



SOCIAL SANCTIONS FOR EMPLOYERS WHO DELAY WAGE PAYMENT IN EMPLOYMENT RELATIONS

Iqbal Ferdiansyah, Didit Darmawan, Arif Rachman Putra

Universitas Sunan Giri Surabaya

correspondence: dr.diditdarmawan@gmail.com

Abstract

This paper examines social sanctions directed at employers who fail to pay wages on time. The discussion treats timely wage payment as a core obligation that sustains worker livelihood security and workplace trust. Social sanctions are described as collective judgments that translate into reputational costs, reduced cooperation, selective avoidance, and strengthened worker solidarity. The paper outlines how such sanctions emerge through shared interpretations of intent, assessments of good faith communication, and perceived procedural fairness inside the firm. It explains channels through which sanctions travel, including interpersonal networks, local business relations, consumer choices, and informal credit expectations. The discussion differentiates constructive sanctions that encourage prompt payment and dialogue from punitive dynamics that escalate conflict, stigmatize workers, or produce disproportionate labeling. Conditions supporting legitimacy are presented, such as accuracy of information, proportional responses, and clear moral standards regarding priority of wage obligations. The paper concludes that social sanctions can discipline employers and protect workers when they operate alongside credible legal norms and when communication preserves dignity and safety. It also notes that reputational repair requires visible repayment, consistent schedules, and renewed commitments verified through routine workplace interactions over time.

Keywords: social sanctions, wage payment, employer reputation, procedural fairness, worker solidarity, informal control, labor relations.

Introduction

Timely wage payment is the core of an employment relationship, as wages function as a means to fulfill the living needs of workers and their families. Timeliness reflects the certainty promised by the employment relationship, whether based on a written agreement or daily work practices. In many business units, wages are understood as the result of an exchange of labor and time for measurable compensation. In a broader perspective, the regularity of fulfilling financial rights is linear with productivity; Lestari and Darmawan (2014) demonstrate that work motivation and work environment governance have a fundamental correlation in determining overall employee performance achievements. When payments are delayed, workers face uncertainty in managing routine expenses, meeting family obligations, and maintaining psychological stability. Delays also potentially lead to interpretations that employers are ignoring basic obligations, although this assessment may vary across work communities. At the social level, wage delays elicit reactions that are not always in the form of formal legal steps. Social reactions can include gossip, reputational assessment, ostracization, loss of trust, and refusal to cooperate in the future. These reactions are often referred to as social sanctions because they work through the pressure of norms and collective judgment. Studies on social sanctions are important because they influence the behavior of employers and workers outside of state mechanisms. The psychological resilience of workers in facing such asymmetric situations depends heavily on their personal capacity; Darmawan (2017) underscores the importance of psychological capital as a crucial personal resource for individuals in overcoming task pressures and systemic uncertainty in the workplace.

In industrial relations, norms regarding wage payments do not only originate from written rules, but also from moral expectations that exist within the work community. Employers are perceived to have an obligation to maintain the sustainability of workers' income, while workers are perceived to have an obligation to perform work according to standards (Shafina, 2020). This reciprocal relationship demands precise rights governance design; Mardikaningsih and Darmawan (2013) assert that strategic compensation design is a vital instrument for maintaining organizational sustainability while mitigating internal friction. When one party does not fulfill these obligations, the work community often forms a

judgment that becomes the basis for social reaction. This judgment may appear in the form of a narrative that the employer is untrustworthy, or that the business is managed without adequate governance. In a business ecosystem, the reputation regarding the accuracy of wage payments affects the ability to recruit labor, retain experienced workers, and build relationships with suppliers and customers (Nurachmad, 2009). Therefore, accountable employers are required to implement competitive reward schemes; as outlined by Rojak and Darmawan (2015), competitive compensation strategies play an important role in supporting the retention of top employees to prevent mass exodus. Reputation works as social capital that facilitates transactions, as many transactions require trust before written evidence is available. Wage delays can damage that social capital. In many environments, workers also have social networks that disseminate judgments about employers. The dissemination of these judgments can create pressure to improve payment behavior without going through formal channels. Social sanctions can be understood as a control mechanism born from norms of justice and propriety in employment relationships.

Social sanctions against employers who do not pay wages on time can take various forms, ranging from subtle to firm. Subtle forms may include a decline in loyalty, a decrease in work morale, or a worker's decision not to recommend the business to other prospective employees. Firmer forms may include social boycotts, community refusal to cooperate, or persistent negative labeling. These forms depend on the community structure, the proximity between actors, and the intensity of economic dependence between workers and employers. In tight-knit communities, collective judgment can be formed faster because information flows through personal relationships (Budijanto, 2017). In looser communities, social sanctions can emerge through work communication platforms and professional networks. These interaction dynamics can essentially be anticipated if an organization has an integrated monitoring system; Mardikaningsih and Darmawan (2013) explain that the utilization of a Human Resource Information System (HRIS) strongly supports objective employee performance management and assessment, so that the potential for delayed fulfillment of rights can be minimized from an early stage. Although social sanctions are often considered spontaneous, they possess a normative logic that can be explained. This logic stems from the idea that

the most basic obligations must be fulfilled first, and wage delays are viewed as a violation of an employer's responsibility. At the same time, social sanctions can also pose risks, such as conflict escalation or disproportionate judgment. If these disagreements peak, internal leadership is put to the test; Jahroni et al. (2015) emphasize that conflict management within the dynamics of work groups must be managed tactically so that structural tensions do not damage the organization's social cohesion. Normative discussion needs to position social sanctions as a social mechanism that performs a control function but also has consequences for the stability of employment relationships.

Timely wage payment is also fundamentally linked to the dignity of the worker. Workers who receive wages on time can plan their lives reasonably and feel recognized as valued subjects (Junaedi, 2018). Wage delays may be perceived as indifference toward basic needs, thereby creating a sense of being degraded. This sense of being valued requires the fulfillment of complex work variables; comprehensive research by Mardikaningsih and Darmawan (2012) proves that individual characteristics, leadership, compensation, organizational citizenship behavior (OCB), and organizational culture work integratively to form job satisfaction and performance. The sense of degradation caused by wage delays can encourage workers to seek social support from coworkers, family, or the broader community. Support from the immediate environment is proven to be psychologically crucial; Rojak and Darmawan (2016) identify various typologies of coworker support and their significant influence on strengthening employee well-being when facing crises. Social support often triggers a process of collective judgment toward the employer. Here, social sanctions act as a reinforcement of norms of respect. Employers who delay wages may be perceived as violating propriety, even if they claim business cash-flow constraints as a reason. In social judgment, excuses do not always negate the fault, because norms often demand that employers manage business risks so that wage obligations remain fulfilled (Gani, 2015). On the other hand, the guarantee of financial justice triggers the emergence of a progressive work climate; Darmawan (2016) found a strong influence between the quality of work life and achievement motivation on the formation of innovative employee behavior. This social judgment affects how the community

perceives the legitimacy of the employer's leadership. When legitimacy drops, employers face reputational pressure that can hinder business continuity. Discussion of social sanctions must take into account the dimensions of dignity and legitimacy, rather than relying solely on economic dimensions.

