

Research Article

The Influence of Industrial Relations on Employee Work Motivation in Improving Organizational Performance

Chalisa Mahany ^{1*}, Marzuti Isra ², Suhendri ³, Purjianto ⁴, Adi Amin Putra ⁵, Bayu Rizki Ananda ⁶,
Dimas Abang Priatama ⁷, Muhammad Dwi Nanda ⁸, Rahmat Sarif ⁹

¹⁻⁹ Institut Teknologi Sawit Indonesia, Indonesia

*Corresponding Author : chalisamahany2005@gmail.com

Abstract. This material examines the dynamics of industrial relations as a fundamental framework for fostering positive and sustainable collaboration among workers, management, and government institutions within organizational settings. The discussion focuses on the role and function of labor unions, the core principles of industrial relations, and their alignment with labor regulations that define the rights, obligations, and responsibilities of all stakeholders. In addition, the material highlights the importance of implementing Occupational Safety and Health (OSH) through systematic risk assessment, hazard control, and comprehensive safety programs aimed at creating a safe, healthy, and efficient working environment. The study also explores motivational and behavioral aspects in the workplace by reviewing major motivation theories, key factors influencing employee motivation, and practical strategies organizations can adopt to enhance work motivation and engagement. Overall, this material emphasizes that harmonious industrial relations, effective OSH implementation, and well-managed employee motivation are interrelated components that play a critical role in increasing organizational productivity, improving employee performance, and ensuring long-term organizational sustainability.

Keywords: Industrial Relations; K3; Risk Analysis; Work Motivation; Work Safety.

1. Introduction

Industrial relations constitute a fundamental aspect of organizational sustainability, particularly in balancing the interests of employers and employees. In practice, industrial relations do not always function harmoniously, as conflicts frequently arise during employment relationships. Such disputes may involve rights and obligations, termination of employment, wage and benefit issues, conflicts of interest, and disagreements among workers or labor unions within a company. Among these, termination of employment remains one of the most dominant and sensitive issues, often triggering prolonged disputes and dissatisfaction on both sides (Marselina et al., 2024).

To minimize industrial conflict, organizations are required to foster positive and harmonious industrial relations. The relationship between employers and employees is inherently reciprocal, where mutual trust and cooperation are essential to achieving organizational goals. Harmonious industrial relations contribute to a more effective and efficient work environment by encouraging open communication, transparency in regulations, and standardized human resource management practices aligned with organizational objectives (Gautama & Edalmen, 2020). Conversely, unresolved disputes can result in declining morale, reduced motivation, and deteriorating organizational performance.

Work motivation plays a crucial role in determining employee behavior and performance. Motivation reflects the internal drive that encourages individuals to exert effort, persist in their tasks, and strive toward achieving organizational goals (Yuliasari & Nurhayati, 2024). Employees with high levels of motivation tend to demonstrate stronger commitment, higher productivity, and better performance outcomes. Prior studies indicate that motivation has a significant positive influence on employee performance, whereas low motivation is associated with reduced work effectiveness and organizational inefficiency (Gony et al., 2021; Ningsih et al., 2022).

Received: 16 December, 2025

Revised: 18 January, 2026

Accepted: 01 February, 2026

Published: 02 February, 2026

Curr. Ver.: 02 February, 2026



Copyright: © 2025 by the authors.

Submitted for possible open

access publication under the

terms and conditions of the

Creative Commons Attribution

(CC BY SA) license

([https://creativecommons.org/li](https://creativecommons.org/licenses/by-sa/4.0/)

[censes/by-sa/4.0/](https://creativecommons.org/licenses/by-sa/4.0/))

Organizational performance itself represents the extent to which individuals or groups achieve work outcomes in accordance with assigned responsibilities and established ethical, legal, and professional standards (Idrus et al., 2021). Effective human resource management, supported by strong industrial relations and employee motivation, is therefore essential to enhancing organizational performance. Despite extensive research on motivation and performance, empirical studies examining industrial relations as a strategic antecedent of employee motivation and organizational performance remain limited. Accordingly, this study seeks to analyze the influence of industrial relations on employee work motivation and its implications for improving organizational performance.

