

Legal Risks in Employee Relations: Legal Considerations in Human Resource Risk Management

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Abstract. *This paper explores the critical legal considerations that organizations must address when managing Human Resources (HR) risks. Effective HR risk management involves aligning employee management practices with legal frameworks to minimize liabilities and protect both employees and employers. By examining key legal areas such as employment contracts, workplace safety, anti-discrimination laws, privacy regulations, and labor unions, this paper demonstrates how legal compliance impacts HR decision-making and employee performance. Through an analysis of case law and organizational strategies, the paper highlights the essential role of HR professionals in mitigating legal risks and creating a legally sound workplace. Recommendations for improving HR risk management practices in compliance with labor laws are also provided.*

Keywords: *HR Risk Management, Legal Compliance, Employment Law, Workplace Safety, Employee Privacy.*

1. INTRODUCTION

In today's rapidly evolving business environment, managing human resources (HR) risk has become an essential component of organizational success. HR risk management refers to the process of identifying, evaluating, and mitigating risks that could negatively affect both employees and the overall performance of an organization. These risks can range from legal challenges such as wrongful termination claims to issues of non-compliance with labor laws. Legal considerations are fundamental in guiding HR practices, ensuring that organizations comply with local, national, and international regulations, while simultaneously fostering a safe, equitable, and supportive work environment for employees. As the workforce becomes more diverse and globalized, HR departments must navigate a complex web of laws to minimize risks that could lead to significant financial and reputational damage.¹

One of the most critical areas where legal considerations come into play is HR risk management. Organizations face a multitude of legal risks, from disputes related to employee rights to challenges arising from changes in the regulatory landscape. For instance, wrongful termination claims, workplace safety violations, and violations of anti-discrimination laws are common legal risks that can severely disrupt operations. Additionally, employee privacy concerns have gained prominence with the advent of

¹ John Bratton, Jeff Gold, Andrew Bratton, and Laura Steele, *Human resource management*, (Bloomsbury Publishing, 2021).

new technologies, requiring HR departments to implement policies that balance organizational needs with the protection of individual rights. This complexity underscores the importance of a thorough understanding of the legal environment in which organizations operate.²

The objective of this paper is to explore the legal considerations involved in HR risk management, focusing specifically on employment laws, workplace safety regulations, anti-discrimination laws, employee privacy concerns, and labor relations. In doing so, the paper will provide a comprehensive understanding of how HR practices can align with legal frameworks to improve organizational risk management. By delving into these key areas, the research aims to highlight the crucial role that legal compliance plays in minimizing HR risks and fostering a work environment that is not only compliant with the law but also supportive and fair for employees.³

The research problem addressed by this paper is the increasing complexity of HR risk management in a legal environment that is constantly changing. While organizations are aware of the importance of legal compliance, the dynamic nature of employment laws and workplace regulations presents significant challenges. As laws evolve to address new issues such as remote work, data privacy, and employee mental health, organizations must adapt their HR practices to remain compliant and avoid potential legal consequences. Despite the growing awareness of the need for legal compliance, many HR departments still struggle with effectively managing these risks, often due to a lack of comprehensive understanding or the necessary tools to stay updated on evolving laws.⁴

The research topic centers on the intersection of HR risk management and legal compliance. Specifically, the focus will be on how employment laws, workplace safety regulations, anti-discrimination laws, employee privacy concerns, and labor relations interact with HR practices. The objective is to explore how organizations can align their HR strategies with legal frameworks to effectively manage risks. This topic is critical because it not only addresses legal compliance but also emphasizes the ethical responsibility of organizations to protect their workforce and minimize legal exposure.^{5,6,7}

The purpose of this study is to provide insights into the various legal aspects of HR risk management and offer practical recommendations for organizations seeking to navigate these challenges. By examining relevant laws and case studies, the paper aims to clarify the role of legal considerations in shaping HR practices and to help organizations better manage their workforce in a legally compliant and responsible manner. This research is especially relevant in light of the increasing complexity of

² Gary Dessler, *Fundamentals of human resource management*, (Pearson, 2020).

