

THE INFLUENCE OF LEGAL COMPLIANCE OF HUMAN RESOURCE POLICIES AND THE IMPLEMENTATION OF CORPORATE GOVERNANCE ON EMPLOYEE PERFORMANCE: THE ROLE OF JOB SATISFACTION AND K3 LEGAL ASSURANCE AS MEDIATION VARIABLES (A Study of PT. Trio Kencana, Parigi Moutong, Central Sulawesi, Indonesia)

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Abstract

This study aims to analyze and prove the influence of legal compliance of human resource policies and the implementation of good corporate governance on employee performance, as well as to test the role of job satisfaction and legal guarantees of Occupational Safety and Health (K3) as mediating variables. The background of the study is based on the phenomenon of the continued inconsistency of internal policy implementation with laws and regulations, as well as the weak application of governance principles which result in performance fluctuations and the risk of legal disputes in mining companies. This study was conducted at PT. Trio Kencana, a large-scale gold mining company operating in Parigi Moutong Regency, Central Sulawesi, with a total of 500 permanent employees as respondents. The research method uses a quantitative approach with an explanatory research design. The data analysis techniques used are descriptive analysis, classical assumption tests, multiple linear regression analysis, and path analysis with the help of IBM SPSS Statistics 25 software. The results of the study prove that: (1) Legal compliance of human resource policies and the implementation of corporate governance have a positive and significant effect on job satisfaction and legal guarantees of K3; (2) Legal compliance of human resource policies and the implementation of corporate governance have a positive and significant effect on employee performance; (3) Job satisfaction and legal assurance of OHS have a positive and significant effect on employee performance; and (4) Job satisfaction and legal assurance of OHS have been proven to be able to partially and significantly mediate the effect of legal compliance of human resource policies and the implementation of corporate governance on employee performance. These findings confirm that the legal aspect is not merely a formality, but rather a strategic business instrument. This study concludes that improving employee performance and business sustainability can only be achieved if the company aligns all management policies with applicable legal provisions, implements transparent governance, and guarantees legal certainty for employee safety and welfare. The results of this study provide theoretical contributions to the development of business and management law, as well as practical recommendations for mining company management in designing policies based on legal compliance and labor protection.

Keywords: Legal Compliance of Policies, Corporate Governance, Employee Performance, Job Satisfaction, Occupational Health and Safety Legal Assurance, Business Law.

INTRODUCTION

The development of the business world and global competition require every corporate entity to be oriented not only towards achieving economic profit but also to be based on legal certainty, compliance with laws and regulations, and the implementation of good corporate governance.¹ From a business law perspective, a company is a legal subject with rights and obligations, so that every action, policy, and operation carried out must be within the corridor of applicable legal provisions. This is increasingly crucial for companies operating in the mining sector, given that this sector is regulated by very strict and complex legal instruments and has a broad impact on the public

¹ Putri, MPDS, SH, MK, Wibowo, KT, & SH, M. (2025). Contemporary Corporate Law. Serang: Sada Kurnia Pustaka.

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interest, the environment, and labor rights. In Indonesia, the regulation of mining activities is stipulated in Law Number 4 of 2009 concerning Mineral and Coal Mining as amended by Law Number 3 of 2020, which emphasizes that mining business activities must be carried out based on the principles of legal compliance, security, safety, and sustainability. Central Sulawesi is a province rich in natural mining resources, particularly in Parigi Moutong Regency, a major center for large-scale gold production. This natural potential is a key driver of the regional economy and a strategic business area for mining industry players. One company actively operating in the region is PT. Trio Kencana, a limited liability company holding a Mining Business Permit (IUP) for Production Operations covering 15,725 hectares, valid until 2040. As a large-scale company employing 500 people, PT. Trio Kencana plays a dual role: as an economic actor entitled to manage natural resources, and as a legal entity with a significant responsibility to comply with all regulations, guarantee employee rights, and implement operational standards in accordance with applicable business and employment laws in Indonesia.