2. Literature Review

Industrial Relations

Industrial relations is a system that regulates the interaction between employers, workers, and the government in the production of goods and services. Ideally, this relationship should create a balance between the interests of employers and the welfare of workers. However, in reality, conflicts often occur between workers and employers, which can hinder productivity and disrupt workplace harmony. Problems often arise because the implementation of good industrial relations principles is not optimal, especially related to communication, labor regulations, and mechanisms for resolving disputes amicably. This study aims to analyze the significance of developing good industrial relations in reducing conflict in the corporate environment and to identify strategies and steps that can be taken to achieve this. This study uses a normative juridical method with legal, conceptual, and comparative regulatory approaches, and utilizes secondary data through literature studies. The research findings indicate that harmonious industrial relations are crucial for creating a supportive work environment, increasing productivity, and achieving company goals. Steps to create good industrial relations include intensive communication, clarity in labor regulations, professional workforce management, and dispute resolution with a friendly approach.

Work motivation

Human resources play a crucial role in an organization, as they act as a driving force for other resources to function and operate effectively. Human resources are a key factor in an organization's development, encompassing diverse potentials such as ideas and thoughts, skills, emotions, aspirations, education level, age, gender, and more, which can be utilized and optimized to achieve the organization's goals (Siswanto et al., 2021). The existence of human resources is seen as a significant factor in the organizational development process. The most vital resource for a company's sustainability in achieving its vision and mission is its human resources. They are a crucial element in the organizational development process itself (Riyono et al., 2023).

3. Research Methods

This research utilizes a literature review approach as the primary strategy to explore, understand, and analyze ideas on industrial relations, the role of trade unions, the implementation of occupational safety and health (OHS), and work motivation and behavior within an organization. The literature review approach was adopted because the research subject is based on theories and regulations that have been widely discussed in previous studies, allowing an in-depth search of scientific sources to provide a comprehensive, structured, and verified understanding. The data used is entirely secondary data originating from various sources of scientific publications and official documents.

4. Results And Discussion

The Role of Labor Unions and the Concept of Labor Relations within Organizations, Assignments to Labor Union and Labor Relations Laws, Labor Regulations

The Role of Labor Unions

Trade unions should provide support to workers rather than employers, but their support must be objective, transparent, and accountable (Agung, 2021). This aligns with the mandate of Law Number 21 of 2000. Article 28D (paragraph 1) explains the guarantee of protection, legal certainty, and fair and equal treatment before the law. Article 28D

(paragraph 2) also states the right to receive fair and adequate remuneration in the context of employment relations, all of which are enshrined in the 1945 Constitution.

In Article 1 number 2 of Law No. 13 of 2003 concerning Manpower, the term worker has a broad meaning, namely every individual who has the capacity to do work with the aim of producing products and/or services that can meet personal needs and the wider community. This definition still does not clearly describe the status of the existing employment relationship. Specifically, Ridwan Halim defines workers or employees as: (a) Working for or under an employer/company. (b) Remuneration for work is given by the employer/company. (c) Officially and openly and continuously undergoing an employment relationship with the employer/company, either for a certain duration or for an indefinite period.

Working Relationships within the Organization

An employment relationship is a relationship formed between an employee and an employer to perform a task based on an employment contract, which must include elements such as the existence of work, the presence of the worker, income, and instructions. This is explained in Article 1, number 15 of Law Number 2003 concerning Manpower (Santoso & Wijayanti, 2020).

Assignment to the Labor Union and Labor Relations Law

The relationship between employees and the Workers' Union is constitutionally regulated in Article 27 paragraph (2) in conjunction with Article 28 of the 1945 Constitution. This rule is then explained in more detail in Law Number 13 of 2003 concerning Manpower, which will hereinafter be referred to as Law 13 2003. Regarding the relationship between workers in the use of the right to organize, it has been regulated in Law Number 21 of 2000 concerning Workers' Unions/Labor Unions, hereinafter abbreviated as Law 21 2000 (Aprilianto & Wijayanti, 2021). This rule is also further explained in other implementing regulations.