Beyond the employer-worker relationship, wage delays affect a broader social network. The surrounding community often judges employers by how they treat workers, as workers are part of the same community. Community judgment can influence consumer decisions, supplier decisions, and the decisions of other parties to build relationships. Social sanctions can emerge as a decline in community support for the business, for instance, through reduced sympathy when the business faces other challenges. This decline in sympathy is a form of social pressure that is not always visible initially, but can be felt over time. In business environments dependent on personal relationships, the loss of sympathy can weaken business resilience. This economic dependence and the vulnerability of bargaining positions often resemble asymmetric patterns in the informal sector; Yustiargo et al. (2024) outline a juridical analysis regarding the legal status of middlemen in commodity distribution and its transactional legal consequences, which demonstrates how local power structure relations can dictate the fulfillment of economic rights for weaker parties. At the same time, social sanctions can also encourage the emergence of worker solidarity. Solidarity can increase workers' ability to demand rights, but it can also trigger polarization if communication is not managed. Normative studies need to examine how social norms are formed, how social sanctions are channeled, and how they influence the behavior of all parties. This discussion is essential to understanding why wage delays often trigger strong social reactions even when legal channels are available.

The problem that needs to be explained is the conceptual ambiguity regarding the boundaries between social sanctions and legal sanctions in cases of delayed wage payments. Legal sanctions have procedures, authorities, and forms of consequences determined by regulations. Social sanctions operate through collective judgment, reputation, and normative pressures that are not always structured. In practice, however, the two often influence each other. When social sanctions are strong, workers may be encouraged to take formal steps or, conversely, choose negotiation because

public pressure is already felt to be sufficient. Conversely, when social sanctions are weak, workers may feel isolated and reluctant to bring the issue to formal channels. Fair enforcement of rules at the macro level requires certainty of legal authority intervention; Firmansyah et al. (2023) highlight the importance of realizing a fair investment climate through the role of KPPU's extraterritorial authority in competition law enforcement, which philosophically affirms that the protection of markets and economic actors must be rooted in regulatory certainty. This blurred boundary creates a conceptual issue concerning how social sanctions shape employer compliance with wage payment obligations. This issue is also linked to legitimacy namely, whether the community views wage delays as a serious violation or as something that can still be tolerated. If tolerance is high, social sanctions weaken; if tolerance is low, they strengthen. A normative explanation is needed to unravel these judgment mechanisms without relying on field data.

The subsequent problem is the ambiguity regarding the function of social sanctions whether they primarily serve as moral control, worker protection, or a mechanism for shaping labor market reputation. This ambiguity arises because social sanctions can produce different consequences for different parties. For workers, social sanctions can provide psychological support and increase bargaining power. For employers, social sanctions can signal that payment behavior is viewed negatively and must be corrected. This condition demands clear professional parameters; Darmawan and Mardikaningsih (2012) state that reliable organizational performance measurement must be conducted through the determination of effective Key Performance Indicators (KPI) so that rights and obligations remain transparent. However, social sanctions can also produce excesses, such as the formation of labels that are difficult to recover from even after the employer has fulfilled their obligations. This ambiguity raises normative questions regarding proportionality, justice, and the accuracy of social judgment. Social judgment can be formed from incomplete information, which may lead to premature condemnation. At the same time, waiting for complete information may force workers to bear the burden for too long. This tension makes social sanctions a mechanism difficult to judge singly. This gap in information and capacity often roots in the weakness of sectoral

legal awareness; Kurniawan et al. (2024) identify that the legal awareness of MSME actors regarding intellectual property in business governance still needs to be improved so they can mitigate legal risks while securing the company's non-physical assets. Therefore, normative studies must explain the categories of social sanctions, channels of dissemination, and the prerequisites for social sanctions to encourage compliance without excessively damaging the stability of industrial relations.

The urgency of this writing lies in the need to construct a conceptual framework that explains social sanctions as part of the governance of work relationships when wage payments are not timely. Such a framework is necessary to understand how norms of propriety operate, how reputations are formed, and how collective pressure can encourage changes in employer behavior outside formal channels. This is where the importance of placing HR management at a strategic level lies; Darmawan and Mardikaningsih (2016) emphasize that strategic competency-based human resource management is crucial in building corporate resilience against external and internal turbulence. This writing is important because discussions on wages are often centered on legal norms, while the social dynamics that influence compliance are often under-analyzed. An integrative approach between functions is absolutely necessary; Darmawan et al. (2013) outline the importance of the process of integrating the HR function with marketing, production, and finance functions to create operational alignment and prevent bottlenecks in cash flow for wages. With normative description, social sanctions can be understood as a mechanism that functions as a control, a norm-learning tool, and a means of protecting the work community. This behavior control system can also be optimized through internal formal instruments; Ernawati and Mardikaningsih (2015) explain how reward and incentive systems can effectively be used as tools to direct employee work behavior. This writing is also important for assessing the quality of social sanctions, including risks of escalation and reputational injustice. Ultimately, talent mapping and the protection of internal expertise serve as the final shield for corporate reputation; Mardikaningsih and Darmawan (2011) conclude that talent management mechanisms are vital in strengthening a company's competitive position in the market. Academically, this framework can enrich industrial

relations discussions by placing economic morals and social legitimacy as conceptual variables. Practically, this framework provides a basis for formulating more orderly work relationship communication so that wage conflicts do not develop into protracted social conflicts.

The problem formulation in this writing is as follows: how do social sanctions form and operate against employers who do not pay wages on time in an employment relationship? This question focuses on the mechanism of collective judgment formation, the forms of social sanctions that emerge, and their path of influence on compliance and reputation. This formulation centers attention on the normative structure of social sanctions, including how norms of propriety and justice are internalized by the work community. With this question, the discussion can organize the distinctions between informal social sanctions and formal procedure-based sanctions without blurring their respective characters. This formulation also allows for an unraveling of how social sanctions interact with worker solidarity and employer legitimacy in the eyes of the community. This focus keeps the writing sharp and aligned with the topic, while avoiding digressions into technical obstacle issues.