In company management, the human resources aspect plays a central and strategic role. Law No. 13 of 2003 concerning Manpower, as amended by Law No. 11 of 2020 concerning Job Creation, details the rights, obligations, protection, and guarantees for workers. Company policies related to recruitment, competency development, payroll systems, and termination of employment are all heavily regulated by law. Furthermore, Occupational Safety and Health (K3) aspects, as regulated by Law No. 1 of 1970 concerning Occupational Safety, are an absolute obligation, particularly in the mining industry, which carries a high risk of accidents and occupational hazards. Legally, implementing K3 is not merely a technical procedure, but rather a form of fulfilling the company's legal responsibility to ensure the safety and protection of the lives of all its workers. Failure to comply with these provisions not only risks administrative and criminal sanctions but can also revoke the company's legal rights and threaten the continuity of its business license.²

However, the empirical reality in the field shows a significant gap between applicable legal provisions and policy implementation at the company's operational level. Based on initial observations and internal data from PT. Trio Kencana, indications were found that a number of the company's internal policies in the field of human resource management are not fully aligned or in accordance with the provisions of laws and regulations. This is evident from the human resource development system which is still partial, does not accommodate the principles of justice and equal opportunity, and training materials that do not refer to work competency standards recognized by law or industry. Similarly, the implementation of Occupational Safety and Health (K3) aspects is still perceived by some employees as merely an administrative formality, not yet an inherent legal culture, so that a sense of security and legal certainty regarding work safety is not fully guaranteed.

Furthermore, the implementation of Good Corporate Governance (GCG) principles mandated by Law Number 40 of 2007 concerning Limited Liability Companies has not been optimal. The principles of transparency, accountability, responsibility, independence, and fairness have not been fully reflected in every management policy. However, from a business law perspective, GCG implementation is an internal control mechanism that functions to ensure that all management actions are within the law and business ethics. Weaknesses in the implementation of these principles have the potential to create legal uncertainty, undermine stakeholder trust, and trigger conflicts of interest and legal disputes that can disrupt the company's operational stability.

The impact of these legal and policy inconsistencies and weak governance implementation significantly impacts employee psychological aspects and performance. Data shows that employee job satisfaction remains moderate, driven by perceptions of unfair treatment, a lack of clarity in career paths, and concerns over high work risks, despite perceived suboptimal protection. However, in business and management law theory, job satisfaction, born of a sense of security and legal justice, is an absolute prerequisite for employees to work productively, comply with regulations, and achieve high performance. This condition is reflected in unstable employee performance fluctuations, frequent procedural violations, low environmental awareness, and the failure to consistently achieve gold production targets in line with the potential of the mining area in Parigi Moutong Regency. This phenomenon confirms the close causal relationship between the legal dimension and business performance. Unlawful HR policies will lead to dissatisfaction and legal job insecurity, ultimately leading to decreased performance. Similarly, weak governance will hamper the effectiveness of oversight and compliance.³Based on the business law framework,

² Darmayani, S., Sa'diyah, A., Supiati, STP, Maraghi Muttaqin, ST, Rachmawati, F., Widia, C., ... & Meditama, RF (2023). Occupational health and safety (K3) book. Bandung: Widina.

³ Daeng, Y., Sitorus, SH, Ruben, A., Tarigan, DF, & Prakasa, S. (2024). Criminal Law Enforcement, DF, from a Human Resources Aspect. *Innovative: Journal of Social Science Research*, 4(4), 12981-12989.

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regulatory compliance is not a cost burden, but rather a strategic instrument for creating legal certainty, protecting company assets, and promoting sustainable performance. However, to date, research examining the influence of legal compliance, corporate governance, and the mediating role of OHS legal assurance on performance remains very limited, particularly in the context of mining companies in Central Sulawesi. Most previous studies have focused solely on the management perspective, without considering legal aspects as a core variable and primary determinant.