³ Raymond J. Stone, Anne Cox, Mihajla Gavin, and Joseph Carpini, *Human resource management*, John Wiley & Sons, 2024.

⁴ Alessandro Margherita, "Human resources analytics: A systematization of research topics and directions for future research," *Human Resource Management Review* 32, no. 2 (2022): 100795.

⁵ Delia Amanda Iroth, "Aspek Hukum Pengembangan Sumber Daya Manusia (SDM) Menurut Undang-Undang No. 13 Tahun 2003 Tentang Ketenagakerjaan," *Lex Crimen* 6, no. 2 (2017): 21.

⁶ Wicipto Setiadi, "Penegakan hukum: Kontribusinya bagi pendidikan hukum dalam rangka pengembangan sumber daya manusia," *Majalah Hukum Nasional* 48, no. 2 (2018): 1-22.

⁷ Ngabidin Nurcahyo, "Perlindungan hukum tenaga kerja berdasarkan peraturan perundang-undangan di Indonesia," *Jurnal Cakrawala Hukum* 12, no. 1 (2021): 69-78.

global labor markets and the rapidly changing legal landscape. The research question guiding this study is: How can HR departments effectively integrate legal considerations into their risk management practices to minimize legal exposure and ensure compliance?. This study will explore whether a more proactive approach to HR risk management, grounded in legal compliance, can help organizations mitigate risks and create a safer and more equitable work environment for employees.

2. METHOD

The method employed in this study is a combination of conceptual framework analysis, comparative legal studies, and case study analysis. This approach allows for a comprehensive examination of HR risk management from both theoretical and practical perspectives. The study begins with a conceptual framework based on Indonesian laws, focusing on key legal principles that govern HR practices, such as labor laws, employment rights, and workplace safety regulations. In addition to Indonesian law, the research incorporates comparative legal analysis by examining relevant international legal frameworks, including the Civil Rights Act (USA), the Occupational Safety and Health Act (OSHA), the General Data Protection Regulation (GDPR) of the European Union, and the Fair Labor Standards Act (FLSA). This comparative study provides a broader understanding of how HR risk management practices differ across jurisdictions and highlights best practices from other legal systems.⁸ Furthermore, the paper analyzes case studies of organizations that have faced legal repercussions for failing to comply with HR-related laws. These case studies provide concrete examples of how non-compliance can result in significant legal, financial, and reputational risks. By synthesizing these findings, the study offers recommendations for mitigating HR-related legal risks and ensuring compliance with both local and international laws. The research is conducted through descriptive analysis, focusing on the interpretation and implications of relevant legal provisions.

3. RESULTS AND DISCUSSION

3.1. Legal Considerations in HR Risk Management in Indonesia

Human Resource Management (HRM) in Indonesia plays a crucial role in managing the risks associated with human factors within organizations. These risks encompass various areas such as safety, security, and productivity. In this context, legal regulations and protections are vital to ensuring that organizations not only comply with laws but also foster a fair and legally protected work environment. Legal considerations in HR risk management are influenced by several regulations that help mitigate risks associated with employee relations, workplace safety, data protection, and employee rights.^{9,10}

One of the primary legal frameworks that influence HRM in Indonesia is employment law, particularly Law No. 13 of 2003 on Manpower. This law, which was recently updated with the enactment of the Omnibus Law, serves as the foundation for regulating the relationship between employers and employees. It outlines essential

⁸ Fair Labor Standards Act (FLSA). (1938). *U.S. Department of Labor*.

⁹ Gary Dessler, *Fundamentals of human resource management*, (Pearson, 2020).