Employment Regulations

Essentially, employment regulations aim to protect and create security, peace, and prosperity through the enforcement of social justice for all. In providing protection, employment law must address two aspects. First, law, from an ideal perspective, is realized through legislation (heterotopy) and autonomous law. This area of law must reflect legal output that aligns with the ideals of justice and truth, provides certainty, and brings production value. Employment regulations not only benefit parties in the process that prioritizes business actors, but also pay attention to and provide protection to workers who have a very vulnerable social position compared to the position of established entrepreneurs. The law plays a role in providing benefits to the principle of social and economic differences for disadvantaged workers, including in aspects of welfare, wage standards, and work conditions, as regulated by law and in line with the meaning of justice according to Article 27 paragraph 2 of the 1945 Constitution (UUD 1945), which affirms that every citizen has the right to work and a life worthy of human dignity. (Laurensius Arliman S, nd)

K3 in Companies, Risk Analysis, Occupational Safety Programs

K3 in the Company

Occupational Safety and Health (K3) can be understood as a system of thinking and actions implemented to prevent work incidents, fires, explosions, and environmental pollution that can have a negative impact on workers, companies, and the surrounding environment. This initiative has the main objective of protecting the safety and health of workers and other individuals in the workplace, as well as ensuring that every production tool can function safely and efficiently. The main legal basis for the implementation of K3 in Indonesia is regulated in Law Number 1 of 1970 concerning Occupational Safety and Health and Law Number 13 of 2003 concerning Manpower, especially Article 86 which highlights the right of workers to receive K3 protection. In addition, the technical aspects and implementation of K3 are supported by the Regulation of the Minister of Manpower (Permenaker) Number 5 of 2018. The global objective of K3 is to create a work environment that is not only safe and protected but also supports efficiency in the utilization of production resources. Ultimately, effective implementation of K3 is expected to improve worker welfare and national productivity sustainably, encompassing comprehensive preventive measures against various occupational accident and disease risks (Swatika et al., 2022).

Risk Analysis

In the business world, risk is an unavoidable part of the business due to unpredictable uncertainties, which can lead to losses for the company. This phenomenon also occurs in Small and Medium Enterprises (SMEs), which typically have limited financial resources, making them more susceptible to operational disruptions, financial losses, and the possibility of bankruptcy. While various types of risks exist in the industrial world, early detection can significantly mitigate their impact. Therefore, a risk management system is needed to control and mitigate potential losses. For SMEs, risk management is crucial, given the complex and varied challenges they face. (Muh Fajrul, 2025)

Occupational Safety Program

From a productivity perspective, implementing an effective OHS system not only aims to reduce the number of workplace accidents but also impacts employee efficiency and performance. A safe and supportive work environment positively contributes to increased levels of concentration, creativity, and employee enthusiasm in completing their work. Conversely, neglecting OHS aspects can increase the likelihood of work-related accidents and illnesses, whether caused by human factors, such as non-compliance with safety protocols, or by external factors, such as the use of work equipment that does not meet safety standards. According to research conducted by Fitria (2021), companies that do not implement OHS policies effectively tend to experience an increase in the number of workplace accidents, which negatively impact productivity and increase compensation costs for affected workers.

Motivation and Work Behavior (Motivation Theory, Influencing Factors, Strategies to Increase Motivation)

Motivation Theory

Motivation plays a key role in shaping individual behavior and fostering the desire to realize predetermined plans. Having goals makes individuals more innovative and persistent in achieving them. This drive fuels the desire to perform optimally. Various factors such as high salaries, supportive management, adequate work facilities, a comfortable work environment, and good relationships with coworkers can improve employee performance, leading to optimal results (Jufrizen & Hadi, 2021).

Factor affecting

One of the factors influencing a company's success is employee performance. Effective, productive, and efficient employee performance is crucial for a company to achieve progress and is one indicator of its effectiveness. Every company always wants its employees to achieve success, as this allows the company to improve its overall performance (Armansyah, 2021).

Based on sources, there are several factors that can influence employee work motivation, including: 1) Internal factors: employee welfare, awards, work environment, length of service, education and job training. 2) External Factors: job promotion, work performance, the work itself, recognition, responsibility, success in work, material incentives, non-material incentives. Recognition and appreciation of employees have a strategic role in increasing employee motivation and productivity.

Strategies to Increase Motivation

Providing positive feedback: Providing constructive feedback and recognizing their accomplishments can increase feelings of appreciation and make temporary workers feel more engaged in their work. Involvement in projects or decisions: Temporary workers need to feel like they contribute to the company's success. Giving them the opportunity to contribute to important decisions or projects will help them feel valued. Flexibility in work: Providing flexibility in working hours or workplace can improve work-life balance, as well as increase motivation. Reward and incentive programs: While they do not receive the same benefits as permanent employees, companies can provide reward or incentive programs in the form of bonuses based on certain performance or achievements.