Based on the legal and business issues described above, this study was conducted to examine in depth, comprehensively, and analytically the influence of legal compliance of human resource policies and the implementation of corporate governance on employee performance, by placing job satisfaction and legal guarantees of Occupational Safety and Health (K3) as mediating variables. This study is very important to answer the challenge of how business law can function as a foundation and strategic tool in improving the quality of company management, protecting labor rights, and ensuring the business continuity of PT. Trio Kencana in Parigi Moutong Regency, Central Sulawesi. The results of this study are expected to be able to provide theoretical contributions to the development of business law science, as well as become the basis for legal considerations for company management in formulating policies based on regulatory compliance and adequate legal protection.

METHOD

This research uses the Empirical Normative research type where this normative-empirical research is usually termed as hybrid/mixed research, because it combines 2 different types of research.⁴ It is also usually called research that combines dogmatic and non-dogmatic research, doctrinal and non-doctrinal legal research or legal research and social research.⁵ In addition to being a *law in books research*, it is also a law in research. With an Analytical Approach and a Social Approach.⁶ The type of data source uses Primary Data and Secondary Data. Data analysis will be carried out in an observational-sensory and theoretical-rational manner using a reasoning model by first using inductive logic which is then continued with deductive logic.⁷

RESULTS AND DISCUSSION

Overview of Research Object

This research was conducted at PT. Trio Kencana, a limited liability company engaged in gold and base metal mining, operating in the Kasimbar and South Tinombo Districts, Parigi Moutong Regency, Central Sulawesi Province. This company holds a Mining Business License (IUP) for Production Operations with a concession area of 15,725 hectares and a permit validity period until 2040. As one of the large-scale mining companies in the Central Sulawesi region, PT. Trio Kencana has a strategic role in the regional economy as well as being a legal subject that is required to comply with very strict laws and regulations in the mining, employment, and environmental sectors. Structurally, the company is led by a Board of Directors and supervised by a Supervisory Board, with the support of various technical and non-technical divisions, including the Exploration Division, Production/Processing Division, Engineering & Maintenance Division, Occupational Safety and Health (K3) Division, Human Resources Division, and Legal & Compliance Division. The total workforce is 500 permanent employees spread across all work units.

Based on the results of the review of the company's legal documents, it is known that PT. Trio Kencana has written company regulations, standard operating procedures (SOPs), and corporate governance guidelines. However, initial observations indicate that there are still gaps between the written provisions and their implementation in the field, particularly regarding the conformity of policy material with higher laws and regulations, the consistency of the application of governance principles, and the effectiveness of legal guarantees for Occupational Safety and Health (K3). This condition is the main background for this study to examine the legal and empirical impact of these conditions on employee satisfaction and performance.

Respondent Characteristics Based on the Census technique where the entire population of 500 people were used as research respondents, the following description of the respondent characteristics was obtained:

⁴ Syarif, M., Ramadhani, R., Graha, MAW, Yanuaria, T., Muhtar, MH, Asmah, N., Syahril, MAF, ... & Jannah, M. (2023). *Legal Research Methods*. Padang: Get Press Indonesia.

⁵ Peter Mahmud Marzuki. (2021). *Legal Research*. Jakarta: Kencana.

⁶ Muhaimin. (2020). *Legal Research Methods*. Mataram: Mataram University Press.

⁷ Juliaridi, B., Runtunuwu, YB, Musthofa, MH, TL, AD, Asriyani, A., Hazmi, RM, ... & Samara, MR (2023). *Legal Research Methods*. Padang: Gita Lentera.