¹⁰ Anouphone Inthaly and H. Almubaroq, "Nilai praksis pancasila sebagai modal pengembangan sumber daya manusia era society 4.0 dalam rangka mendukung pertahanan negara," *Jurnal Kewarganegaraan* 19, no. 2 (2022): 76.

workers' rights, including wages, working hours, occupational health and safety, and social security. Employers are obligated to ensure that company policies align with these rights and that workplace risks, especially related to safety and health, are appropriately managed. The law also mandates that employers provide workers with fair conditions, ensuring that risks related to human factors such as workplace accidents or exposure to unsafe conditions are minimized.¹¹

Further legal obligations are outlined in Law No. 24 of 2011, which governs Indonesia's Social Security Management Agency (BPJS). This law ensures that workers are covered under health and work accident insurance, further protecting them from potential risks during their employment. Employers are required to provide these protections, ensuring that workers' rights to healthcare and compensation in case of accidents are fully met. These regulations not only reduce risks but also offer employees a sense of security in their workplace, contributing to their overall well-being.

Workplace safety is another significant legal consideration in HRM. Under Government Regulation No. 50 of 2012, which covers Occupational Health and Safety Management Systems, employers must ensure that their workplaces are safe and healthy for employees. HRM professionals are tasked with implementing risk assessments, providing necessary training, and ensuring that employees work in environments that minimize health risks. Compliance with this regulation helps prevent accidents and occupational illnesses, reducing both legal liabilities for the employer and physical harm to employees.¹²

The growing concern over data protection has also become an essential legal consideration in HRM. Indonesia's recent enactment of Law No. 27 of 2022 on Personal Data Protection establishes rules for how organizations must manage and protect employee data. This law mandates that employers ensure the confidentiality of employees' personal data and follow strict guidelines when handling sensitive information. This legal protection prevents data misuse, reducing the risk of legal conflicts and potential financial penalties for the company.

Furthermore, HRM in Indonesia must also ensure compliance with laws related to disability and equality in the workplace. Law No. 8 of 2016 on Persons with Disabilities guarantees that individuals with disabilities have the right to work and receive equal treatment in the workplace. HR managers must create an inclusive environment by providing reasonable accommodations and addressing any risk of discrimination, thus fostering a diverse and equal workplace.^{13,14}

In conclusion, legal considerations in HR risk management in Indonesia are deeply

¹¹ Jenerson Patonengan and Irfan Setiawan, "Pengembangan Sumber Daya Manusia Melalui Peningkatan Kompetensi Pegawai Negeri Sipil Pada Badan Kepegawaian dan Pengembangan Sumber Daya Manusia Kabupaten Kepulauan Siau Tagulandang Biaro Provinsi Sulawesi Utara," *Jurnal Ilmu Pemerintahan Suara Khatulistiwa* 6, no. 2 (2021): 149-159.

¹² Ngabidin Nurcahyo, "Perlindungan hukum tenaga kerja berdasarkan peraturan perundang-undangan di Indonesia," *Jurnal Cakrawala Hukum* 12, no. 1 (2021): 69-78.

¹³ Roosje Kalangi, "Pengembangan sumber daya manusia dan kinerja aparat sipil negara di Kabupaten Kepulauan Sangihe Provinsi Sulawesi Utara," *Jurnal LPPM Bidang EkoSosBudKum (Ekonomi, Sosial, Budaya, dan Hukum)* 2, no. 1 (2015): 1-18.

¹⁴ Sukmadi Farid Sabri, Chrisdianto Eko Purnomo, and M. Saleh. "Pelaksanaan Peraturan Gubernur Nomor 52 Tahun 2020 Tentang Sistem Pengelolaan Pengembangan Sumber Daya Manusia Provinsi Nusa Tenggara Barat," *Jurnal Diskresi* 2, no. 2 (2023): 32.

rooted in the country's labor laws and regulations. Employers must navigate a complex landscape of regulations designed to protect employees' rights, ensure workplace safety, manage personal data securely, and promote equality. By complying with these laws, organizations not only reduce legal risks but also create a fair and legally compliant work environment that benefits both employers and employees. Effective HR risk management, when aligned with legal frameworks, is essential for minimizing risks and ensuring a healthy, productive, and secure workplace for all employees.¹⁵