5. Conclusion

The discussion on industrial relations and work motivation shows that creating harmonious working conditions requires the active participation of various elements within the organization. Trade unions serve as a forum for aspirations, helping to maintain a balance between worker interests and company policies, while ensuring that employment relations are conducted in accordance with applicable labor regulations. The

implementation of occupational health and safety (K3) in companies is also a crucial aspect because it can minimize the risk of accidents, create a safe work environment, and support smooth operations. Furthermore, work motivation plays a significant role in shaping employee work behavior; good motivation can improve performance, loyalty, and productivity. By understanding motivation theory, influencing factors, and appropriate strategies, organizations can create a conducive work environment and encourage employees to perform optimally. Overall, healthy industrial relations, effective implementation of K3, and sound management of work motivation are essential foundations for a company's sustainability and progress.

Bibliography

- Aprilianto, D., & Wijayanti, A. (2021). Rights of workers laid off due to efficiency during the COVID-19 pandemic and after the Job Creation Law. *Jurnal Hukum De'Rechtsstaat*, 7(2), 147–161.
- Armansyah. (2021). The influence of intrinsic motivation on the work performance of employees of the Mahato Bersatu Sawit Cooperative. *Tanjungpinang Managerial and Business Journal*, 4(2), 159–164.
- Fajrul, M., Wahyono, A. T., Kaharuddin, E., & Vernando, A. N. (2025). A systematic approach to risk management for the sustainability of MSMEs in Semarang City based on ISO 31000:2018. *Journal of Social Sciences Research*, xx(x), xx–xx.
- Gautama, I., & Edalmen. (2020). The effect of work motivation on employee performance with organizational citizenship behavior (OCB) as an intervening variable at PT Techmicron. *Postgraduate Management Journal*, 2(1), 24–39.
- Gony, G. H., Manoppo, W. S., & Rogahang, J. J. (2021). The effect of work motivation on improving employee performance at PT Bank Rakyat Indonesia Tahuna Branch. *Productivity Journal*, 2(4), 330–335.
- Idrus, I., Hakim, H., & Kamaruddin, Y. (2021). The influence of work motivation and work discipline on employee performance. *Journal of Industrial and Management*, 2(2), 46–52.
- Jufrizen. (2021). The influence of work facilities and work discipline on employee performance through work motivation. *Management Science*, 7(1), 35–54.
- Laurensius Arliman, S. (n.d.). *Development and dynamics of employment law in Indonesia*. <https://ojs.umrah.ac.id/index.php/selat/article/view/215>
- Marselina, R. D., Saripah, S., Denisa, S. A., Lathifah, P., Sopian, R. A., & Nugraha, G. (2024). The role of labor unions in optimizing the quality of industrial relations at PT Sansan Saudatex Jaya. *Global Leadership: Organizational Research in Management*, xx(x), xx–xx.
- Ningsih, O. L., Zaki, H., & Hardilawati, W. L. (2022). The influence of work motivation and work environment on employee performance at the Dyan Graha Hotel, Pekanbaru. *Economics, Accounting and Business Journal*, 2(1), 52–63.
- Riyono, E., Hidayat, A., Irvan, I., Irwan, I., & Ayu, I. W. (2023). The influence of leadership, motivation, and work environment on job satisfaction. *Journal of Research on Technology and Environmental Studies*, 6(1), 155–163. <https://doi.org/10.58406/jrktl.v6i1.1251>
- Santoso, A., & Wijayanti, A. (2020). The existence of wage councils in the minimum wage setting process. *Wijayakusuma Law Review*, 2(1), xx–xx.
- Siswanto, H. T., Ridwan, M., & Ayu, I. W. (2022). Sustainable human resource management in organizations. *Journal of Technology and Environmental Studies Research*, 5(2), 96–105. <https://doi.org/10.58406/jrktl.v5i2.1264>
- Swatika, B., Wibowo, P. A., & Abidin, Z. (2022). The influence of occupational safety and health (K3) on employee work productivity. *Journal of Public Health Sciences*, 11(2), 197–204.
- Yuliasari, K., & Nurhayaty, E. (2024). The influence of work motivation and work discipline on employee performance at the Pasar Jaya Regional Public Company (PERUMDA). *Ulil Albab: Multidisciplinary Scientific Journal*, 3(11), 1–8. <https://doi.org/10.56799/jim.v3i11.4969>