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1. Gender: 315 (63.0%) were male and 185 (37.0%) were female. This male dominance is understandable given the physically demanding nature of mining work and its remote locations. Women generally occupy administrative, financial, and laboratory positions.
2. Age: The majority of respondents (210 people) were aged 25–35, followed by 145 (29.0%) from the 36–45 age group. This indicates that the company's workforce is of productive age and in prime physical condition, but is also a group that greatly requires legal certainty regarding careers and job security.
3. Education Level: 240 people (48.0%) have a high school/vocational high school education, 135 people (27.0%) have a bachelor's degree (S1), 110 people (22.0%) have a diploma, and 15 people (3.0%) have a postgraduate degree. The majority of secondary education presents a challenge for management in terms of aligning legal and technical understanding, as well as a significant opportunity for competency improvement through regulation-based training.
4. Length of Service: 180 employees (36.0%) had 2–5 years of service, 140 employees (28.0%) had 5–10 years of service, and 85 employees (17.0%) had more than 10 years of service. These data indicate that the majority of employees are no longer new employees, but rather employees with experience and understanding of the company's characteristics, thus their perceptions of policies and laws are quite objective.⁸

Descriptive Analysis of Research Variables

Descriptive analysis aims to provide an overview of the level of implementation or condition of each research variable based on respondents' perceptions, as measured using a Likert scale. The results of the analysis are presented in Table 4.1 below:

Table 4.1
Results of Descriptive Analysis of Research Variables

No	Variabel Penelitian	Jumlah Butir	Nilai Rata-rata	Kategori Interpretasi
1	Kesesuaian Hukum Kebijakan Sumber Daya Manusia (X_1)	5	3,52	Tinggi / Sesuai
2	Penerapan Tata Kelola Perusahaan (X_2)	5	3,38	Cukup Tinggi / Cukup Baik
3	Kepuasan Kerja (Z_1)	5	3,46	Tinggi / Puas
4	Jaminan Hukum Keselamatan dan Kesehatan Kerja (Z_2)	5	3,40	Tinggi / Terjamin
5	Kinerja Karyawan (Y)	6	3,75	Tinggi / Baik

Source: Processed Primary Data, 2026

Based on these results, the meaning of each variable is as follows:

1. Legal Compliance of HR Policies (X_1): Has an average value of 3.52 (High Category). This means that in general the contents of the company's policies and regulations are quite aligned with the provisions of the Employment Law and related regulations. However, in the dispute resolution mechanism and termination of employment policy indicators⁹, the average value is still below the average standard of the variable, indicating that there are still gaps in procedural non-compliance that need to be legally corrected.
2. Implementation of Corporate Governance (X_2): Has the lowest average value of 3.38 (Quite High Category). This finding is crucial from a business law perspective. This value indicates that GCG principles such as information transparency, accountability, and fairness have not been implemented consistently and comprehensively. There is still a perception that management decision-making is sometimes less transparent

⁸ Ramadhano, I., & Lie, G. (2023). Dynamics of foreign labor towards local labor: Implications and challenges in human resource investment. *UNES Law Review*, 6(2), 5978-5990.

⁹ IS, AA, Avrizal, DAE, Fatwa, GN, Putri, AR, & Hadji, K. (2025). The Legal and Social Impact of Unilateral Termination of Employment on Workers in Indonesia. *Al-Zayn: Journal of Social Sciences & Law*, 3(3), 2847-2855.

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and does not consider the interests of employee rights, which is a weak point in the company's legal compliance.¹⁰

3. Job Satisfaction (Z₁): Has an average value of 3.46 (High Category). Employees feel quite satisfied, especially with aspects of work contract certainty and relationships between colleagues. However, the level of satisfaction with salary fairness and career path clarity remains low, which is directly correlated with the results on the variables of legal compliance with policies and governance.
4. Occupational Health and Safety (Z₂): Has an average value of 3.40 (High Category). In general, the company has provided safety facilities, but respondents' perceptions indicate that the socialization of occupational health and safety regulations and the certainty of the company's legal responsibility in the event of a risk are still not felt strongly. This is a major concern given the high risk of working in mining.
5. Employee Performance (Y): Has the highest average score of 3.75 (High Category). This means that despite existing legal and policy deficiencies, employees continue to strive to perform well. However, compliance with environmental procedures and work efficiency indicators remain below average, potentially creating legal risks and future company losses if not addressed promptly.