The purpose of this writing is to formulate a conceptual explanation regarding the formation and operation of social sanctions against employers who do not pay wages on time. This writing is directed toward identifying the forms of social sanctions, the sources of norms that drive these sanctions, and the reputational mechanisms that connect community judgment with employer behavior. This description also aims to distinguish between social sanctions that function to strengthen compliance and those that potentially trigger conflict escalation. Theoretically, this writing provides a framework that integrates perspectives from industrial relations, social norms, and legitimacy. Practically, it provides a conceptual foundation for constructing communication guidelines for work relationships that place timely wage payment as a metric of trust. This writing is normative in nature and does not contain field data.

Method

This study employs a qualitative literature review with a normative orientation to construct a conceptual synthesis regarding social sanctions

in cases of delayed wage payments. The materials examined encompass social research methodologies, theories of norms and reputation, and normative legal research methodologies that position norms as the primary object of study. Walliman (2021) is utilized to structure the steps of source tracing, reading selection, and theme formation to ensure the writing flow remains consistent with the research questions. Chapman et al. (2005) serve as a reference for maintaining rigor in constructing arguments based on written sources, particularly in distinguishing conceptual statements, theoretical assumptions, and normative implications that can be drawn without empirical proof. The focus of the discussion is directed toward the relationship between social norms and employer obligations, thus concentrating the reading on the concepts of social sanctions, reputational mechanisms, and behavioral control within work communities. This approach ensures the writing remains within the realm of a literature study, without interviews or observations.

The processing of materials is conducted through systematic reading and thematic coding to group ideas into themes of social sanction definitions, channels for disseminating collective judgments, forms of reputational pressure, and the interaction between social sanctions and industrial relations order. Diantha (2016) is used to affirm the character of normative legal research, namely reasoning that departs from norms and principles and is then linked to social concepts that explain acceptance and compliance. Citation style variations are used appropriately, for instance, in narrative forms such as Diantha (2016) and parenthetical forms such as (Chapman et al., 2005), so that the narrative remains fluid. Conceptual validity is maintained through terminological consistency, the avoidance of generalizations requiring data, and the arrangement of conclusions that follow the problem formulation. With this method, the results of the writing are presented as an argumentative framework that illustrates how social sanctions can encourage wage payment compliance through mechanisms of legitimacy and reputation.

Result and Discussion

In Indonesia, regulations regarding late wage payments by employers are strictly enforced to protect the economic rights of workers and maintain the stability of industrial relations. The primary legal foundation for these

regulations is Law Number 13 of 2003 concerning Manpower, as amended by Law Number 6 of 2023 concerning Job Creation. Within this legal framework, wages are defined as the rights of workers that must be paid by the employer in accordance with employment agreements, mutual agreements, or applicable laws and regulations, including those governing timely payment. From a managerial dimension, the accuracy of compensation fulfillment correlates directly with the psychological determination of workers; Chasanah, Putra, and Sinambela (2021) assert that wages and the work environment hold a crucial position as the primary determinant factors that drive employee work motivation.

Technically, employer obligations and legal consequences for late wage payments are detailed in Government Regulation Number 36 of 2021 concerning Wages. This regulation stipulates that employers who are late in paying wages will be subject to administrative fines without eliminating the employer's obligation to still pay the principal wages (Nurhayati & Wakhyuni, 2023). The amount of the fine is set progressively, starting from five percent for each day of delay from the fourth to the eighth day, up to an additional one percent fine for each subsequent day of delay if wages remain unpaid after one month, with the total fine not exceeding fifty percent of the wages that should have been paid. From the perspective of bureaucratic efficiency, the enforcement of these administrative rules intersects with the quality of public services; Hardyansah (2023), in his assessment of the efficiency of government licensing services, reminds us that procedural certainty is highly needed to support the stability and development of the business climate, including for micro and small business actors.

In addition to fines, employers who intentionally or through negligence fail to pay wages on time may also be subject to other administrative sanctions by labor inspectors (Isma et al., 2022). These sanctions can take the form of written warnings, restrictions on business activities, temporary suspension of part or all production equipment, or the freezing of business activities, depending on the severity of the violation. The enforcement of these rules aims to provide a deterrent effect so that employers consistently prioritize the basic rights of workers over other operational interests. Preventative steps to avoid such normative violations can be taken through the optimization of internal managerial

supervision; Darmawan (2014) demonstrates that there is a close and functional relationship between work supervision, the implementation of periodic performance appraisals, and clear career development in maintaining organizational compliance.

From the workers' perspective, the regulation provides legal space to undertake dispute resolution efforts if the employer remains negligent in their obligations. Based on Law Number 2 of 2004 concerning Industrial Relations Dispute Resolution, workers can pursue a bipartite path or direct negotiations with the employer, which, if unsuccessful, can proceed to the mediation stage at the labor office or a lawsuit at the Industrial Relations Court (Agustina, 2023). This ensures that every instance of late wage payment has a formal and legally binding resolution mechanism. However, the formal litigation path often faces exhausting technical and procedural obstacles; an analysis by Hardyansah, Darmawan, and Negara (2021) regarding the factors hindering the filing of civil lawsuits by copyright holders shows that administrative hurdles and high litigation costs are often the reasons why aggrieved parties are reluctant to utilize formal judicial channels.

It is essential for both parties to explicitly stipulate agreements regarding wage payment timelines within Employment Agreements, Company Regulations, or Collective Labor Agreements. The clarity of these documents serves as crucial authentic evidence should any dispute arise in the future regarding wage delays (Wulandari et al., 2022). By synchronizing internal agreements with national regulations, it is hoped that legal certainty will be created, capable of minimizing financial losses for workers while maintaining managerial compliance for employers. In the modern era, this internal regulatory clarity must also be adaptive to external challenges; Oluwatoyin and Mardikaningsih (2024) outline that challenges and opportunities for the sustainability of human resource development rely heavily on an organization's speed in aligning workers' rights with digital technological transformation.

Social sanctions against employers who fail to pay wages on time can be explained as a normative response of the work community to the violation of obligations viewed as fundamental. In an employment relationship, wages are not merely economic rewards, but a symbol of recognition for the work provided. When payments are delayed, the

community forms a judgment regarding the employer's credibility and the quality of business governance. This financial uncertainty often has a negative impact on the psychological comfort of workers; Mardikaningsih et al. (2012) identify that heavy workloads not balanced by adequate work facilities and fair compensation contribute significantly as determinants for the emergence of turnover intention among workers. This judgment often stems from daily experiences, such as changes in the employer's behavior, communication patterns, or recurring delays. Social sanctions arise when collective judgment transforms into social actions that exert pressure, such as a decline in trust, refusal to cooperate, or the spread of a negative reputation.