3.2. Human Resource Issues in Employment Law in Indonesia and Comparative Analysis

Employment law plays a significant role in managing HR risks, as it governs the relationship between employers and employees, particularly with respect to contracts, wages, termination, and dispute resolution. In Indonesia, employment law is primarily based on the Manpower Act (*Undang-Undang Ketenagakerjaan*), which mandates that employers draft clear and compliant employment contracts. These contracts should outline the employee's job description, wages, working hours, and termination conditions. For example, Indonesian law requires that written contracts be provided to employees, which ensures clarity and mutual understanding of the terms. However, Indonesia's labor laws differ from jurisdictions such as the United States, where at-will employment is more common. In the U.S., employees can be terminated at any time, but wrongful termination or discriminatory actions can still lead to lawsuits. This highlights the importance of ensuring employment contracts are legally sound in both countries, as non-compliance with labor laws can result in legal consequences and reputational damage.¹⁶

Furthermore, it is crucial for HR managers to draft contracts that include non-compete clauses and confidentiality agreements. These contractual terms, which aim to protect business interests, must also comply with legal frameworks. In Indonesia, certain restrictions on such clauses exist, and contracts should be reviewed regularly to ensure they are in line with evolving labor laws and regulations. This preventive measure can help avoid legal disputes or challenges that arise from improperly drafted contracts.^{17,18}

Workplace safety and health are another critical aspect of HR risk management. Under Indonesian law, the Occupational Health and Safety Act mandates employers to ensure a safe and healthy working environment for their employees. This includes providing protective equipment, maintaining ergonomic workstations, and addressing any potential hazards that could jeopardize the health and safety of workers. In comparison, countries such as the United States implement similar measures through laws like the Occupational Safety and Health Act (OSHA). Failure to comply with workplace safety regulations can lead to legal actions and financial penalties.¹⁹ An

¹⁵ Raymond J. Stone, Anne Cox, Mihajla Gavin, and Joseph Carpini, *Human resource management*, (John Wiley & Sons, 2024).

¹⁶ M. Nanda Seftian, Meli Meli, Desi Fransiska, Sherly Feronita, and Adhi Permana, "Implementasi Kebijakan Peraturan Pemerintah Nomor 11 Tahun 2017 Tentang Manajemen Pegawai Negeri Sipil Di Badan Kepegawaian Dan Pengembangan Sumber Daya Manusia Kota Palembang," *Jurnal Ilmu Administrasi dan Studi Kebijakan (JIASK)* 5, no. 2 (2023): 241-256.

¹⁷ Wicipto Setiadi, "Penegakan hukum: Kontribusinya bagi pendidikan hukum dalam rangka pengembangan sumber daya manusia," *Majalah Hukum Nasional* 48, no. 2 (2018): 1-22.

¹⁸ Gary Dessler, *Fundamentals of human resource management*, (Pearson, 2020).

¹⁹ Occupational Safety and Health Act (OSHA). (1970). *U.S. Department of Labor*.

example of this is the Anderson v. Rotech Healthcare (2009) case in the U.S., where the company was penalized for neglecting safety protocols, leading to employee injuries. Similarly, in Indonesia, HR departments must regularly assess and adapt safety measures to mitigate risks and ensure compliance with safety standards.²⁰

Another significant area of concern in HR risk management is anti-discrimination laws. In Indonesia, as well as globally, laws are in place to prevent discrimination based on factors such as gender, race, religion, age, or disability. These laws ensure that employees are treated fairly in recruitment, hiring, promotion, and termination processes. In the U.S., the Civil Rights Act of 1964 and the Americans with Disabilities Act (ADA) are examples of key regulations aimed at promoting equality in the workplace.²¹ A landmark case in the U.S., EEOC v. Abercrombie & Fitch Stores, Inc.²² highlighted the importance of employers not discriminating against employees based on religious practices. This ruling emphasized the need for HR departments to ensure that their employment practices are non-discriminatory, promoting a diverse and inclusive workplace environment. In Indonesia, organizations must similarly adhere to anti-discrimination laws and ensure they foster fair and unbiased practices within their hiring and promotion processes.^{23,24}