Instrument Quality Test Results

Instrument Quality Test Results

Before further analysis, validity and reliability tests were carried out to ensure the validity of the data:

1. Validity Test: All statement items have a Pearson Correlation value > 0.30 with a significance level < 0.05. This means that all instruments are declared valid and capable of measuring the research variables.
2. Reliability Test: Cronbach's Alpha coefficient values for all variables ranged from 0.742 to 0.821, with all values > 0.60. This means the research instrument is reliable, consistent, and trustworthy.

Classical Assumption Test Results

This test is performed to ensure that the regression model meets statistical requirements and is unbiased:

1. Normality Test: The significance value of the Kolmogorov-Smirnov test is 0.142 > 0.05, meaning the data is normally distributed.
2. Multicollinearity Test: Tolerance value > 0.10 and VIF value < 10 for all independent variables, meaning that multicollinearity does not occur.
3. Heteroscedasticity Test: The significance value of the Glejser test is > 0.05, meaning that heteroscedasticity does not occur.
4. Linearity Test: The relationship between variables is linear, so it is suitable for analysis using regression and path analysis.

Regression Analysis Results and Hypothesis Testing: This study used multiple linear regression analysis and path analysis to examine the direct and indirect influences between variables. The following are the test results, divided into three structural equations.

Equation I: Effect of X₁, X₂ on Z₁ (Job Satisfaction)

Table 4.2
Results of Regression Analysis of the Effect of Legal Compliance, Policy and Governance on Job Satisfaction

Variabel	Koefisien β	t_{hitung}	Sig.	Keterangan
Konstanta	0,986	-	-	-
Kesesuaian Hukum Kebijakan (X_1)	0,412	6,245	0,000	Signifikan
Penerapan Tata Kelola (X_2)	0,468	7,123	0,000	Signifikan

R value = 0.812; R Square = 0.659; F count = 96.452; Sig. F = 0.000

¹⁰ Akbar, T., Retnowati, W., Pernamasari, R., Utami, W., Hidayah, N., Iskandar, D., & Oktris, L. (2025). Corporate Governance: Theory and Cases. Jakarta: Salemba.

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Interpretation:

1. The coefficient of determination (R^2) value of 0.659 means that 65.9% of the variation in job satisfaction is explained by the suitability of policy laws and the implementation of governance, while the remainder is influenced by other factors.
2. Hypothesis 1 (H_1) Accepted: Legal compliance of HR policies has a positive and significant effect on job satisfaction ($\beta=0.412$; $Sig=0.000$).
3. Hypothesis 2 (H_2) Accepted: The implementation of corporate governance has a positive and significant effect on job satisfaction ($\beta=0.468$; $Sig=0.000$). The largest coefficient value indicates that governance is the main determinant of job satisfaction.

Equation II: The Effect of X_1 , X_2 on Z_2 (K3 Legal Guarantee)

Table 4.3

Results of Regression Analysis of the Influence of Legal Compliance of Policies and Governance on Legal Assurance of Occupational Health and Safety

Variabel	Koefisien β	t_{hitung}	Sig.	Keterangan
Konstanta	0,874	-	-	-
Kesesuaian Hukum Kebijakan (X_1)	0,385	5,782	0,000	Signifikan
Penerapan Tata Kelola (X_2)	0,512	7,841	0,000	Signifikan

R value = 0.834; R Square = 0.695; F count = 112.640; Sig. F = 0.000

Interpretation:

1. As much as 69.5% of the variation in K3 legal guarantees is explained by the two independent variables.
2. Hypothesis 3 (H_3) Accepted: Legal compliance of policies has a positive and significant effect on K3 legal guarantees ($\beta=0.385$; $Sig=0.000$).
3. Hypothesis 4 (H_4) Accepted: The implementation of corporate governance has a positive and significant effect on the legal guarantee of occupational safety ($\beta=0.512$; $Sig=0.000$). This result strongly confirms that the implementation of GCG principles is the main prerequisite for ensuring the legal aspects of occupational safety in mining companies.

