. Grindle :

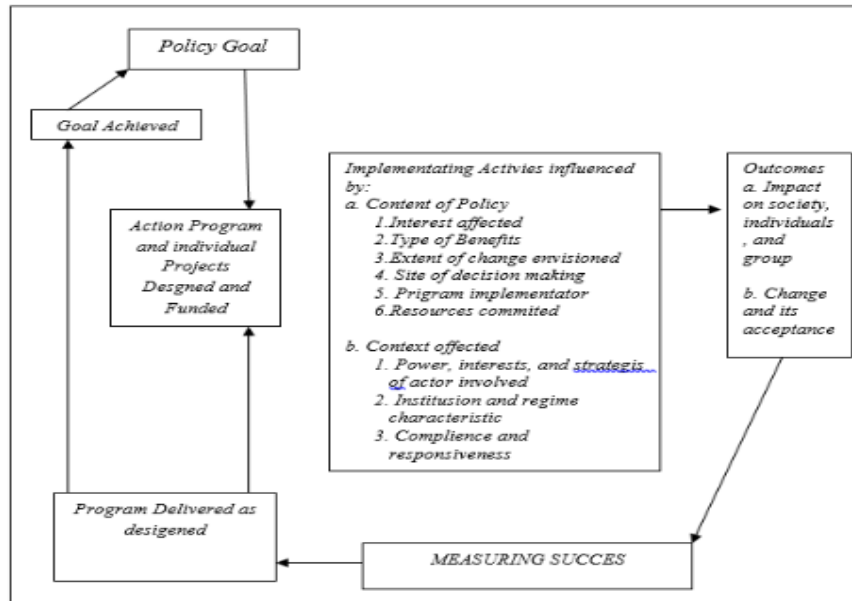


Figure 1 Policy Implementation Model (Grindle, 1980)

Policy characteristics such as clarity of purpose, complexity, and the intensity of policy debate can all have an influence on implementation. Furthermore, the availability of enough human, financial, and technological resources is important to effective implementation. The implementing organization's capacity, including its structure, culture, and human capabilities, also has an impact on policy implementation (Lam et al., 2021; Rezaei et al., 2021; Lei et al., 2021). The political, economic, social, and technical surroundings all influence policy execution. Of course, people with responsibilities and interests have an effect on policy implementation, including the government, society, and interest groups (Martínez Lucio & MacKenzie, 2017).

### Industrial Relation

Bruce E. Kaufman on “John R. Commons and The Wisconsin School on Industrial Relations Strategy and Policy” (Kaufman, 2003) describe that industrial relations institutions follow three principles. The first principle is the stabilization of goods and labour markets. This theory seeks to smooth out disruptive variations in production and employment, prevent surplus supply, which reduces labour standards, give workers with stable full-time positions, and eradicate what institutionalists regard as capitalism's primary problem, unemployment. The second principle is equality of bargaining power between employers and workers. This principle sees that the wage determination process is very profitable for employers because of market imperfections, scarcity of jobs, and unequal distribution of rights and resources (Priyanka et al., 2023). Institutionalists understand this as aiming to increase wages and working conditions to a more competitive and fair level by increasing the bargaining power of workers so that both parties will compete equally. Then the third principle is constitutional government in industry. This principle aims to implement basic democratic practices by workers in the political field, such as written agreements or constitutions, to ensure that the "rule of law" replaces the "rule by men" opportunity to participate and be represented in determining and enforcing regulations in the workplace, and the protection of due process in dispute resolution and administration of justice.

Kauffman's three principles of industrial relations align with those adopted in Indonesia. According to Law Number 13 of 2003 Article 1 paragraph (16), industrial relations are a system of relations formed between actors in the process of producing goods and/or services, consisting of entrepreneurs, workers/labourers, and the government, based on Pancasila values and the 1945 Constitution of the Republic of Indonesia. To support national policy, all parties in roles of policymakers and sectoral implementers in the field of Industrial Relations and Social Security for Workers must be oriented toward efforts to encourage the achievement of the direction of human resource development policies.

To achieve these development goals, one of the first steps must be taken to establish harmonious and democratic industrial relations, as well as comprehensive social security for workers, all of which fall under the purview of the Ministry of Manpower. Guidelines based on Pancasila values are necessary for creating harmonious, dynamic, and equitable Industrial Relations in companies. These guidelines are regulated by the Minister of Manpower Decree Number 16 of 2024, which was issued on March 28, 2024. Essentially, the Guidelines for the Implementation of Pancasila Industrial Relations serve as a guide for the three parties involved, namely employers, workers/labourers, and the government, in achieving harmonious industrial relations in companies based on Pancasila values. Meanwhile, industrial relations are implemented in accordance with the provisions of Chapter XI of Law Number 13 of 2003 concerning Manpower.

The government's role in industrial relations entails developing policies, providing services, monitoring, and prosecuting violators of labour laws and regulations. Meanwhile, workers/labourers and labour unions/labour unions are accountable for carrying out their duties, maintaining order for the sake of production continuity, democratically channelling aspirations, developing skills and expertise, participating in the company's advancement, and fighting for the welfare of members and their families. While entrepreneurs and their employer groups are responsible for forming partnerships, expanding businesses, creating new job opportunities, and providing workers/labourers with welfare in an open, democratic, and fair manner. Employment stakeholders include the government, workers/labourers, trade unions/labour unions, employers, and employer groups, all of whom are expected to collaborate to achieve Pancasila's objectives. The principles of industrial relations and industrial relations facilities will be the focus of research on the implementation of the 2025 minimum wage policy in Purwakarta Regency, based on the policy's substance and policy environment. The author expects that industrial relations concepts can help to elucidate the policy implementation process using public policy implementation theory.

### **The 2025 Minimum Wage Determination Policy**

The minimum wage policy is a regulation that establishes the lowest salary requirement that firms must pay to employees. This strategy aims to safeguard workers from exploitation while also ensuring their welfare and economic stability. The minimum wage policy is based on several primary ideas, including social fairness, which ensures that workers are paid a sufficient pay that corresponds to an adequate standard of living (Subbiah, 2021; Shahini & Panaro, 2023). The principle of Productivity and Competitiveness, which takes into account production capacity and industrial competitiveness. The Economic Conditions and Inflation principle takes into account the amount of economic growth as well as price rises in products and services (Girdzijauskas et al., 2022; Khozin et al., 2022; Ali & Asfaw, 2023). Furthermore, tripartite engagement, involves the government, employers, and trade unions in policy formulation, specifically through the Wage Council at the national, provincial, and regency/city levels.