The increasing reliance on technology and the digital transformation of the workplace have made employee privacy and data protection a critical component of HR risk management. With the rise of digital tools and platforms that store sensitive employee information, the need to protect such data has become paramount. Internationally, regulations such as the General Data Protection Regulation (GDPR) in the European Union set standards for safeguarding personal data. In Indonesia, the Personal Data Protection Law (Undang-Undang Perlindungan Data Pribadi), enacted in 2020, requires companies to handle personal employee data responsibly. HR departments must ensure that employee data is securely stored, processed, and shared only when necessary, in accordance with the legal frameworks.^{25,26} Failing to protect such data can result in significant penalties and legal consequences, as seen in several high-profile cases of data breaches worldwide. For instance, British Airways faced a £183 million fine for a data breach in 2019, underscoring the importance of data protection and privacy.^{27,28}

Labor relations and union activities are additional concerns for HR professionals,

²⁰ Sidwas Muarsarsar, "Strategi Pengembangan Sumberdaya Manusia Dalam Meningkatkan Kinerja Aparatur Pada Badan Kepegawaian Dan Pengembangan Sumber Daya Manusia Kabupaten Sarmi," *Jurnal Kajian Pemerintah: Journal of Government, Social and Politics* 8, no. 1 (2022): 47-63.

²¹ Americans with Disabilities Act (ADA). (1990). *U.S. Department of Justice*.

²² Abercrombie & Fitch Company (2015). *Employee Rights and Legal Compliance*.

²³ John Bratton, Jeff Gold, Andrew Bratton, and Laura Steele, *Human resource management*, (Bloomsbury Publishing, 2021).

²⁴ Anouphone Inthaly and H. Almubaroq, "Nilai praksis pancasila sebagai modal pengembangan sumber daya manusia era society 4.0 dalam rangka mendukung pertahanan negara," *Jurnal Kewarganegaraan* 19, no. 2 (2022): 76.

²⁵ General Data Protection Regulation (GDPR). (2018). *European Union*.

²⁶ British Airways GDPR fine. (2019). *Information Commissioner's Office (ICO)*.

²⁷ Roosje Kalangi, "Pengembangan sumber daya manusia dan kinerja aparat sipil negara di Kabupaten Kepulauan Sangihe Provinsi Sulawesi Utara," *Jurnal LPPM Bidang EkoSosBudKum (Ekonomi, Sosial, Budaya, dan Hukum)* 2, no. 1 (2015): 1-18.

²⁸ Sidwas Muarsarsar, "Strategi Pengembangan Sumberdaya Manusia Dalam Meningkatkan Kinerja Aparatur Pada Badan Kepegawaian Dan Pengembangan Sumber Daya Manusia Kabupaten Sarmi," *Jurnal Kajian Pemerintah: Journal of Government, Social and Politics* 8, no. 1 (2022): 47-63.

particularly in Indonesia, where unions play a significant role in advocating for workers' rights. HR departments must comply with laws protecting employees' rights to organize and engage in collective bargaining, such as the National Labor Relations Act (NLRA) in the U.S. Failure to comply with labor laws or interfering with union activities can lead to strikes, lawsuits, and significant reputational damage. In Indonesia, HR professionals must maintain positive relationships with unions and ensure that collective bargaining agreements (CBAs) are respected. Open communication channels between management and union representatives are necessary to avoid conflicts and reduce the likelihood of legal challenges arising from union-related issues.²⁹