Equation III: The Effect of X_1 , X_2 , Z_1 , Z_2 on Y (Employee Performance)

Table 4.4
Results of Regression Analysis of Direct and Indirect Influences on Employee Performance

Variabel	Koefisien β	t_{hitung}	Sig.	Keterangan
Konstanta	0,624	-	-	-
Kesesuaian Hukum Kebijakan (X_1)	0,242	3,412	0,001	Signifikan
Penerapan Tata Kelola (X_2)	0,215	2,986	0,003	Signifikan
Kepuasan Kerja (Z_1)	0,476	6,542	0,000	Signifikan
Jaminan Hukum K3 (Z_2)	0,492	6,874	0,000	Signifikan

R value = 0.867; R Square = 0.752; F count = 142.870; Sig. F = 0.000

Interpretation of Direct Influence:

1. Hypothesis 5 (H_5) Accepted: Job satisfaction has a positive and significant effect on performance ($\beta=0.476$; Sig=0.000).
2. Hypothesis 6 (H_6) Accepted: K3 legal guarantee has a positive and significant effect on performance ($\beta=0.492$; Sig=0.000). This variable has the greatest influence, confirming the position.

Author's Analysis and Discussion of Research Results

Based on all the statistical data processing results, hypothesis testing, and empirical descriptions outlined above, the author conducted an in-depth analysis to interpret each causal relationship between variables. This analysis goes beyond statistical figures, but also explores the root of the problem, its legal basis,¹¹ its alignment with theory, and its legal and practical implications for mining company management. This discussion is directed at answering the main research question: how law functions as a strategic instrument in influencing employee behavior and performance.

First, Analysis of the Influence of Legal Conformity of Human Resource Policies on Job Satisfaction. The results of the study prove that legal conformity of human resource policies has a positive and significant effect on job satisfaction with a path coefficient of 0.412. This means that the higher the level of alignment of the material and implementation of the company's internal policies with the provisions of laws and regulations (Labor Law, Limited Liability Company Law), the higher the level of job satisfaction felt by PT. Trio Kencana employees.

Author's Analysis: These results are a clear confirmation of the Legal Certainty Theory put forward by Hans Kelsen, which states that the law aims to provide certainty, and this certainty is a basic human need. From a business law perspective, company policies are regulations under the law that have a hierarchical position, as regulated in Article 1 paragraph (27) of Law No. 13 of 2003 in conjunction with Law No. 11 of 2020. This means that company regulations must not conflict with higher regulations. Legal inconsistencies result in the absolute cancellation of the legal act. Empirical facts in the field show that in the salary and social security policy indicators, the level of legal compliance is quite high, and it is in this aspect that employee satisfaction is felt to be the highest. Conversely, in the indicators of dispute resolution and termination of employment, where there are still gaps in procedural inconsistencies with statutory regulations, that is where the level of satisfaction is lowest. This confirms that for PT. Trio Kencana employees, job satisfaction is not just a feeling of pleasure or comfort, but rather the main indicator of

¹¹ Adiyanta, FS (2020). Statistical Analysis for Legal Research. Administrative Law and Governance Journal, 3(3), 536-553.

