LOCAL GOVERNMENT INNOVATION: THE EMPLOYMENT RAPID RESPONSE UNIT (URC) TEAM IN EARLY DETECTION AND RISK MITIGATION OF INDUSTRIAL RELATIONS DISPUTES IN GRESIK REGENCY

Naufal Alfarisi[1], Arif Darmawan[2], Endang Indarturti[3]

naufalalfarisi50@gmail.com

[1,2,3]Faculty of Social and Political Science, Universitas 17 August 1945 Surabaya, Indonesia

Abstract

This study examines the Employment Rapid Response Unit (URC) innovation by the Gresik Regency Manpower Office, designed to address the rising complexity of industrial relations disputes (from 50 cases in 2023 to 84 in 2025). Using a descriptive qualitative approach, the research applies Everett M. Rogers' (2003) Diffusion of Innovations theory across five attributes. Key drivers of this success include leadership commitment, foundational regulations, and a mature tripartite ecosystem. However, challenges persist, notably limited human resources, budget constraints, and a legal foundation currently restricted to a Head of Service Decree. To ensure long-term sustainability, the study recommends upgrading the legal framework to a Regent Regulation and implementing a digital conflict management information system.

Keywords: *Local government innovation, rapid response unit, industrial relations, diffusion of innovation, Gresik Regency*

A. Introduction

As a developing country with a workforce reaching 149.38 million people in 2024 (BPS, 2024), Indonesia places the employment sector as a fundamental pillar of national development. The dynamics of working relations between workers and employers occurring on such a massive scale are inevitably prone to various potential conflicts and disputes, both structural and situational. Data from the National Employment Information System (SISNAKER) of the Indonesian Ministry of Manpower recorded a significant increase in the number of workers experiencing Termination of Employment (Layoffs): 25,114 people in 2022, increasing to 64,711 in 2023, and reaching 72,992 in 2024. This condition underscores the urgency for a responsive, proactive, and equitable dispute resolution mechanism.

Gresik Regency, as one of the largest industrial areas in East Java Province, with more than 5,000 companies and 300,000 active workers in the industrial sector (BPS Gresik, 2024), faces a concerning trend. Industrial relations dispute cases increased from 50 cases (2023) to 66 cases (2024) and 84 cases (2025) (Gresik Regency Manpower Office, 2025). The most dominant dispute was Termination of Employment (Layoffs) at 45%, followed by rights disputes at 32%, interest disputes at 15%, and inter-union disputes at 8%.

Conventional dispute resolution mechanisms, as regulated in Law No. 2 of 2004 concerning Industrial Relations Dispute Settlement (PPHI), are considered inadequate to respond to the rapid escalation of conflicts in the field. The bipartite procedure, which should be the first line of resolution, often reaches a deadlock due to unequal bargaining power, while the mediation process at the Manpower Office is hindered by case backlogs and a limited number of mediators. As emphasized by Simanjuntak (2009), harmonious industrial relations can only be achieved if there is a mechanism that is responsive and preventive, rather than merely reactive.

This study uses Rogers' (2003) Diffusion of Innovation theoretical framework to analyze the extent to which the Employment URC Team innovation has developed and been adopted by stakeholders within the industrial relations ecosystem in Gresik Regency. The research problems are formulated as follows: (1) How does the Local Government innovation of the Employment URC Team function in the early detection and risk mitigation of industrial relations disputes in Gresik Regency? (2) What are the supporting and inhibiting factors in implementing this innovation?.

B. Research Method

This study employs a descriptive qualitative approach with a single case study design, as proposed by Creswell (2014). The selection of this approach is based on its relevance to providing an in-depth depiction of complex governance innovation phenomena within the specific context of Gresik Regency. The researcher acts as the primary instrument, collecting and interpreting data directly in the field.

The research location is the Gresik Regency Manpower Office, particularly the Industrial Relations Division, acting as the operational control center for the Employment URC Team. Field observations were also conducted at companies serving as the locus for the URC Team's implementation. The sampling technique used was purposive sampling, involving eight key informants: Head of the Manpower Office (1 person), Head of the Industrial Relations Division (1 person), Industrial Relations Mediators (2 persons), Worker/Labor Union Representatives (2 persons), and Company Management Representatives (2 persons).