The 2025 minimum wage policy is part of Indonesia's wage policy, which is based on Government Regulation Number 36 of 2021 concerning wages and Law Number 6 of 2023 concerning the enactment of Government Regulation in Lieu of Law Number 2 of 2022 concerning Job Creation As part of wage policy, the policy of determining the minimum wage in 2025 through the Regulation of the Minister of Manpower Number 16 of 2024 concerning the Determination of the Minimum Wage in 2025 differs from the policy of determining the minimum wage in 2024, which is based on the Regulation of the Minister of Manpower Number 51 of 2023 concerning Amendments to Government Regulation Number 36 of 2021.

The 2025 minimum wage strategy must strike a balance between worker welfare and industry competitiveness. This program, which takes a data-driven approach and involves all parties, has the potential to generate more stable and equitable employment circumstances. According to the researcher's preliminary findings, the implementation of the 2025 minimum wage policy in Purwakarta Regency was heavily affected by the ideas/concepts of stakeholders in the Purwakarta Regency Wage Council. With consideration of economic growth in Purwakarta Regency and to increase the purchasing power of workers, the minimum wage in Purwakarta Regency is considered to be able to increase as in the interests of the worker element. However, significant differences emerged from Entrepreneurs who maintained a business climate that was in the uncertainty of global economic conditions and business continuity conditions in Purwakarta Regency by avoiding labour efficiency as a form of rationalization of the impact of the minimum wage increase.

## Methods

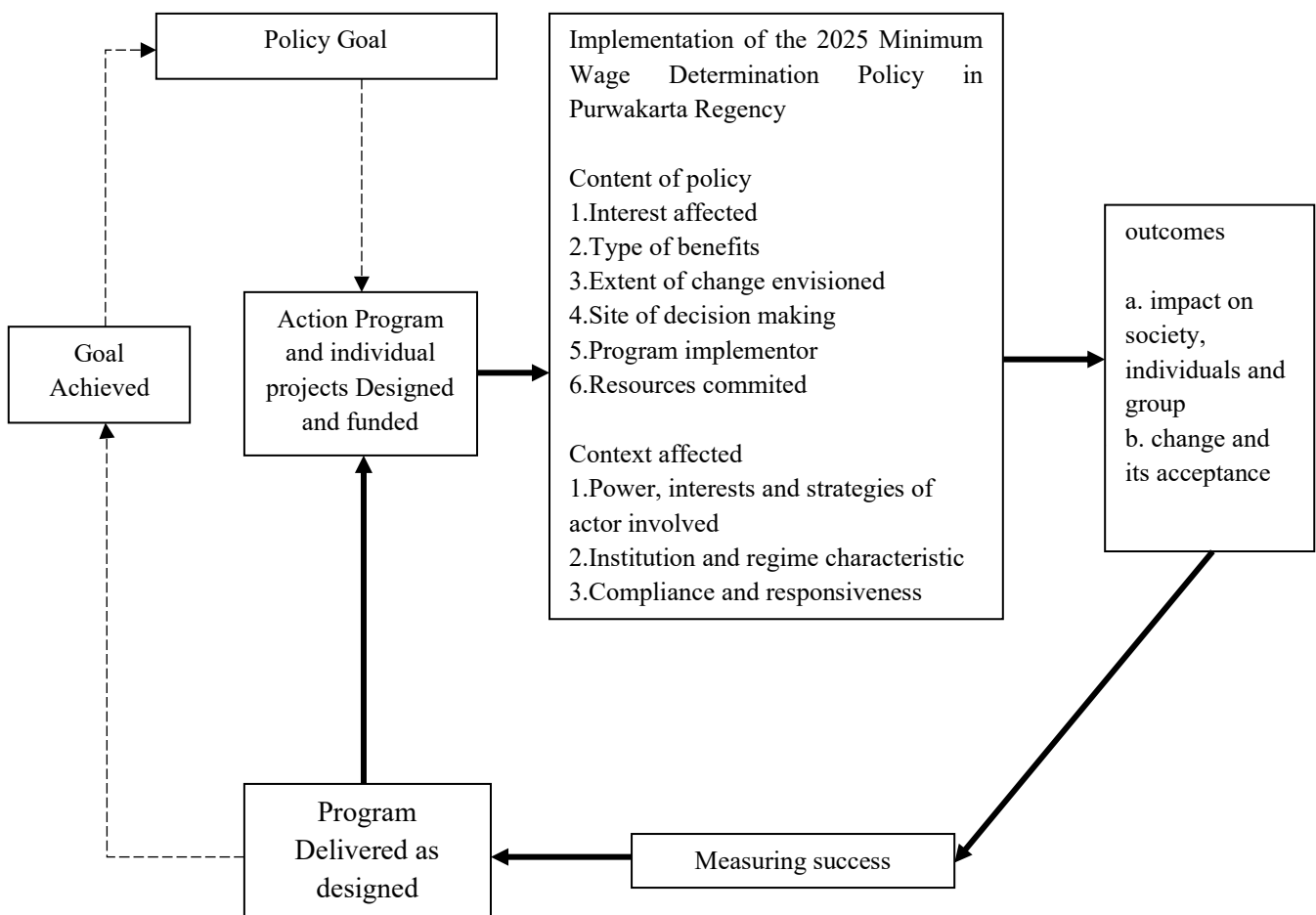


Figure 2. Research Framework

This is a qualitative research that describes how the 2025 minimum wage policy is implemented, specifically in Purwakarta Regency. To conduct data analysis on the research, wage policy document data from the central government, specifically the Ministry of Manpower, and papers from the Purwakarta Regency Manpower and Transmigration Office. Analysis of the findings from direct observation and interviews with numerous stakeholders in Purwakarta Regency's 2025 wage determination policy as data validation in order to gain a more comprehensive viewpoint. Using the Marilee S. Grindle policy implementation model, the researcher developed the following framework for considering the implementation of the 2025 minimum wage determination policy in Purwakarta Regency. This technique is intended to provide advice to local governments for developing more effective, efficient, and sustainable minimum wage legislation.