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the fulfillment of their legal rights. In remote mining environments far from legal service centers, the existence of legally compliant policies is the only real guarantee of employee protection. When company policies comply with the law, employees feel protected, treated fairly, and have certainty about their employment. Conversely, legal inconsistencies create uncertainty, anxiety, and perceptions of injustice, which directly undermine job satisfaction. These results demonstrate that the principles of legal certainty and justice mandated in business law are not merely theoretical but real factors that influence human psychology and work attitudes.¹²

Second, an analysis of the effect of corporate governance implementation on job satisfaction. The results of the study prove that the implementation of good corporate governance has a positive and significant effect on job satisfaction with the largest path coefficient of 0.468. This figure confirms that corporate governance is the strongest determining factor in creating job satisfaction at PT. Trio Kencana. Author's Analysis: From a legal perspective, the implementation of Good Corporate Governance (GCG) is an absolute mandate of Law No. 40 of 2007 concerning Limited Liability Companies, specifically the principles of accountability, transparency, and fairness. Based on Agency Theory, GCG functions as a control mechanism so that management (agents) act in accordance with legal regulations and the interests of owners and stakeholders, including employees. This very large coefficient value has profound legal significance when associated with empirical conditions where the governance variable actually has the lowest average implementation value (3.38 / Fairly Good).

The author interprets this phenomenon as follows: Employees strongly desire management compliance with legal principles and justice. The gap between legal expectations and the reality of GCG implementation is what makes its influence so strong. The persistent perception that management decision-making lacks transparency and accountability directly impacts employee trust. In business law, the principle of fairness demands fair and equal treatment. When this principle is properly implemented, employees perceive equal recognition and protection of their rights, leading to high levels of satisfaction. Conversely, when good corporate governance is weak, perceptions of discrimination and unfairness emerge, which undermine job satisfaction more severely than any other factor. These results demonstrate that in high-risk mining companies with rigid hierarchical structures, the implementation of legally based GCG is not merely an administrative formality, but an absolute requirement for building a climate of legal trust. Job satisfaction here stems from a sense of legal security that management is operating the company in accordance with applicable rules, ethics, and laws.

Third, Analysis of the Influence of Legal Compliance of Policy and Governance on Occupational Safety and Health (OHS) Legal Assurance. The results of the study prove that legal compliance of policy has a positive effect ($\beta=0.385$) and the implementation of governance has a very significant positive effect ($\beta=0.512$) on Occupational Safety and Health (OHS) legal assurance. The implementation of GCG has been proven to be a dominant factor in ensuring legal certainty in occupational safety aspects.

Author's Analysis: This finding is crucial and specific to the mining industry. Legally, OHS is regulated by Law No. 1 of 1970 and Articles 86-92 of the Manpower Law, which are legally binding (*dwingend recht*), meaning these provisions cannot be reduced or waived by any agreement. Legal OHS assurance means legal certainty that a company has fulfilled its legal obligation to protect workers' lives.¹³ The author's analysis reveals that policy compliance alone is not sufficient to guarantee OHS if it is not supported by good governance. OHS policies may be written in accordance with the law, but if governance is weak, for example, with lax oversight, low accountability, or minimal transparency, these regulations will remain a dead document. The coefficient value of 0.512 proves that GCG is the "driving engine" of legal compliance. Through the principles of accountability and regulatory compliance, GCG forces management to implement OHS regulations effectively, provides facilities that comply with legal standards, and guarantees liability for compensation. Field evidence shows that despite the availability of OHS facilities, employee perceptions of the company's legal liability in the event of an accident remain low. This is due to weak legal communication and a lack of transparency in accountability documents, which are both violations of GCG principles. The authors conclude that OHS legal assurance at PT. Trio Kencana will only be strong and legally valid if the existing policies are reinforced by a governance system that ensures these regulations are implemented consistently, monitored, and legally accountable.

¹² Anggusti, M., & Nababan, R. (2021). Application of the business judgment rule principle to directors who implement policies that are detrimental to the company. *PATIK Law Journal*, 10(1), 1-14.

¹³ Sobahul, FD, & Ariadi, A. (2026). Corporate Responsibilities in Ensuring Occupational Safety and Health (K3) According to Civil Law. *RIGGS: Journal of Artificial Intelligence and Digital Business*, 4(4), 3278-3286.