From a normative perspective, social sanctions function because economic actors require social recognition to maintain relations. Employers need labor, suppliers, and community support. When reputation is compromised, social costs increase. These social costs can become a driver for behavioral change. To mitigate the risk of damaging this social capital, modern corporate management is advised to adopt comprehensive quality governance; Putra et al. (2017) explain that the implementation of Total Quality Management (TQM) is highly effective in building a foundation for operational quality and strengthening the sustainability of the company in the eyes of the public. However, because social sanctions lack formal procedures, their quality depends on the accuracy of information and the standards of propriety held by the community. Therefore, discussions on social sanctions must evaluate the mechanisms of judgment formation, the dissemination channels of such judgments, and the conditions that make social sanctions effective as behavioral controls without resulting in reputational injustice.

The formation of social sanctions usually begins with the interpretation of wage payment delays. The work community questions whether the delay is considered negligence, incapacity, or dishonesty. Each of these three interpretations generates different reactions. If the delay is interpreted as negligence, the community tends to encourage correction through social reprimands and requests for explanation. If the delay is interpreted as incapacity, the community may lower their expectations and begin to assess the risks of working at that location. If the delay is interpreted as dishonesty, the reaction may be harsher as it touches upon

the basic morality of the employment relationship. These negative assumptions and interpretations can actually be dampened if the company has successfully built an inclusive work climate from the beginning; Ningwulan et al. (2012) demonstrate that the presence of perceived organizational support combined with work-life balance is capable of forming innovative behavior and robust employee loyalty.

This interpretation is shaped by communication cues. Open communication can diminish suspicion, whereas avoidant communication can heighten negative assumptions. Within a normative framework, what is significant is not the objective reason itself, but how that reason is perceived as acceptable or unacceptable. This perception of acceptability shapes the employer's legitimacy. When legitimacy declines, the community more easily agrees to social sanctions. Social sanctions then move through conversations between workers, family relationships, and local networks. Ultimately, the protection of corporate reputation and existence amidst social sanctions depends heavily on the ownership of unique internal assets; Putra, Darmawan, and Al Hakim (2014) conclude that the mechanism of creating and protecting core competence is the most crucial instrument for maintaining a sustainable competitive advantage for an organization. This discussion demonstrates that social sanctions operate through a collective and gradual process of interpretation, rather than a single decision.

Reputation serves as the primary medium for social sanctions. Reputation is a relatively stable social assessment regarding an employer's character and habits (Adamska & Dąbrowski, 2017). Regarding wage issues, the reputation for timely payment becomes an indicator of reliability. Reliability is important because workers rely on wages for routine needs. When the reputation for timely payment weakens, workers will view the workplace as risky. Risk assessment can lead workers to reduce commitment, seek alternatives, or refuse overtime. This phenomenon of declining commitment due to the wobbling reputation of an organization aligns with fundamental aspects of industrial psychology; Darmawan (2013) explains in his exposition on the principles of organizational behavior that negative employee perceptions regarding internal company stability will trigger the collapse of a conducive work climate. Reputation also affects the labor market surrounding the business. Prospective workers

often rely on information from networks, so a negative reputation reduces the supply of quality labor. Within a normative framework, reputation functions as a social selection mechanism. Employers who delay wages will face difficulty obtaining trust. This difficulty is a form of sanction because it increases the cost of labor recruitment and lowers operational stability. To fortify themselves against such operational fragility, employers must formulate internal capabilities maturely; Mardikaningsih and Darmawan (2016) affirm that the formulation of core competency development strategies is crucial so that the company possesses a robust competitive advantage while maintaining institutional credibility in the eyes of the public. Reputation also influences relationships with suppliers and customers who care about employment ethics. If the community views the employer as unfair, economic support may decline. Thus, social sanctions can function without requiring explicit collective action, occurring simply through changes in individual decisions guided by reputation. This explains why social sanctions often appear as a shift in the social climate surrounding a business.

One common form of social sanction is the decline of interpersonal trust. Trust is the expectation that the other party will fulfill promises deemed reasonable. In an employment relationship, the most basic promise is the payment of wages at the agreed time. When this promise is broken, workers will judge that other promises are also at risk of being broken, such as promises regarding work schedules, bonuses, or facilities. A decline in trust affects the quality of work coordination, as coordination requires the belief that commitments will be fulfilled (Acemoğlu & Wolitzky, 2024). Workers may begin to demand written proof, request certainty before working additional hours, or refuse work requests that require sacrifice. Structurally, this collapse of trust is often triggered by a mismatch between corporate cultural orientation and implementation in the field; Darmawan (2013) proves that there is a strong reciprocal tie between work culture and work engagement, wherein the failure to maintain compensation integrity automatically dissolves the emotional bonds of workers, whether permanent or contract. Within a normative framework, this change is a social sanction because it reduces the employer's flexibility to manage work through trust. The employer is then forced to manage through stricter controls, which are usually more

expensive socially and managerially. To mitigate such managerial distortions, compensation governance should not be conducted partially but must be integrated with corporate vision; Hariani et al. (2014) explain that strategic compensation design is highly necessary to align employee work behavior with the major goals of the organization, so that financial rights are no longer viewed as cost burdens but as partnership investments. A decline in trust can also spread outside the work unit when workers share their experiences with family and neighbors. This dissemination extends social sanctions from the workspace to the community space. Thus, a decline in trust is a key mechanism linking the violation of wage obligations to social consequences that are broad and long-term.

Social sanctions can also manifest as a decline in the employer's social status within the local environment. Social status is frequently influenced by perceptions regarding contribution and propriety. Employers who provide employment may be seen as contributors, but that contribution is evaluated through the manner in which the employer fulfills their obligations (Clibborn & Hanna-Osborne, 2023). When wages are delayed, the community may judge that the employer is benefiting from the labor of others without fulfilling their own obligations. This assessment reduces respect and alters how people speak about the employer. Within a normative framework, social status is a source of legitimacy that facilitates an employer's ability to negotiate and secure support. When status declines, it becomes harder for an employer to request assistance, mobilize networks, and build new collaborations. When this crisis of social legitimacy impacts the overall performance of the business, internal restructuring sometimes becomes an unavoidable choice; Irfan et al. (2014) emphasize that the process of reorganizing the HR function, running in tandem with changes in corporate strategy, is absolutely necessary to save organizational efficiency and restore governance that has become unbalanced. The decline in status may be visible through reduced social invitations, diminished symbolic recognition, or an increase in social distance. Although this form does not always appear as a formal punishment, it constitutes a sanction because it alters the employer's position within the social structure. This shift in position can encourage the employer to improve their behavior so that their status might be restored. However, status recovery is not always rapid

because reputation tends to persist. This indicates that social sanctions can be long-term and affect business sustainability.