## Results and Discussion

The policy of determining the minimum wage in 2025 began with President Prabowo Subiyanto's announcement in a press release that, based on considerations, the minimum wage in 2025 experienced an average increase of 6.5%, which was then stipulated in the Minister of Manpower's Regulation No. 16 of 2024 concerning the Determination of the Minimum Wage in 2025 on December 4, 2024. According to supporting evidence, determining the minimum wage in 2025 is an endeavor to sustain workers' purchasing power as well as corporate competitiveness. By considering the decision of the Constitutional Court Number 168/PUU-XXI/2023, the Ministerial Regulation regulates the Provincial Minimum Wage, Regency/City Minimum Wage, Sectoral Minimum Wage, and its determination and implementation.

The differences in the minimum wage determination policy for 2025 compared to the minimum wage determination for 2024 include the following:

Table 1. Differences between Minimum Wage Determination Policy in 2024<sup>th</sup> and 2025<sup>th</sup>

Determination of Wages Rules	Wage Calculation Formula	Wage Increase Considerations	submission of recommendations	Sectoral MinimMW Wage	Time Determining City Wages
2024 (Permenaker 51 Tahun 2023)	$MW_{(t+1)} = MW_{(t)} + (\text{Value Adjustment } MW \times MW_{(t)})$  Penyesuaian Nilai MW = $\text{Inflasi} + (\text{PE} \times \alpha)$	$\alpha$ is a variable that is in the range of 0.10 – 0.30 by taking into account the level of labour absorption and the average or median wage.	From Regent to Governor	None	After the Provincial Minimum Wage on November 21 and announced no later than November 30
2025 (Permenaker 16 Tahun 2024)	$DMW_{2025} = DMW_{2024} + \text{Nilai Kenaikan } DMW_{2025}$	6.5% of the 2024 Minimum Wage by considering a. economic growth; b. inflation; and c. certain indices.	From the District Wage Council to the Governor through the Regent	Calculated by the District Wage Council based on agreement	Determined and announced no later than December 18, 2024

Source 1. Peraturan Pemerintah Nomor 51 Tahun 2023 & Peraturan Menteri Ketenagakerjaan Nomor 16 Tahun 2024

## **Implementation of the 2025 Minimum Wage Determination in Purwakarta Regency**

As an implementation of the centralized wage policy which is a national strategic program, the implementation of the determination of the 2025 minimum wage policy in Purwakarta Regency is carried out through the Purwakarta Regency Wage Council Meeting. The Wage Council is a non-structural institution that is tripartite in nature consisting of government elements, business elements and trade union/labour union elements. Based on the Decree of the Acting Regent of Purwakarta, Benni Irwan, in 2023 Number 561/kep.405-Disnakertrans/2023 concerning the Establishment of the Purwakarta Regency Wage Council for the 2023-2026 Period dated October 10, 2023. According to the Regent's Decree, the Purwakarta Regency Wage Council's responsibilities include providing advice and considerations to the Regent when proposing the Purwakarta Regency minimum wage and implementing the wage system at the Regency level. The Purwakarta Regency Wage Council is also tasked with preparing materials for formulating the development of the Regency wage system and submitting reports to the Regent at least. Members of the Purwakarta Regency Wage Council are appointed for one three-year term and may be reappointed for one further three-year term. The Purwakarta Regency Wage Council has also established a Secretariat to ensure that its functions are carried out smoothly.

The membership of the Purwakarta Regency Wage Council consists of the Chairperson, namely the Head of the Manpower and Transmigration Office of Purwakarta Regency. The Deputy Chairperson who is a representative of the university element from the Wikara Purwakarta College of Economics, then the Secretary who is the Head of the Industrial Relations and Work Requirements Division of the Manpower and Transmigration Office and members consisting of 10 government elements, 6 Employer elements through APINDO and 4 Workers' Unions/Labour Unions, namely KSPSI, 1 person FSPMI and 1 person SPN. In addition, there are also representatives from expert elements of STIE Dr. KHEZ Muttaqien and the Perdana Mandiri Purwakarta College of Economics and Business. The formulation of the membership of the Purwakarta Regency Wage Council is a mandate of the Decree of the Minister of Manpower and Transmigration Number Kep. 201/MEN/2001 concerning Representation in Industrial Relations Institutions.

The implementation of the determination of the minimum wage in 2025, namely through the Purwakarta Regency Wage Council Meeting held on December 11<sup>th</sup> 2024, December 13<sup>th</sup> , 2024 and December 27<sup>th</sup>, 2024. In its implementation, it is known that the Purwakarta Regency Wage Council Meeting was attended by all elements except on December 27<sup>th</sup> 2024, the entrepreneur element objected to attending based on a letter from the Chairperson of APINDO Purwakarta Regency Number 252/DPK/APINDO/XII/2024 dated December 27<sup>th</sup> 2024. In addition to meetings in the Purwakarta Regency Wage Council, it is known that there were meetings of trade unions/labour unions with Regional Leadership during the implementation of the determination of the 2025 minimum wage policy. The meeting was a delivery of aspirations from the Workers' Union/Labour Union regarding the determination of the Purwakarta Regency minimum wage and the Sectoral Minimum Wage.

At the Purwakarta Regency Wage Council meeting on December 11<sup>th</sup>, 2024, a common view was produced that the determination of the Purwakarta Regency minimum wage would be discussed in the next Purwakarta Regency Wage Council Plenary Meeting by making a Minutes that included each element's opinion. On December 19<sup>th</sup>, 2024, a Purwakarta Regency Wage Council Plenary Meeting was held which produced Minutes dated December 13<sup>th</sup>, 2024, which in essence each element agreed that the increase in the Purwakarta Regency minimum wage was determined in accordance with Permenaker 16 of 2024 and as per President Prabowo Subiyanto's Press Release, namely an increase of 6.5% from the Purwakarta Regency minimum wage in 2024. This agreement became a recommendation from the Purwakarta Regency Wage

Council to the Acting Governor of West Java through the Acting Regent of Purwakarta. However, in the minutes it was also stated that one of the members of the representative of the trade union/labour union element recommended a different recommendation, namely from the FSPMI trade union which recommended a minimum wage value for Purwakarta Regency of 7.9%.