Thus, effective HR risk management requires a thorough understanding of legal requirements across multiple domains. Employers must ensure that they stay compliant with local laws and international standards, particularly concerning employment contracts, workplace safety, anti-discrimination policies, data protection, and labor relations. By doing so, they can mitigate legal risks and create a safer, fairer, and more compliant work environment.^{30,31}

3.3. Strengthening HR Risk Management through Effective Legal Compliance Strategies

In order to effectively integrate legal considerations into HR risk management practices and minimize legal exposure, HR departments must adopt a comprehensive, proactive approach that addresses both preventive and corrective measures. Legal risks in HR management—ranging from employee disputes, discrimination claims, wrongful termination lawsuits, to non-compliance with labor regulations—pose significant threats to organizations. By incorporating legal considerations into their risk management strategies, HR departments can avoid costly legal repercussions, foster a safe and equitable workplace, and ensure that all practices align with the law.³²

One of the most critical strategies in this regard is the continuous education and training of HR professionals. This is essential for ensuring that HR teams are well-informed about current and evolving labor laws, employment rights, workplace safety regulations, and anti-discrimination laws. For example, HR professionals need to be familiar with Indonesia's Manpower Act and other relevant labor laws, which dictate various aspects of employment relationships. These laws govern employment contracts, termination procedures, wages, and dispute resolutions, making them essential knowledge for HR professionals. Legal education and regular training programs can help HR staff understand the intricacies of these laws, enabling them to make informed decisions and identify potential legal risks early on. Furthermore, HR professionals should be educated about how international laws, such as the General Data Protection Regulation (GDPR) in Europe or workplace safety standards like OSHA

²⁹ National Labor Relations Act (NLRA). (1935). *U.S. Congress*.

³⁰ Marleen A. O'Connor, "Human Capital ERA: Reconceptualizing Corporate Law to Facilitate Labor-Management Cooperation," *Cornell Law Review* 78, no. 5 (1993): 899.

³¹ M. Nanda Seftian, Meli Meli, Desi Fransiska, Sherly Feronita, and Adhi Permana. "Implementasi Kebijakan Peraturan Pemerintah Nomor 11 Tahun 2017 Tentang Manajemen Pegawai Negeri Sipil Di Badan Kepegawaian Dan Pengembangan Sumber Daya Manusia Kota Palembang," *Jurnal Ilmu Administrasi dan Studi Kebijakan (JIASK)* 5, no. 2 (2023): 241-256.

³² Sukmadi Farid Sabri, Chrisdianto Eko Purnomo, and M. Saleh. "Pelaksanaan Peraturan Gubernur Nomor 52 Tahun 2020 Tentang Sistem Pengelolaan Pengembangan Sumber Daya Manusia Provinsi Nusa Tenggara Barat," *Jurnal Diskresi* 2, no. 2 (2023):43.

in the U.S., may apply to the organization, particularly in multinational environments. This will help HR departments stay ahead of potential legal challenges and mitigate risks that might arise from ignorance or non-compliance.³³

Another vital aspect of HR risk management is the careful drafting and regular review of employment contracts, workplace policies, and other HR documents. These documents should be aligned with the legal frameworks governing the workforce and updated regularly to reflect any changes in the law. For instance, employment contracts should specify clearly defined terms of employment, termination clauses, and compensation agreements, ensuring compliance with relevant labor laws. Contracts should also address workplace safety and anti-discrimination policies, especially given the growing emphasis on employee welfare and diversity in the workplace. Regular review of these contracts ensures that any changes in legislation are reflected in HR practices, preventing disputes or legal claims resulting from outdated or non-compliant terms. Furthermore, HR departments must scrutinize clauses such as non-compete and confidentiality agreements, ensuring that they are legally enforceable and not overly restrictive, thus minimizing potential legal risks.^{34,35}

A key strategy for reducing legal exposure is conducting regular legal audits and compliance checks. Legal audits allow HR departments to assess their internal practices and identify any areas of non-compliance before they lead to legal action. These audits should focus on various aspects of HR operations, including employee wages, working hours, health and safety protocols, and employee data protection. For instance, regular audits can help HR ensure that employees are compensated fairly according to labor laws and that workplace safety measures are in line with local regulations. Identifying compliance gaps through these audits and taking corrective action can significantly reduce the risk of legal claims and penalties.