Another form is selective ostracization, wherein the community reduces interactions that benefit the employer. Selective ostracization can emerge as a decision not to shop at a particular business, not to promote the business, or not to recommend it to outside parties (Dolfsma & Lanoy, 2016). In communities with high proximity, social recommendation is an important tool for marketing. When recommendations are ceased, the business loses a cheap and credible promotional channel. Within a normative framework, selective ostracization is a sanction because it reduces the employer's access to social resources. Ostracization can also be applied by fellow business actors, such as by delaying cooperation or demanding stricter terms. Stricter terms increase transaction costs for the employer. The impact of economic isolation due to these social sanctions, at a broader level, resembles the consequences of regulatory compliance violations; Zulkarnain et al. (2024) provide an analysis regarding the effectiveness of Law Number 5 of 1999 in handling cross-border business competition, affirming that business actors who neglect normative rules and market fairness will be corrected by law enforcement mechanisms as well as severe market sanctions. However, selective ostracization carries the risk of injustice if the information upon which the ostracization is based is inaccurate. Therefore, normative discussion needs to position selective ostracization as an action that relies on trust in information. When information is mere rumor, ostracization can expand beyond proportion. When information is verified through shared experience, ostracization is more easily viewed as legitimate. Thus, the quality of information becomes a moral prerequisite for social sanctions based on ostracization.

Social sanctions often operate in tandem with moral judgments regarding the propriety of business conduct. Propriety in business entails the notion that employers must manage their operations responsibly and treat workers fairly (Sari et al., 2024). Within this moral evaluation, wage delays can be perceived as a failure to fulfill the responsibility of managing business risks. The community may assume that employers should prioritize wage payments over other expenditures. When this assumption is strong, tolerance for delays diminishes. Diminishing tolerance increases the intensity of social sanctions. This intensity may manifest as open

criticism, collective warnings, or a refusal to accept the employer's justifications. Within a normative framework, this morality functions as a standard that evaluates the feasibility of excuses. Reasons such as cash flow problems may be deemed the employer's internal affair that should not be offloaded onto workers. However, community morality may also acknowledge certain circumstances as understandable reasons, particularly if the employer demonstrates good faith through communication and incremental steps toward fulfillment. This moral dimension affirms that compliance is not merely compliance on paper, but a manifestation of tangible commitment; Irfansyah et al. (2024) underscore that the implementation of the principle of good faith in the execution of contracts or employment agreements is the primary pillar determining the moral validity and legality of the parties' actions. Thus, social sanctions are influenced by the assessment of good faith. The assessment of good faith is a social judgment regarding the seriousness in fulfilling obligations. If good faith is perceived to be low, sanctions intensify; if good faith is perceived to be high, sanctions may weaken, even if the delay is still considered a wrongdoing.

Social sanctions against wage delays can be explained through the theory of informal social control. Informal control operates through the approval and disapproval granted by the community toward behavior (Isma et al., 2022). When behavior aligns with norms, the actor receives approval. When behavior violates them, the actor receives disapproval. In the case of wages, disapproval can take the form of criticism, a reduction in support, and the creation of distance. Informal control is often faster than formal control because it does not require state procedures. However, informal control is also less measurable. When the community is angry, disapproval can become excessive. Therefore, informal control requires a norm of proportionality to remain fair. Proportionality means that social punishment does not exceed the perceived offense and provides room for rectification. Within a normative framework, room for rectification is essential because the objective of social control is to restore compliance. If social sanctions close off the space for rectification, employers may be driven to sever relationships, and conflict may escalate. For this reason, discussions on social sanctions need to evaluate the elements that make informal control productive, such as consistency in judgment, clarity of

standards, and openness of communication. When these elements exist, social sanctions can promote payment punctuality without escalation. When these elements are absent, social sanctions can become a source of instability in industrial relations.

In employment relationships, worker solidarity becomes an important channel that reinforces social sanctions. Solidarity means the willingness of workers to support one another in the face of a breach of obligation (Morgan & Pulignano, 2020). Solidarity can emerge through agreements to speak together, present collective grievances, or refuse additional work until wages are paid. Within a normative framework, such collective action constitutes a social sanction because it pressures the employer through operational and reputational consequences. The collectivity of this movement at the macro level often gives birth to a critical dialectic within the employment ecosystem; Putra et al. (2018) explain that there is a reciprocal relationship between productivity and wages, where an imbalance in the fulfillment of financial rights will inherently strengthen the basis of legitimacy for the emergence of labor demands. However, solidarity is also influenced by a sense of security. Workers are more likely to show solidarity when they feel the risk of retaliation is low. If the risk of retaliation is high, solidarity weakens and social sanctions become more passive, for instance, through the dissemination of a negative reputation without open action. Solidarity also depends on the clarity of the event. When wage delays are clear, solidarity is more easily formed. When delays are disputed, solidarity fragments. Fragmentation weakens social sanctions. Normative discussion needs to position solidarity as a mechanism for reinforcing norms of timely payment. Solidarity moves issues from individual grievances to collective judgment, ensuring the employer faces more tangible pressure. However, solidarity also needs to be connected with communication so that actions remain within the bounds of propriety and do not devolve into personal conflict.

Social sanctions can also influence worker behavior in the form of decreased organizational commitment. Commitment is a psychological attachment to the workplace and a willingness to provide extra effort (Nirankari & Seth, 2015). When wages are delayed, workers may judge that the employment relationship is no longer mutually beneficial. This

judgment reduces the motivation to maintain quality, reduces the willingness to help colleagues, and reduces the willingness to protect the business's reputation. This collapse of commitment reflects a failure in aligning values between the individual and the institution; Mardikaningsih and Darmawan (2017) underscore that the alignment of cultural values and work behavior within an organization is the main foundation for the creation of voluntary compliance and high employee loyalty. Within a normative framework, a decline in commitment is a sanction because it reduces the benefits usually enjoyed by the employer from a stable employment relationship. Employers can view this change as a social signal demanding correction. Decreased commitment is also related to work morale. Low work morale can reduce discipline, increase minor conflicts, and lower productivity. Although this writing does not present data, its normative logic is clear: wages are a prerequisite for commitment. When this prerequisite fails to be met, commitment declines. This decline then spreads through daily interactions and forms a negative work climate. This climate can reach external parties through workers' stories, causing the reputation to deteriorate. Thus, social sanctions are not always in the form of external actions but can be internal behavioral changes that reduce worker support for business sustainability.