Data were collected through three techniques: (1) semi-structured in- depth interviews using a flexible interview guide; (2) field observations to directly verify the URC Team's work practices; and (3) document analysis, including regulations, official reports, and dispute statistical data. Data analysis utilized the interactive model by Miles, Huberman, and Saldaña (2014) through three stages: data condensation, data display, and conclusion drawing/verification. Data validity was ensured through source triangulation (interviews, observations, documentation) and technique triangulation.

C. Results and Discussion

Overview of the Gresik Regency Employment URC Team

The Gresik Regency Employment Rapid Response Unit (URC) Team was established based on the Decree of the Head of the Manpower Office Number 560-2/5/437.58/2026. This team is a cross-

functional tactical unit tasked with early detection of potential industrial relations disputes, conducting proactive field interventions, facilitating non-litigation mediation, and systematically documenting and evaluating each case handling.

The URC Team's organizational structure includes the Head of the Office as the Director, the Head of the Industrial Relations Division as the Operational Coordinator, the Field Team Coordinator (a certified Senior Mediator), and four mediators with specific functions: Mediator I (Early Detection), Mediator II (Field Intervention), Mediator III (Non-Litigation Mediation), and Mediator IV (Documentation and Evaluation). The team is supported by an underlying tripartite network that includes APINDO (Employers' Association), Trade Unions (FSPMI/Kahutindo), and the Employment/Health Social Security Agency (BPJS).

The URC Team's Standard Operating Procedures (SOP) comprise eight stages: identification of problem signals, detection of conflict indications, information verification (maximum 4 hours), risk categorization (low/medium/high), response based on category (monitor/field activation/escalation), field visits and assessments, non-litigation mediation facilitation, and documentation and follow-up. A prominent advantage is the standard field response within 24 hours of detecting a potential conflict.

Table 1. Performance Comparison Between the Employment URC Team and Conventional Mechanisms

No.	Comparison Dimension	Employment URC Team	Conventional Mechanism	Advantage
1	Response Speed	1 × 24 hours (field)	14–30 days (administrative)	Faster by ± 13–29 days
2	Activation Mechanism	Proactive (without formal reports)	Reactive (requires written reports)	Without bureaucratic hurdles
3	Early Resolution (2025)	51 cases (60.7% of total)	33 cases (must be formal)	18 cases more efficient
4	Working Days Lost (2025)	0 days (zero incidents)	4–5 days/year (pre-URC)	100% efficiency from baseline
5	Conflict Resolution Cost	Minimal (without litigation)	High (lawyers, PHI)	Significant savings

Analysis of the Employment URC Team's Diffusion of Innovation

A. Relative Advantage

An analysis of the Relative Advantage dimension shows that the employment URC Team has a highly significant comparative advantage over conventional resolution mechanisms, scoring 4.8 out

of a 5-point scale. Field data confirm three prominent dimensions of advantage. First, from a temporal perspective, the URC Team can respond to potential conflicts within 24 hours—a speed that structurally cannot be met by formal bipartite mechanisms. Second, substantively, the URC Team facilitates tripartite communication before the parties' positions harden within a formal framework, aligning with Muluk's (2008) thoughts on relational and collaborative interaction paradigms. Third, economically, the success in maintaining zero industrial incidents throughout 2025 represents significant savings for all parties. As stated by the Head of the Manpower Office: "Out of the 84 cases that came in during 2025, more than 60 percent were successfully resolved at the early detection level before becoming formal disputes."

B. Compatibility

The Compatibility dimension shows a score of 4.6 (very high). The URC Team is proven to be aligned with four main aspects: (1) regulative established based on the mandate of Law No. 13/2003 and Law No. 2/2004, thus not requiring new regulatory changes; (2) cultural the value of deliberation and consensus, which is the DNA of Indonesian industrial relations, serves as an organic catalyst for the acceptance of the URC Team's approach; (3) institutional the tripartite network built over the years serves as social capital ready to be utilized without needing to build trust from scratch; and (4) operational a low learning curve for mediators because the main change is only in work orientation, from reactive to proactive. The stakeholder acceptance rate reached more than 85% across all groups, confirming the absence of significant culture shock.