Regarding the sectoral minimum wage value as mandated by Permenaker 16 of 2024, each element could not agree. In the Minutes of the Purwakarta Regency Wage Council Meeting dated December 13, 2024, each element expressed its opinion. The differences of opinion include that the Higher Education/Expert element considered that the sectoral minimum wage needs to be regulated comprehensively through laws and regulations since the Constitutional Court Decision Number 168/PUU-XXI/2023 and in Purwakarta Regency there is no UMSK because there is no categorized business sector and there is no study or research basis to determine the wage sector. Meanwhile, the Trade Union/Labour Union Element has a different view and calculation regarding the sectoral minimum wage value. The APINDO element stated that the district minimum wage which has increased by 6.5% is quite heavy and further reduces business competitiveness for companies in Purwakarta Regency. However, the entrepreneur element can understand and accept the increase in the 2025 UMK as stipulated and is an obligation based on regulations and laws. Meanwhile, the Government Element is of the opinion that all decisions regarding the determination of minimum wages are based on statutory regulations with a mutually agreed value while still considering the conditions of business continuity and work.

After the Purwakarta Regency Wage Council Meeting on December 13<sup>th</sup>, 2024, the Head of DEPEKAB then reported the results of the Plenary Meeting to the Acting Regent of Purwakarta to be able to submit it to the Acting Governor of West Java through a letter from the Acting Regent of Purwakarta Number 800.1.4 / 2984-Disnakertrans / 2024 dated December 16, 2024 concerning the submission of recommendations from the Regency Wage Council regarding the 2025 Purwakarta UMK and letter Number 800.1.4/ 2985-Disnakertrans /2024 dated December 16<sup>th</sup>, 2024 concerning the submission of Recommendations from the Regency Wage Council regarding the 2025 Purwakarta UMSK. Basically, the letter is a cover letter that attaches the recommendations of the Purwakarta Regency Wage Council regarding the determination of the Minimum Wage and Sectoral Minimum Wage for Purwakarta Regency in 2025. So that the duties of the Acting Regent of Purwakarta are in accordance with the mandate of the Permenaker 16 of 2024.

The determination of the minimum wage by the Governor which is limited until December 18<sup>th</sup>, 2024 has provided space for the Trade Union/Labour Union Elements to convey their aspirations through dialogue spaces and demonstrations in Purwakarta Regency. In the implementation of the determination of the minimum wage in Purwakarta Regency, there were 3 demonstrations recorded in the context of assisting the Purwakarta Regency wage council meeting. The submission of aspirations from the trade union/labour union either through meeting forums or internal advocacy with the Acting Regent of Purwakarta was responded to by the submission of aspirations by the Acting Regent of Purwakarta. In the letter of submission of aspirations, the Acting Regent conveyed the wishes of the trade union/labour union in Purwakarta Regency that the Sectoral Minimum Wage that was implemented in 2020 could continue to be implemented and continued by companies in Purwakarta Regency and encouraged the Purwakarta Regency Wage Council to be able to conduct a study related to the potential for additional sectors, identification of companies that can apply sectoral minimum wages, the amount of sectoral minimum wages from each sector while waiting for adjustments to laws and regulations.

However, the issuance of the Governor's decision on the sectoral minimum wage on December 18<sup>th</sup>, 2024 did not determine the Sectoral Minimum Wage in Purwakarta Regency, so that it again caused turmoil that had quite an impact on the conduciveness of employment. A demonstration was then carried out at the Purwakarta Regency DPRD demanding regional leaders who could not support the wishes of the trade unions/labour unions regarding the sectoral minimum wage so that this became the concern of the Council members who were on the commission that handled employment.

Based on the results of an interview with one of the representatives of the trade union elements in the Purwakarta Regency Wage Council from KSPSI, it was stated that basically the Workers' Union/Labour Union welcomed the increase in the district minimum wage, but what needs to be considered is the sectoral minimum wage that has been implemented in Purwakarta Regency to be able to adjust to the 2025 wage determination policy. It is known that in 2020, Purwakarta Regency has implemented a sectoral minimum wage for several companies that implement it. Thus, there is special attention from the trade union/labour union regarding the sectoral minimum wage which should also be considered by the Government element. Meanwhile, representatives of the FSPMI Union Element also conveyed their aspirations through an audience received by the Regional Government at that time represented by the Regional Secretary and the Legal Section of the Regional Secretary which then resulted in a decision to hold another Wage Council Meeting on December 27<sup>th</sup>, 2024. At the meeting, a decision was made that the trade union/labour union elements gave one vote regarding the amount of the Purwakarta Regency sectoral minimum wage while the university element still held its original opinion. The results of the Regency Wage Council Meeting were then submitted back to the Acting Governor of West Java for consideration. Then on December 27<sup>th</sup>, 2024, the Acting Governor of West Java issued a change to the Governor's Decree regarding the 2025 Sectoral Minimum Wage which ultimately set the Purwakarta Regency sectoral minimum wage in 5 sectors, namely automotive, automotive components, Chemical Pharmaceuticals, Metals and Steel and the Multinational Company Labour-Intensive sector. Based on the researcher's notes, the policy of changing the Governor's Decree was the result of communication with union leaders in West Java Province and nationally and had been consulted with the Secretary of State. This was done because the determination of changes to the sectoral minimum wage was carried out outside the time limit as stipulated in Permenaker 16 of 2024. Although the Employer Element is of the opinion that the Acting Governor's decision regarding changes to the sectoral minimum wage is outside the rules of Permenaker 16 of 2024, employers will continue to try to implement applicable laws and regulations while observing developments in business sustainability conditions in the future.