In addition to internal audits, HR departments must implement robust grievance mechanisms and conflict resolution systems to address employee concerns. Providing employees with clear avenues to report grievances, whether related to discrimination, harassment, or violations of their rights, is crucial in preventing disputes from escalating into legal actions. These systems should be accessible, fair, and confidential, ensuring that employees feel comfortable using them without fear of retaliation. Furthermore, HR departments should encourage open communication and foster a culture of transparency and trust, which can go a long way in resolving issues before they lead to legal problems.^{36,37}

Collaboration with legal counsel is another essential strategy. HR departments should work closely with legal experts who can provide advice on the interpretation and application of labor laws, as well as assist in resolving complex legal matters. Legal counsel can help draft contracts, review policies, and guide HR in navigating

³³ Occupational Safety and Health Administration (OSHA) Standards. (2021).

³⁴ George S. Georgiev, "The Human Capital Management Movement in US Corporate Law" *Tulane Law Review* 95, no. 3 (2021): 56.

³⁵ John Bratton, Jeff Gold, Andrew Bratton, and Laura Steele, *Human resource management*, (Bloomsbury Publishing, 2021).

³⁶ Wicipto Setiadi, "Penegakan hukum: Kontribusinya bagi pendidikan hukum dalam rangka pengembangan sumber daya manusia," *Majalah Hukum Nasional* 48, no. 2 (2018): 1-22.

³⁷ John Bratton, Jeff Gold, Andrew Bratton, and Laura Steele, *Human resource management*, (Bloomsbury Publishing, 2021).

challenging situations, ensuring that all actions taken are compliant with the law. Additionally, legal advisors can offer insights into emerging trends and potential risks in HR law, helping HR departments stay informed about new developments.³⁸

Lastly, fostering a culture of legal compliance and ethical conduct is essential for long-term success. HR departments should lead by example in promoting ethical practices and transparency, setting the tone for the entire organization. By emphasizing the importance of legal compliance and creating a work environment where employees understand their rights and responsibilities, HR can help prevent legal disputes and create a more harmonious and compliant workplace. Regular training, clear communication, and leadership involvement in promoting compliance can reinforce the significance of legal considerations in HR practices. Therefore, integrating legal considerations into HR risk management requires proactive measures, continuous training, regular audits, and strong communication.^{39,40}

4. CONCLUSION

This study highlights the importance of adhering to regulations that protect workers' rights, workplace safety, and privacy. These regulations not only minimize legal liabilities but also foster fairness, equality, and employee well-being, contributing to a legally compliant and productive workplace. This study emphasizes the need for HR departments to adopt a proactive and comprehensive approach to risk management. As legal landscapes continue to evolve, it is essential for HR professionals to stay informed about labor laws, regularly review contracts and workplace policies, and conduct legal audits to address compliance gaps. Furthermore, fostering a culture of legal compliance, implementing grievance mechanisms, and collaborating with legal counsel are crucial strategies for minimizing risks and creating a fair and secure work environment for all employees. Ultimately, organizations that integrate legal considerations into their HR risk management practices not only mitigate potential legal exposure but also contribute to a more equitable and safer workplace. By embracing these strategies, HR departments can navigate the complexities of the legal environment while ensuring compliance and promoting long-term organizational success. This study underscores the significance of aligning HR practices with legal frameworks to build a workplace that prioritizes employee rights, fosters trust, and reduces legal risks.

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³⁸ Alessandro Margherita, "Human resources analytics: A systematization of research topics and directions for future research," *Human Resource Management Review* 32, no. 2 (2022): 100795.

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