C. Complexity

The analysis of the Complexity dimension yielded findings that are two-layered, with an aggregate score of 4.2 (interpreted positively as low complexity). In terms of external accessibility, the reporting mechanism via WhatsApp and a direct hotline received a score of 1.8 (very low complexity), reflecting high ease of access. The clear 24-hour response standard received a score of 2.0. Conversely, cross-agency coordination received a score of 3.4 (medium-high complexity), indicating challenges in coordination with the Provincial Government, BPJS, and the National Police (Polri). The ambiguity of the team's jurisdictional boundaries, which still operate in a grey area due to its legal basis resting on a Head of Office Decree, received a score of 3.2 and becomes a priority recommendation for improvement. This finding aligns with Yusuf & Nugroho (2024), who emphasize the importance of formal institutionalization for the sustainability of innovation.

D. Trialability

The URC Team's trialability process occurred organically through four identified phases. Phase I (informal, mid-2024 to October 2024): 7 cases were handled ad hoc with a success rate of 71.4%. Phase II (pilot area of KIG & Kebomas, October 2024 to February 2025): 18 cases with a success rate of 77.8%. Phase III (expansion across Gresik Regency, February to September 2025): 38 cases with a success rate of 84.2%. Phase IV (evaluation & standardization, September 2025 to January 2026): 21 cases with the highest success rate of 90.5%. This gradual increase reflects a positive organizational

learning curve. Although organic and adaptive, this trialability process requires stricter baseline measurement standardization for replication purposes in other regions.

E. Observability

The Observability dimension shows a score of 4.4 (high) with very strong concrete evidence. Quantitative observability: the proportion of non- formal cases surged from 5.8% (2023) to 60.7% (2025), a 54.9 percentage point increase. Economic observability: lost working days dropped 100% from 4 days/year to zero incidents. Testimonial observability: 92% of stakeholders (78% highly aware + 14% aware) proved to be aware of the URC Team. Reporting observability: a regular quarterly reporting mechanism builds public accountability that previously did not exist. These findings align with Rogers' (2003) proposition that the highly observable results of an innovation accelerate horizontal diffusion among stakeholders, and resonate with New Public Service values regarding transparency as stated by Afifuddin (2021).

Table 2. Summary of Analysis Results of Rogers' Five Innovation Diffusion Indicators on the Employment URC Team

No.	Rogers' Indicator (2003)	Score (1–5)	Category	Implications for Adoption
1	Relative Advantage	4.8	VERY HIGH	Strongly accelerates adoption; benefits are visible and measurable
2	Compatibility	4.6	VERY HIGH	Eliminates resistance; adoption without culture shock
3	Complexity	4.2*	LOW (Positive)	Ease of external access; internal coordination challenges
4	Trialability	4.3	GOOD	Organic learning strengthens adopter trust
5	Observability	4.4	HIGH	High visibility accelerates horizontal diffusion

Note: Low score = positive for the Complexity dimension.

Supporting and Inhibiting Factors of Innovation

A. Supporting Factors

Based on data analysis, five main factors support the success of the URC Team innovation: First, strong leadership commitment from the Head of the Manpower Office as the champion of innovation, who actively pushes for the formalization of the team and builds institutional legitimacy (Akhmad Farhan, 2023). Second, a solid regulatory foundation in the form of Law No. 13/2003 and Law No. 2/2004, providing formal legitimacy without requiring new regulatory changes. Third, the capacity of the team's trained and certified human resources with extensive field experience in handling various dispute typologies (Moenir, 2010). Fourth, the high urgency of field needs due to the escalation of cases from 50 to 84, creating collective pressure from all stakeholders for the presence of swift

solutions (Stoker, 1998). Fifth, a mature tripartite ecosystem—social capital in the form of trust accumulated over years among the Manpower Office, APINDO, and trade unions—serves as an infrastructure of trust ready to be utilized (Sinambela et al., 2006).