The following can be identified from the series of implementation of the determination of the minimum wage in 2025 in Purwakarta Regency, based on the analysis of indicators in policy implementation as per Marilee S. Grindle's policy implementation model, namely the content of the policy and the environment that influences the policy:

## **Content of Policy**

### ***Interest Affected***

Based on the results of document analysis and interviews with some information, it can be seen that the indicators of interest that influence this are in the implementation of the determination of the minimum wage in 2025. This is related to the existence of elements in the Purwakarta Regency Wage Council consisting of Government Elements, Employer Elements and Trade Union/Labour Union Elements. Confirmed from the results of interviews and field observations, each element has its own role and influence starting from the Manpower and

Transmigration Service as the implementer of the determination of the minimum wage in 2025 through the Purwakarta Regency Wage Council Meeting. Then other government elements besides the Manpower and Transmigration Office of Purwakarta Regency such as the Legal Section of the Regional Secretary, the Economic Section of the Regional Secretary, the Cooperatives, UMKM, Trade and Industry Office, the Central Statistics Agency of Purwakarta Regency, all of which play a role as part of the Regional Government and Central Government that supports the implementation of the determination of the minimum wage in 2025. The Entrepreneur Element representing entrepreneurs in Purwakarta Regency who are members of APINDO Purwakarta and the Trade Union/Labour Union Element, namely KSPSI, FSPMI and SPN which represent the workers' union/labour union as represented in the institution. In addition, there are also academic elements who provide their opinions in the Purwakarta Regency Wage Council, although without any interest, the existence of academic elements provides development to the process of implementing the determination of the minimum wage.

Then in the flow and mechanism carried out in determining the minimum wage in 2025 in Purwakarta Regency, it is in accordance with the Regulation of the Minister of Manpower Number 16 of 2024 that the determination of the minimum wage in the Regency/City is carried out through the Purwakarta Regency Wage Council by submitting the results of the Purwakarta Regency Wage Council's recommendations by the Purwakarta Regent to the Governor of West Java. However, what happened in Purwakarta Regency was that the results of the Purwakarta Regency Wage Council Meeting, both the determination of the regency minimum wage and the regency sectoral minimum wage, could not be agreed upon by all elements. This is shown in the recommendation of the Chairperson of the Purwakarta Regency Wage Council which stated that there was a difference of opinion from one of the elements in the Purwakarta Regency Wage Council. However, this was still conveyed as a recommendation to the Governor of West Java to be able to determine the Purwakarta Regency Minimum Wage in 2025. With the interests of trade unions/labour unions and the opinion of APINDO responding to their business capabilities, it shows that there are different interests of each element. However, the Government must continue to mediate by adhering to regulations and legislation. This was confirmed in the results of interviews with government elements that continue to implement the policy of determining the minimum wage in 2025 as mandated by laws and regulations. However, the reality in the field that occurs is that there are differences of opinion and group interests which are dynamic conditions in industrial relations.

Thus, according to Marilee S. Grindle's theory in the indicator of influencing interests, the implementation of the 2025 minimum wage determination involves many interests from each element in the Purwakarta Regency Wage Council. In the influencing interests, there are no individual interests, but group interests, namely from the Workers' Union/Labour Union, are felt to have quite an influence on the 2025 minimum wage determination activity in Purwakarta Regency. However, the interests that arise in the implementation of the minimum wage determination are still at a safe stage while still prioritizing the conduciveness of employment in Purwakarta Regency.

### ***Type of benefits***

The implementation of the 2025 minimum wage determination in Purwakarta Regency as regulated in the Regulation of the Minister of Manpower Number 16 of 2024 is known that the type of benefits obtained from the policy, namely the emergence of the determination of sectoral minimum wages, has a positive impact, namely the return of attention to wages above the minimum wage in certain companies that implement it. This is shown that in the Purwakarta Regency Wage Council Meeting for the determination of the 2025 minimum wage, there was input from Academic Elements that a study was needed regarding the sector in Purwakarta

Regency, indicating the need for attention from all elements in the Purwakarta Regency Wage Council and even the Purwakarta Regency Government.

Then in the suitability of the program with the objectives, it is in accordance with the implementation mechanism for determining the minimum wage. The objective of maintaining the purchasing power of workers/labourers and business competitiveness is part of the consideration for each element that can be submitted in the Purwakarta Regency Wage Council Meeting. This is shown in the difference of opinion between the Employer Element and the Trade Union/Labour Union Element. The Employer Element who does not agree with the determination of the sectoral minimum wage with consideration of business conditions but still adheres to the implementation of laws and regulations. Meanwhile, the trade union/labour union element that proposes sectoral wages in various sectors also considers worker welfare. Based on the interview results, it was found that basically the trade union/labour union element also realized that the minimum wage in Purwakarta Regency was already quite high, but for the sector, it must be a consideration for companies that are indeed able to implement it.

With the support from various elements in the Purwakarta Regency Wage Council, it is in accordance with Marilee S. Grindle's theory starting from the activity creator, activity planner to the implementer or target group. It can be proven that the benefits generated are greater, especially after the 2025 minimum wage is set and implemented by the company in 2025.

During the implementation of the minimum wage determination, it was known that the influence of the group, namely the trade union/labour union, was closely related to the implementation of the minimum wage determination. The agenda of the Purwakarta Regency Wage Council Meeting, which was initially carried out twice, but after the determination of the Governor regarding the Sectoral Minimum Wage, the Purwakarta Regency Wage Council Meeting was held again. This was also done after an audience of the trade union/labour union with the Purwakarta Regency DPRD and the Purwakarta Regency Regional Secretary. In the process of implementing the minimum wage determination policy, the Purwakarta Regency Manpower and Transmigration Office as a technical apparatus continues to refer to the laws and regulations. However, in order to maintain the conduciveness of employment in Purwakarta Regency, the Regional Government continues to provide facilitation and accept every aspiration from the Workers' Union/Labour Union. This is indicated by the existence of a letter of submission of aspirations and a letter of recommendation from the Chairperson of the Purwakarta Regency Wage Council after the determination of the Purwakarta Regency Sectoral Minimum Wage.

### ***Extent of change envisioned***

From the results of direct observation, the determination of the 2025 minimum wage implemented in the Purwakarta Regency Wage Council Meeting has been implemented in accordance with the provisions of applicable laws and regulations. The implementation attended by all elements of the Wage Council shows the level of participation in determining the 2025 minimum wage. The determination of the sectoral minimum wage, although it resulted in disagreement, nevertheless the process of implementing the Purwakarta Regency Wage Council Meeting was still carried out as planned. Thus, in accordance with Marilee S. Grindle's theory, the implementation of the determination of the district minimum wage and the district sectoral minimum wage in 2025 in Purwakarta Regency has achieved the desired changes as mandated by laws and regulations. Although there is the delivery of aspirations which are actions outside the provisions, this is a dynamic condition in industrial relations that still needs to be facilitated by the Government in maintaining conducive employment in Purwakarta Regency.