Social sanctions can become stronger when wage delays are considered repetitive. Repetition transforms the judgment from an incident into a pattern (Clibborn & Hanna-Osborne, 2023). When an incident becomes a pattern, the community assumes there is a bad habit or untrustworthy governance. This pattern makes the employer's excuses increasingly difficult to accept. Within a normative framework, repetition weakens the assumption of good faith. The community will ask why the employer did not improve the payment system after the first delay. When this question is not answered with visible action, social sanctions increase. In these recurring crisis situations, the role of line managers is crucial yet prone to role pressure; as outlined by Jahroni and Darmawan (2013), the dynamics of sensemaking and role conflict often afflict line managers when they must bridge subordinate development on one hand and face the weaknesses of top management's financial policies on the other. Increased sanctions can be seen in workers' decisions to leave, in the community's refusal to recommend, or in the strengthening of social labels. Social labels

are dangerous because they are persistent and influence the decisions of parties who have not yet interacted directly. In the labor market, labels can reduce the quality of applicants. In business relations, labels can drive partners to demand guarantees. All of this increases social and economic costs for the employer. Normative discussion shows that social sanctions are often cumulative. The more frequent the violations occur, the greater the reputational cost. Therefore, timely wage payment serves as an indicator of an employer's integrity. When this indicator is broken, recovery requires a social effort greater than merely paying the arrears.

Wage delays can also trigger social sanctions through the mechanism of shame. Shame is a social emotion that arises when an individual is judged to have violated a norm (Engel & Pedersen, 2019). Within close-knit business communities, shame can serve as a powerful driver to improve behavior. Employers who feel judged negatively may strive to restore their reputation by demonstrating responsibility. This psychological response proves that non-financial rewards in the form of moral status carry significant weight; Hariani and Mardikaningsih (2016) explain the importance of rewards within employee compensation and benefit systems, philosophically affirming that social recognition for moral compliance often works as effectively as material sanctions. However, shame can transform into defensiveness if the employer feels personally attacked. Defensiveness can exacerbate conflicts by reducing communication. Within a normative framework, shame-based social sanctions must be viewed through two possibilities. First, shame promotes recovery. Second, shame triggers denial and justification. This divergence is determined by how the community expresses its judgment. Judgments delivered insultingly may trigger defensiveness. Judgments delivered as a critique of behavior, rather than of personal dignity, can encourage correction. This discussion affirms that social sanctions possess an ethical dimension in the manner of their delivery. The ethics of delivery influence the outcome. If the goal is payment punctuality, social sanctions need to be directed at clear norms and provide room for improvement. This is not a policy solution, but a normative explanation of the communication conditions that determine the function of social sanctions.

Social sanctions can also emerge through market assessment mechanisms, namely changes in consumer preferences that value

employment ethics (Barry & Macdonald, 2018). In certain segments, consumers perceive fair treatment of workers as part of business quality. When news of wage delays spreads, consumers may change their choices. This change can occur through individual decisions, without coordination. This commercial vulnerability can even carry legal implications in modern business partnership models that rely heavily on brand power; Putra and Wibowo (2023) analyze how royalty fee arrangements in franchise businesses carry heavy legal implications in Indonesia, where the reputational damage to a single outlet due to violations of workers' rights can destroy the economic value of the entire franchise network. This market sensitivity is becoming increasingly complex with regulatory adjustments to corporate structures following economic legal reforms. Hardyansah et al. (2023) highlight the juridical implications of the Job Creation Law on the concept and legal responsibility of individual companies in Indonesia, which demonstrates that the ease of establishing new legal entities still demands absolute compliance with labor norms to avoid market boycotts. Within a normative framework, accumulated individual decisions become social sanctions because they reduce the employer's social and economic acceptance. However, consumer judgment is influenced by narratives. Simplistic narratives can result in extreme judgments. Proportionate explanatory narratives can result in more balanced judgments. This indicates that market-based social sanctions are sensitive to information. This sensitivity demands an understanding of how information moves, for instance, through workers' stories or social media. Normative discussion emphasizes that business legitimacy is not only a matter of rule compliance but also a matter of ethical evaluation. When ethics are perceived as poor, social sanctions can extend beyond the workforce. This adds to the reasons why timely wage payment becomes a reputation indicator that crosses the boundaries of industrial relations. Thus, social sanctions can operate at both the work community level and the consumption community level.

Social sanctions can interact with formal sanctions without being equated. This interaction occurs when social judgment encourages workers to pursue formal avenues, or when transparent formal processes shape new social assessments (Freyens et al., 2020). Within a normative framework, social sanctions can reinforce compliance by creating reputational

pressure, while formal sanctions reinforce compliance through legal consequences. However, this interaction can also generate conflict. If the community perceives that formal processes are slow, they may increase social pressure as compensation. If the community perceives that formal processes are unfair, they may ignore the formal outcomes and continue to apply social sanctions. This situation demonstrates that the legitimacy of formal procedures influences the intensity of social sanctions. When formal procedures are viewed as fair, the community tends to restrain itself and wait. When formal procedures are viewed as inadequate, the community tends to act on its own. Normative discussion needs to position legitimacy as the bridge between these two types of sanctions. This helps explain why social sanctions may increase in certain situations even when formal norms exist. Social sanctions become the filler for voids in trust. In industrial relations, voids in trust can grow when communication is poor. Thus, communication and the legitimacy of procedures influence the relationship between social and formal sanctions.

Social sanctions against employers are also influenced by the structure of workers' dependency on their income. High dependency makes wage delays feel like an immediate threat (Chen, 2022). In these circumstances, social reactions can be more intense due to the pressure of basic needs. However, high dependency can also weaken the ability of workers to act openly for fear of losing their jobs. This tension produces different forms of social sanctions. Workers may choose hidden sanctions, such as a decline in commitment or the dissemination of a negative reputation. Within a normative framework, the choice of sanction form is guided by a calculation of social risk. Workers assess the risk of retaliation, the risk of losing income, and the risk of conflict. Psychologically, the drive to endure or engage in covert resistance is heavily influenced by individual mental resilience; Darmawan (2015) elaborates that the link between psychological capital and social capital acts as the driving force for employees' achievement motivation while serving as a strategic defense shield in facing the pressures of uncertain work situations. When risks are high, social sanctions tend to be indirect. When risks are lower, social sanctions can emerge as clearer collective actions. This discussion demonstrates that social sanctions are not merely expressions of anger, but also social strategies for self-protection. Although the term "strategy" is not

used as a policy label, the logic of risk assessment remains relevant as an explanation. By understanding risk assessment, one can explain why some communities react quickly and openly, while others react slowly and covertly. This enriches the normative understanding of the variations in social sanctions.