B. Inhibiting Factors

Five inhibiting factors were identified. First, critical human resource limitations: a ratio of 4-6 mediators to more than 5,000 companies and 300,000 workers is highly disproportionate, limiting the capacity for comprehensive early detection (Cahya Aqila, 2025). Second, limited operational budgets reliant on a minimal regional budget (APBD), hindering field mobility, capacity building, and system modernization (Swandi Siagian et al., 2026). Third, resistance from some small and medium-scale companies that view the URC Team's proactive visits as inspections rather than assistance, indicating suboptimal socialization (Sulistiyani, 2017). Fourth, limitations in the digital conflict management information system: monitoring is still manual, there is no real-time risk dashboard, and data is not yet integrated with the National SISNAKER (Lubis et al., 2026). Fifth, the relatively weak legal basis—a Head of Office Decree does not provide sufficient coercive authority against uncooperative companies, creating a grey area that needs immediate resolution (Yusuf & Nugroho, 2024).

Table 3. Summary of Supporting and Inhibiting Factors of the Employment URC Team Innovation

Supporting Factors	Level of Influence	Inhibiting Factors	Level of Hindrance
Leadership Commitment	Very High	HR Limitations / Personnel Ratio	Critical
Regulatory & Institutional Foundation	High	Limited Operational Budget	Critical
Trained & Experienced HR	High	Resistance from Some Companies	Medium
Urgency of Field Needs	Very High	Limited Digital Information System	Medium-Critical
Mature Tripartite Ecosystem	High	Relatively Weak Legal Basis (Decree)	Critical

D. Conclusion

Based on a comprehensive analysis using Rogers' (2003) Diffusion of Innovation framework, this study concludes that the Local Government innovation of the Gresik Regency Employment URC Team is a genuine, significant, and tangibly impactful governance innovation. The diffusion profile of this innovation shows: (a) Very high relative advantage (4.8/5), evidenced by the success in resolving 60.7% of cases early and achieving zero industrial incidents in 2025; (b) Very high compatibility (4.6/5)—aligned with regulations, deliberative values, and the existing tripartite network; (c) Low complexity (4.2/5)—ease of external access through WhatsApp/hotlines, despite some internal coordination challenges; (d) Good trialability (4.3/5)—an organic four- phase process with success rates

increasing from 71% to 91%; and (e) High observability (4.4/5)—92% stakeholder awareness and transparent quarterly reporting mechanisms.

Based on the research findings, two strategic recommendations are proposed. First, strengthening the legal foundation: The Gresik Regency Government needs to elevate the URC Team's legal basis from a Head of Service Decree to a Regent Regulation. This will provide stronger, more comprehensive, and permanent authority to take administrative action against uncooperative companies, as well as ensure the sustainability of the innovation beyond leadership successions (Yusuf & Nugroho, 2024). Second, developing a digital- based Conflict Management Information System (SIMKONFLIK) integrated with the National SISNAKER. This would enable real-time monitoring of dispute risk indicators across all companies and overcome reliance on informal networks that are prone to data delays (Lubis et al., 2026). Additional recommendations include increasing the mediator ratio through contract recruitment and empowering certified private mediators, as well as an intensive peer-to-peer-based socialization program to overcome resistance from SME companies.

FURTHER STUDY

While this research provides comprehensive insights into the early diffusion stages of the Employment URC Team, several areas warrant future investigation. First, a longitudinal study is recommended to evaluate the long- term sustainability and impact of the URC Team, particularly following the proposed implementation of the digital Conflict Management Information System (SIMKONFLIK) and potential leadership transitions. Second, future research could employ quantitative or mixed-methods approaches to measure the precise economic efficiency and cost-benefit ratio of this proactive model compared to conventional litigation processes. Lastly, conducting comparative studies with other industrialized regions in Indonesia would help validate the replicability of this innovation and identify specific variables that influence the adoption of proactive dispute resolution mechanisms among small and medium enterprises (SMEs).

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