### ***Site of decision making***

Unlike previous years, in determining the minimum wage in 2025, the decision-making in the form of a recommendation from the Wage Council was carried out by the Chairman of the Purwakarta Regency Wage Council. In previous years, the minimum wage recommendation was the result of considerations from the regional leader, namely the Regent of Purwakarta, although in its determination it was the absolute decision of the Governor of West Java. The implementation of the determination of the minimum wage in Purwakarta Regency shows the role of the Chairman of the Purwakarta Regency Wage Council in making recommendations from the Wage Council. Based on the results of the researcher's observations, the recommendations of the Purwakarta Regency Wage Council as a whole are the results of the Purwakarta Regency Wage Council Meeting and this shows that decision-making, both the process and implementation of determining the minimum wage in Purwakarta Regency requires quick, responsive and firm thinking so that the aspirations of trade unions/labour unions who want changes to the recommendations do not affect decision-making. Basically, decision-making in recommendations for the district minimum wage and the district sectoral minimum wage has gone through a good and conducive process. The stages of decision-making in the implementation of the Purwakarta Regency Wage Council Meeting, then the recommendations of the Regency Wage Council and its submission to the Governor of West Java through the Regent of Purwakarta have been carried out properly.

### ***Program implementor***

The program implementer is an important indicator in the implementation of a program. The determination of the minimum wage policy is carried out by the Purwakarta Regency Manpower and Transmigration Office through the Industrial Relations and Work Requirements Sector by involving tripartite elements, namely the Government, Employers and Workers' Unions/Labour Unions as well as with additional academic elements. Based on the results of the analysis, the implementer of this program has been determined in accordance with the provisions in determining the Regency minimum wage, namely through the Purwakarta Regency Wage Council which has been determined by the Purwakarta Regent organizationally and by the Head of the Manpower and Transmigration Office both organizationally and financially. Thus, the names of the members of the Purwakarta Regency Wage Council listed in the Decree of both the Purwakarta Regent and the Head of the Manpower and Transmigration Office become implementers in determining the Purwakarta Regency minimum wage. As for organizationally, the members of the Purwakarta Regency Wage Council are enforced every 3 years which are routinely changed. As Marilee S. Grindle's theory that the program implementers are in accordance and have been mentioned in the Decree, both the decision of the Regent of Purwakarta and the decision of the Head of the Manpower and Transmigration Office. Likewise, communication and coordination between program implementers run smoothly both directly through formal meetings in the Wage Council Meeting or other informal communications such as meetings outside the Wage Council meeting.

### ***Resources Committed***

Adequate resources can make policy implementation successful. Based on the results of interviews, observations and documentation, the resources in determining the minimum wage in 2025 in Purwakarta Regency have been adequate with various elements involved. Among others, in terms of technical implementation, namely the Manpower and Transmigration Office of Purwakarta Regency through the Industrial Relations and Work Requirements Sector as the Secretariat in implementing the determination of the minimum wage. Then, in the members of

the Regency Wage Council, there are also human resources who can provide support for the success of determining the minimum wage. In addition to elements representing the tripartite, there are also academic elements and the BPS Institute that support the implementation of the determination of the minimum wage. In addition, the implementation of the Purwakarta Regency Wage Council Meeting is also supported by other agencies in terms of security. The implementation of the determination of the minimum wage which was carried out 3 times was supported by the Purwakarta Resort Police who accompanied to maintain security during the Meeting. This certainly greatly supports the implementation of the determination of the minimum wage in 2025. In addition to human resources, financial resources, namely activity budgeting, are also felt to be quite supportive. Based on the interview results, the budgeting carried out each year has been able to meet the technical needs of implementing the minimum wage determination in Purwakarta Regency. Although in terms of activities it is only budgeted for 2 activities, with the cooperation of all stakeholders, the implementation of the Regency minimum wage determination can run smoothly. Thus, in the Marilee S. Grindle indicator regarding the Resources used, it is quite adequate both in terms of human resources and budgeting for the implementation of activities.

### **Context Affected**

#### ***Power, interests and strategies of actor involved***

This indicator measures how much power, interests and strategies are owned by the stakeholders involved, namely government elements, business elements and trade union elements/labour unions in implementing the determination of the Purwakarta Regency minimum wage in 2025. Based on the results of interviews with all elements, it is known that the Entrepreneur Element has the principle that in determining the 2025 minimum wage, entrepreneurs will continue to implement what the government regulates, however, with the condition of companies in Purwakarta Regency, the decision to determine the sectoral minimum wage is still felt difficult to implement. The steps taken by the entrepreneur element in the process of determining the 2025 minimum wage in Purwakarta Regency are to not agree to the existence of a sectoral minimum wage and technically not attend the Purwakarta Regency Wage Council Meeting on December 27, 2024. This is one of the strategies in conveying their opinions and interests at the Wage Council. Meanwhile, the elements of the Workers' Union/Labour Union that show their interests in the proposed recommendations of the Wage Council are also carried out through an audience with the Purwakarta Regent directly in conveying their desires for the determination of the minimum wage, especially the sectoral minimum wage in Purwakarta Regency.

Meanwhile, in the Government element, the decision-making of the Wage Council's recommendations and the technical implementation of the determination of the minimum wage in 2025 by the Chairperson of the Wage Council as well as the Head of the Purwakarta Regency Manpower and Transmigration Office make decisions by considering the employment conditions in Purwakarta Regency and the capacity of his position in determining the minimum wage of Purwakarta Regency. The strategy in determining the minimum wage of Purwakarta Regency is through an intensive communication pattern with both the Regional Leadership which at the time of implementation is led by the Acting Regent and communication with the Provincial Wage Council for its technical implementation. The Acting Regent continues to facilitate the wishes of the workers' union/labour union but is limited to the applicable regulations and laws.