Procedural justice within a company also influences social sanctions. Procedural justice here refers to whether an employer provides explanations, offers space for workers to ask questions, and maintains a respected grievance mechanism (Hoogervorst, 2014). When internal procedures are fair, the work community may grant limited tolerance toward delays because they feel valued and perceive a certainty of resolution. When internal procedures are unfair, even minor delays can trigger major reactions because workers feel disrespected. Within a normative framework, the sense of being respected is an element of legitimacy. Legitimacy reduces the need for harsh social sanctions. Conversely, delegitimization increases them. This explains why two businesses with similar delays can face different social reactions. The difference lies not in the numbers, but in the procedural experience. Procedural experience shapes moral judgments regarding good faith. If good faith is perceived to exist, social sanctions may consist of reprimands and requests for commitment. If good faith is perceived to be absent, social sanctions may take the form of ostracization and negative labeling. Thus, procedural experience becomes a conceptual variable that connects payment behavior with social reaction. This discussion affirms that social sanctions cannot be separated from the quality of interaction and communication.

The role of informal leaders in the work community is also significant in the formation of social sanctions. Informal leaders may be senior workers or trusted community figures (Gurdal et al., 2021). They often serve as points of reference for interpretation. When informal leaders judge wage delays as a serious violation, the community more easily agrees to sanctions. When informal leaders judge that the delays are still open for discussion, the community may choose the path of negotiation. Within a normative framework, informal leaders function as the determinants of the prevailing standards of propriety. These standard-setters are not always conscious of this role, yet it is evident in how they

frame events. Framing influences collective emotion, and collective emotion influences social action. This explains why social sanctions can spike rapidly when there is a framing that the employer is being deceitful. Conversely, social sanctions may soften when the framing emphasizes temporary circumstances and the employer's continued acknowledgment of responsibility. This discussion demonstrates that social sanctions are a product of communication. Communication occurs not only between employers and workers, but also among the workers themselves. Therefore, understanding social sanctions requires an analysis of internal narrative formation processes. Internal narratives influence how a community assesses fairness. Thus, informal leaders influence the intensity and direction of social sanctions.

Social sanctions can also generate consequences for relationships between workers. When wages are delayed, some workers may choose to endure, while others choose to apply pressure. Divergent choices can trigger internal conflict (Thommes et al., 2014). Internal conflict weakens solidarity and undermines effective social sanctions. If left unchecked, this escalation of internal friction will trigger psychological distortions that are destructive to the work climate; Fitriyani et al. (2011) demonstrate that the negative influence of strained work relationships and poorly managed work complexity significantly increases job stress, which ultimately leads to a high turnover intention among workers. Within a normative framework, an employer might exploit such divisions to postpone the fulfillment of obligations. However, divisions can also arise from differing economic needs, for example, workers who are highly dependent on wages will be more fearful of taking action. This discussion affirms that social sanctions are not always a unifying tool; they can be a source of internal tension. Therefore, normative studies need to explain the prerequisites for social sanctions to protect workers without damaging cohesion. These prerequisites include honest communication among workers, agreements regarding the limits of propriety, and respect for each individual's circumstances. Although this writing does not formulate practical steps, the explanation of these prerequisites is essential for evaluating the function of social sanctions. If these prerequisites are absent, social sanctions can turn into horizontal conflict. Horizontal conflict shifts attention away from the employer's

obligations. Thus, social sanctions must be understood as a mechanism that carries internal risks, not merely as external pressure.

Social sanctions against employers can also occur through the mechanisms of professional associations or local business networks. Within such networks, an employer's reputation circulates as information that influences partnerships (Gërkhani et al., 2013). Employers known for delaying wages may be perceived as a risk in collaborations, as wage-delaying behavior is often associated with weak cash management. Within a normative framework, this association is not always accurate, but it becomes a social heuristic used for judgment. A social heuristic is a rule of thumb that facilitates decision-making. Such heuristics can accelerate social sanctions because the employer is labeled as risky. This "risky" label may lead partners to demand advance payments or refuse cooperation, thereby increasing the employer's transaction costs. Increased transaction costs constitute a social sanction because they force the employer to expend additional resources. However, network mechanisms also demand attention to informational justice. If the information is incorrect, the network may punish wrongly. Therefore, normative assessment of social sanctions needs to include the issue of verification. Verification means determining whether information originates from accountable experiences or from rumors. While verification is not always perfect, its existence determines the legitimacy of the sanctions. Thus, local business networks can reinforce social sanctions and expand them beyond the direct employer-worker relationship.

From the perspective of industrial relations, timely wage payment is part of the psychological contract. A psychological contract consists of reciprocal expectations that are not always written but are held firmly (Henderson & Linde, 2010). When a psychological contract is breached, social reactions are often stronger than reactions to technical rule violations. This is because wage breaches are perceived as a violation of fundamental justice. Within a normative framework, the breach of a psychological contract produces a sense of betrayal. A sense of betrayal triggers the dissemination of stories and the seeking of social support. This process produces social sanctions. Social sanctions then act as a tool to restore moral balance by demanding that the employer acknowledge the wrongdoing and make corrections. However, if the employer refuses to

acknowledge this, the sanctions can evolve into long-term rejection. Long-term rejection can lead to difficulties in recruitment and in retaining workers. Thus, the psychological contract explains why wage delays are often judged more seriously than delays in other facilities. Wages are the primary symbol of the employment exchange. When this primary symbol is violated, the employer's legitimacy is compromised. This normative discussion helps in understanding the depth of social reactions without utilizing prohibited terms and without the need for empirical data.

Social sanctions can also be understood as a preventive mechanism through examples. When a community imposes sanctions on one employer, other employers may learn that wage delays will diminish their reputation (Glöckner et al., 2018). This learning occurs through observation and conversation. Within a normative framework, this is the function of general social deterrence, namely prevention through public judgment. This function differs from prevention through legal sanctions because it operates through honor and trust. Employers who wish to maintain their honor will avoid behaviors that trigger social sanctions. However, the function of social prevention depends on the consistency of norms. If a community sometimes punishes and sometimes allows behavior, prevention weakens. Consistency is influenced by the agreed-upon standards of propriety. These standards can be influenced by local work culture and economic conditions. If a community is accustomed to tolerating delays, social sanctions will not be strong as a deterrent. If a community demands high punctuality, social sanctions become a tangible deterrent. The normative discussion shows that social sanctions have a collective function in maintaining the quality of employment relationships. However, this function has limits, as social prevention may fail when an employer values short-term profit more than reputation. In such circumstances, social sanctions need to interact with other mechanisms for compliance to be formed.

Social sanctions can have a multiplier effect on business costs through informal credit trust. Many businesses rely on the trust of suppliers who grant payment terms (Becchetti et al., 2022). This trust is often provided based on reputation. If an employer's reputation is poor due to wage delays, suppliers may assess that the risk of default has increased. Suppliers then tighten their terms. Within a normative

framework, tightening terms is a social sanction because it shifts the relationship from a relationship of trust to a relationship of collateral. Collateral-based relationships require additional costs and reduce cash flexibility. This can worsen the situation that caused the wage delay in the first place, thus forming a detrimental socio-economic cycle. The systemic impact of liquidity constraints due to tighter collateral requirements is crucial for regional economic resilience; Hardyansah and Putra (2023) emphasize in their study that efforts to build regional economic stability rely heavily on the effectiveness of legal protections as well as operational ease for Micro, Small, and Medium Enterprises (MSME) actors. Although this writing does not present data, its logic shows that social sanctions can influence the financing structure of a business. Therefore, social sanctions are not just about shame or gossip, but also about changes in transaction terms. Changes in transaction terms are a form of social pressure that has economic consequences. This discussion expands the understanding that social sanctions can be a mechanism of market discipline. Market discipline works through the decisions of partners who assess reputation. When reputation declines, terms are tightened. Thus, wage delays can trigger a series of consequences rooted in reputation and trust.

In the perspective of business ethics, timely wage payment is an element of basic responsibility. Business ethics dictates that profits should not be built by delaying workers' rights (Raya, 2024). Social sanctions can be understood as an expression of community ethics that demands responsibility. Within a normative framework, community ethics often respond faster than formal mechanisms because ethics live in daily judgments. However, community ethics can differ between groups, meaning that standards of propriety are not always the same. Differences in standards influence the intensity of sanctions. Groups that uphold strict ethics will impose sanctions faster. Groups that are more tolerant will impose sanctions more slowly. This discussion affirms the need to look at the plurality of social norms. The plurality of social norms explains why an action may be viewed as severe in one place but as ordinary in another. Even though specific terms are not used, this plurality can be explained through variations in standards of propriety. Thus, social sanctions are products of living ethics, not products of uniform rules. However, even if standards vary, the basic principle remains that wage delays damage the

fairness of the employment exchange. This damage becomes a moral justification for social sanctions.

Social sanctions can also give rise to a mechanism of separation, wherein workers choose to separate themselves from the business gradually. Separation can take the form of resignation, refusal of additional work, or the decision to take side jobs elsewhere (Miller & Rozen, 2014). Within a normative framework, separation is a sanction because it reduces workforce stability. Workforce stability is operational capital. When stability is lost, coordination costs increase because employers must train new workers, reorganize tasks, and bear the risk of inconsistent work quality. Separation also lowers organizational memory the practical knowledge stored in experienced workers regarding work methods, production rhythms, and service standards. The loss of organizational memory makes a business more vulnerable to errors, production delays, and customer complaints. From a reputational perspective, worker separation serves as a signal to the environment that there is a problem with payment reliability. This signal can spread through workers' stories, thereby extending social sanctions to the local labor market. Separation can also be selective, meaning competent workers leave the business faster because they have a wider range of options. Consequently, businesses that delay wages are at risk of experiencing a decline in the quality of human resources. Thus, separation demonstrates how social sanctions can work through rational individual decisions and collective judgments that shape reputation.

Social sanctions against employers who do not pay wages on time are formed through a collective assessment process regarding propriety, justice, and reliability, which then manifest in social actions that generate reputational and relational costs. The formation mechanism begins with the interpretation of the delay, followed by an assessment of good faith and the quality of communication, then leading to a shift in social support. These sanctions may take the form of diminished trust, a decline in social status, selective ostracization, the labeling of the business as "risky," changes in consumer choices, the tightening of transaction terms, and the separation of workers from the business. The dissemination channels operate through worker networks, local communities, business networks, and public communication spaces. Social sanctions tend to be viewed as

legitimate when the information forming the basis of the judgment is perceived to be accurate, the community's response is perceived to be proportionate, and the moral standards regarding the priority of wages are shared. Social sanctions tend to become destructive when they are built upon rumors, delivered with insults, or devolve into horizontal conflict among workers. With this framework, social sanctions can be understood as informal control that manages compliance through legitimacy and reputation, while simultaneously acting as a mechanism that carries risks when it is not supported by communication ethics and reasonable standards of judgment.

Conclusion

The conclusion of this writing states that wage delays trigger social sanctions because wages are understood as the most fundamental obligation in an employment relationship and as a marker of an employer's reliability. Social sanctions are formed through a collective judgment that views delays as a violation of propriety and justice, especially when communication is perceived as closed or good faith is perceived as weak. Forms of social sanctions include a decline in trust, reduced community support, selective ostracization, the spread of a negative reputation, the tightening of business relationship terms, and the separation of workers from the business. A normative framework shows that social sanctions work through reputational and relational costs that alter the behavior of other parties toward the employer, thereby indirectly encouraging compliance. However, social sanctions also carry the risk of reputational injustice if information is inaccurate and the risk of conflict escalation if judgments are delivered insultingly or lead to polarization. Thus, social sanctions can be a strong behavior controller, while also demanding prerequisites of legitimacy in the form of accuracy, proportionality, and respect for the dignity of all parties.

The implications and suggestions emphasize that discussions on wage delays need to include the dimension of informal social control as a complement to understanding compliance in industrial relations. Standards of propriety regarding the priority of wage payments need to be understood as the basis for social legitimacy, because legitimacy influences how quickly and how broadly social sanctions are formed. Clear internal

corporate communication that respects workers influences the assessment of good faith, thereby reducing the intensity of social resistance when a delay is perceived as incidental. At the level of the work community, it is important to ensure that social pressure is directed at the behavior of the violation, not at attacks on personal dignity, so that room for improvement remains open and conflict does not escalate. At the level of business networks, reputation assessments should be supported by accountable information so that social sanctions do not turn into erroneous punishment. For scientific development, further research could formulate conceptual indicators regarding the legitimacy of social sanctions, including elements of information accuracy, response proportionality, and the understandability of wage norms.

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