The obstacles that occurred were felt when the determination of the Regency's sectoral minimum wage had been determined by the Governor of West Java where there were protests

from some Workers' Unions/Labour Unions who remained adamant about providing new recommendations regarding the sectoral minimum wage. However, this could be overcome by the decision of the leadership which at that time was led by the Regional Secretary to be able to hold another meeting of the Regency Wage Council as a form of facilitation of the Regional Government. With the power, interests and strategies of actors in the policy of determining the 2025 minimum wage in Purwakarta Regency, it can be seen that the indicators as Marilee S. Grindle's theory have been implemented well by each element in the Purwakarta Regency Wage Council

### ***Institution and regime characteristic***

The characteristics of the institution as an indicator that can influence the success of a policy can be seen from each element in the Wage Council. The Employer element through APINDO Purwakarta which has been established for a long time and knows the character of entrepreneurs and workers/labourers in Purwakarta Regency continues to prioritize the implementation of laws and regulations. Meanwhile, the elements of the labour union/labour union involved in determining the minimum wage have a character that is basically adjusted to the background of each labour union/labour union. It can be seen from the results of the Wage Council's recommendations that the differences of opinion within the elements of the labour union/labour union indicate that there are different characters between the labour unions/labour unions.

The Regional Government led by the Acting Regent without having any political elements brought in, fully implements the determination of the minimum wage as per the applicable laws and regulations. However, the differences in character between these elements still result in the implementation of the determination of the minimum wage as it should be. From each character of the elements in the Purwakarta Regency Wage Council, it has fulfilled the indicators of the characteristics of the Institution as per Marilee S. Grindle's theory. Each character shows the dynamics of industrial relations conditions, namely the relationship between the Government, Employers and Workers/Labourers in Purwakarta Regency.

### ***Compliance and responsiveness***

The compliance level and implementer response indicators are related to the expertise of policy implementers in politics and understanding the environment in which they implement their policies and programs. Based on the results of interviews and observations, the compliance level indicator for determining the minimum wage in Purwakarta Regency can be seen from each element in the Wage Council. The government element certainly adheres to the applicable laws and regulations while still considering the employment conditions in the region and its conduciveness for the community in general. Meanwhile, the entrepreneur element is the same as the government element. Meanwhile, the trade union/labour union element as stated in the interview results stated that according to the rules, the trade union/labour union continues to implement it as long as the aspirations conveyed can also be facilitated by the Government. The response of the implementers of the minimum wage determination can also be seen to provide a positive response. The presence during the minimum wage determination period, involvement in making recommendations, as well as the aspirations of the trade union/labour union that oversees the determination of the Regency minimum wage, shows that this policy is welcomed and fully supported for the purpose of worker welfare and business continuity in Purwakarta Regency. Thus, in accordance with Marilee S. Grindle's theory, the compliance level indicator and the response from the implementer have gone well. With the routine implementation of the determination of the minimum wage every year, especially in 2025, which was carried out quite late, it can still be implemented smoothly and the response from

each element also supports the making of recommendations by the Chairperson of the Purwakarta Regency Wage Council.

## **Conclusion**

In the study of the implementation of the 2025 minimum wage determination in Purwakarta Regency through the implementation model of Marilee S. Grindle, it can be seen that the determination of the 2025 minimum wage in Purwakarta Regency has entered a new phase by reviewing it from the policy content and policy environment. In terms of the content of the policy implemented in determining the minimum wage in Purwakarta Regency, namely the determination of the district minimum wage and the district sectoral minimum wage. The determination of the district minimum wage which has a clear calculation of the increase, namely 6.5%, is a measure that can support the achievement of an agreement between elements on the Purwakarta Regency Wage Council. However, the interests of the elements, especially the elements of the trade union/labour union, still provide consideration in producing decisions that are in accordance with the contents of the wage determination policy that should be agreed upon. Likewise, in the determination of the sectoral minimum wage which still requires study so that the decision in determining the sectoral minimum wage can be considered by all elements.

The policy environment that can be seen in the determination of the 2025 minimum wage in Purwakarta Regency has provided a picture of the character of the Purwakarta Regency Wage Council which is a representative of the tripartite elements in Purwakarta Regency, namely the Government element, the Employer Element and the Workers' Union/Labour Union Element. The tripartite element determines how the minimum wage determination policy can be implemented as intended by the policy. In terms of the process of implementing the 2025 minimum wage determination policy in Purwakarta Regency, it has been practically implemented in accordance with the technical implementation of the 2025 minimum wage determination, but the policy mandate to produce an agreement in the minimum wage recommendation has not been achieved. Then the policy objective that the determination of the 2025 minimum wage can increase the purchasing power of workers/labourers and business competitiveness must still be able to see how the increase in the minimum wage is running in Purwakarta Regency.

This can be a subsequent research study. This study provides an idea in the implementation of the determination of the minimum wage in the following year to be able to conduct a joint study on the wage conditions in Purwakarta Regency and matters related to it, because the conditions of the regions are different while the centralized wage policy should have regions able to adapt to adjust to existing policies while still considering employment conditions. In addition, there is a need for a wider communication space for employment stakeholders, namely in the Purwakarta Regency Wage Council so that they do not only wait for the moment of determining the minimum wage so that they can minimize all things that affect the implementation of wage determination. This can be implemented practically through routine meetings that can be supported by adjustments to the budgeting of the Purwakarta Regency Wage Council activities by the Regional Government.

## **Acknowledgment**

Thank you to the elements of the Government, especially the Manpower and Transmigration Office of Purwakarta Regency, the elements of employers (APINDO) and the elements of the Workers' Union/Labour Union (KSPSI) who have provided full support for this research as a form of developing knowledge regarding the implementation of Wages in Purwakarta Regency through the Master of Public Policy program at Padjadjaran University.

## References

- Ali, A. K., & Asfaw, D. M. (2023). Nexus between inflation, income inequality, and economic growth in Ethiopia. *Plos one*, *18*(11), e0294454. <https://doi.org/10.1371/journal.pone.0294454>
- Ali, B. J., & Anwar, G. (2021). An empirical study of employees' motivation and its influence job satisfaction. *Ali, BJ, & Anwar, G.(2021). An Empirical Study of Employees' Motivation and its Influence Job Satisfaction. International Journal of Engineering, Business and Management*, *5*(2), 21-30. <http://dx.doi.org/10.22161/ijebm.5.2.3>
- Chatterjee, S., Chaudhuri, R., & Vrontis, D. (2022). Does remote work flexibility enhance organization performance? Moderating role of organization policy and top management support. *Journal of Business Research*, *139*, 1501-1512. <https://doi.org/10.1016/j.jbusres.2021.10.069>
- Dimitrijevska-Markoski, T., & Nukpezah, J. A. (2023). COVID-19 risk perception and support for COVID-19 mitigation measures among local government officials in the US: A test of a cultural theory of risk. *Administration & Society*, *55*(3), 351-380. <https://doi.org/10.1177/00953997221147243>
- Fajarwati, A., & Rahmadilla, U. (2022). Model Implementasi Kebijakan Merilee Grindle. *Dialog*, *7*(1), 123-133.
- Girdzijauskas, S., Streimikiene, D., Grišienė, I., Mikalauskiene, A., & Kyriakopoulos, G. L. (2022). New approach to inflation phenomena to ensure sustainable economic growth. *Sustainability*, *14*(1), 518. <https://doi.org/10.3390/su14010518>
- Jaiswal, R., Gupta, S., & Gupta, S. K. (2025). The impending disruption of digital nomadism: opportunities, challenges, and research agenda. *World Leisure Journal*, *67*(1), 74-104. <http://dx.doi.org/10.1080/16078055.2024.2346091>
- Kaufman, B. E. (2003). John R. Commons and the Wisconsin School on industrial relations strategy and policy. *Industrial and Labour Relations Review*, *57*(1), 3–30. <https://doi.org/10.1177/001979390305700101>
- Khozin, A. A., Pratama, F. A., Ridwan, M., Amin, N. M. F., & Lesmana, T. (2022). Inflation and the Stability of Islamic Finance. *ICOBBA\_2021*, 404-409. <https://doi.org/10.51773/icobba.v1i2.110>
- Lam, L., Nguyen, P., Le, N., & Tran, K. (2021). The relation among organizational culture, knowledge management, and innovation capability: Its implication for open innovation. *Journal of Open Innovation: Technology, Market, and Complexity*, *7*(1), 66. <https://doi.org/10.3390/joitmc7010066>
- Lei, H., Khamkhoutlavong, M., & Le, P. B. (2021). Fostering exploitative and exploratory innovation through HRM practices and knowledge management capability: the moderating effect of knowledge-centered culture. *Journal of Knowledge Management*, *25*(8), 1926-1946. <http://dx.doi.org/10.1108/JKM-07-2020-0505>
- Marín Díaz, G., Galán Hernández, J. J., & Galdón Salvador, J. L. (2023). Analyzing employee attrition using explainable AI for strategic HR decision-making. *Mathematics*, *11*(22), 4677. <http://dx.doi.org/10.3390/math11224677>
- Md, S., Md Saiful, I., & Jannatul, F. (2025). Harnessing AI Adoption in the Workforce A Pathway to Sustainable Competitive Advantage through Intelligent Decision-Making

and Skill Transformation. *American Journal of Economics and Business Management*, 8(3), 954-976.

- Priyanka, R., Ravindran, K., Sankaranarayanan, B., & Ali, S. M. (2023). A fuzzy DEMATEL decision modeling framework for identifying key human resources challenges in start-up companies: Implications for sustainable development. *Decision Analytics Journal*, 6, 100192. <https://doi.org/10.1016/j.dajour.2023.100192>
- Rahmi, J., & Riyanto. (2022). Dampak Upah Minimum Terhadap Produktivitas Tenaga Kerja: Studi Kasus Industri Manufaktur Indonesia (The Impact of Minimum Wage on Labour Productivity: Evidence from Indonesian Manufacturing Industry). *Jurnal Ekonomi & Kebijakan Publik*, 13(1), 1–12. <http://dx.doi.org/10.22212/jekp.v13i1.2095>
- Rasulong, I., & Syam, A. (2024). The Dynamics of Minimum Wages and Inflation: Implications for Employment Opportunities in the Manufacturing Sector. *Income Journal Of Economics Development*, 4(2), 104-113. <http://dx.doi.org/10.54065/ijed.4.2.2024.320>
- Rezaei, F., Khalilzadeh, M., & Soleimani, P. (2021). Factors affecting knowledge management and its effect on organizational performance: Mediating the role of human capital. *Advances in Human-Computer Interaction*, 2021(1), 8857572. <http://dx.doi.org/10.1155/2021/8857572>
- Sager, F., & Gofen, A. (2022). The polity of implementation: Organizational and institutional arrangements in policy implementation. *Governance*, 35(2), 347-364. <https://doi.org/10.1111/gove.12677>
- Shahini, V., & Panaro, A. V. (2023). Ensuring workers' right to fair pay and decent standard of living: the minimum wage initiatives in a multilevel governance framework. *EUROSHIP WORKING PAPER*, 24. <http://dx.doi.org/10.6084/m9.figshare.22317430>
- Silalahi, M. S., & Walsh, S. (2023). Analyzing government policies in addressing unemployment and em-powering workers: Implications for economic stability and social welfare. *Law and Economics*, 17(2), 92-110. <https://doi.org/10.35335/laweco.v17i2.3>
- Skivington, K., Matthews, L., Simpson, S. A., Craig, P., Baird, J., Blazeby, J. M., ... & Moore, L. (2021). A new framework for developing and evaluating complex interventions: update of Medical Research Council guidance. *bmj*, 374. <https://doi.org/10.1136/bmj.n2061>
- Stoney, C., Asquith, A., Kipper, K., McNeill, J., Martin, J., & Spano, A. (2023). Policy-making, policy-taking, and policy-shaping: Local government responses to the COVID-19 pandemic. *Australian Journal of Public Administration*, 82(4), 440-461. <https://doi.org/10.1111/1467-8500.12585>
- Subbiah, A. K. (2021). *A Study on Role of Enforcing Minimum Wage Policy in Promoting Equality and Social Justice in an Economy: A Case of Indian Economy* (Doctoral dissertation, Dublin, National College of Ireland).
- Wasiel, A., Yeung, V. W. L., & Krysz, K. (2025). Responsible powerholders may preserve the status quo? A three cultures study into the relation between powerholder construals and societal development expectations. *BMC psychology*, 13(1), 1-15. <https://doi.org/10.1186/s40359-025-02534-1>