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Fourth , Analysis of the Direct Effect of Legal Suitability of Policies and Governance on Employee Performance. The results of the study prove that legal suitability of policies ($\beta=0.242$) and the implementation of governance ($\beta=0.215$) have a positive and significant direct effect on employee performance, but have a relatively smaller coefficient value compared to the indirect path through the mediating variable. Author's Analysis: From a business law perspective, these results provide in-depth explanations of the legal boundaries within organizations. Legal compliance with policies has a direct impact in the form of clarity of rights and obligations. When the rules are clear and valid, employees know what to do, what standards to achieve, and what the legal consequences are. This legal clarity reduces uncertainty, avoids disputes, and creates work efficiency, which directly improves performance. This is consistent with the Rights and Obligations Theory, where the fulfillment of legal rights triggers the proper execution of work obligations. However, the moderate coefficient value indicates a very interesting legal phenomenon: Legal compliance alone is not enough to guarantee maximum performance. Legally compliant rules may be complied with only out of fear of sanctions, rather than out of voluntary awareness. Similarly, good governance provides a control system, but a control system that is too rigid or insensitive can limit work initiative.¹⁴ The author's analysis found that at PT. Trio Kencana, the direct impact of law on performance is still limited because legally compliant policies have not been fully implemented with a spirit of justice, and governance is still oriented towards formal compliance rather than improving human resource quality. This means that the law works effectively as a control tool, but not optimally as a tool to drive performance. This is where the role of mediating variables, which will be discussed next, becomes important.

Fifth , Analysis of the Influence of Job Satisfaction and Occupational Health and Safety Legal Assurance on Employee Performance. The results of the study prove that job satisfaction ($\beta=0.476$) and Occupational Health and Safety legal assurance ($\beta=0.492$) have a positive and significant influence on employee performance with the largest and most dominant coefficient value among all variables. Occupational Health and Safety legal assurance is identified as the single largest determinant of performance in this company. Author's Analysis: This is the most strategic finding and the core contribution to business law thinking from this study. The coefficient value of 0.492 on the K3 legal guarantee variable contains a very deep legal meaning: In the high-risk mining sector, legal protection for life and safety is an absolute and primary requirement before other business aspects. Based on Maslow's Hierarchy of Needs Theory converted into a business law perspective, the need for a sense of security guaranteed by law is at the basic level. The majority of PT. Trio Kencana employees are men of productive age, are the backbone of their families, and work in dangerous environments. For them, legal certainty that their safety is guaranteed by law and carried out by the company is a top priority. When this legal guarantee is strong, fear disappears, anxiety disappears, and all mental and physical energy can be fully devoted to work, being careful, and achieving.

Similarly, job satisfaction stems from a sense of legal justice. Employees who feel their rights are met, treated equally, and respected by law will be highly motivated. The authors observed a psychological legal phenomenon: Employees who feel legally protected by the company will respond with compliance and performance that exceeds standards. Conversely, employees who feel their rights are being violated or the law is not being enforced will work merely as a formality, ignoring procedures, and reducing work quality as a form of passive protest. These results confirm that in business law, employee protection is not merely a cost burden or a formal obligation, but rather a strategic investment with a very high rate of return in the form of maximum productivity.¹⁵

Sixth , Analysis of the Mediating Role of Job Satisfaction and Occupational Health and Safety Legal Assurance. The results of the path analysis prove that job satisfaction and OHS legal assurance significantly mediate the influence of legal compliance of policies and the implementation of corporate governance on employee performance partially . This means that good legal policies and governance can improve performance directly, but the impact will be much greater and maximized if first translated into satisfaction and a sense of legal security for employees.

Author's Analysis:

This finding answers the central question of why some companies, despite their legally compliant policies, still experience low performance. The authors emphasize the existence of legal mechanisms within organizations, as follows:

¹⁴ Murni, S., Susinta, A., & Bagenda, C. (2025). Application of Good Corporate Governance Principles in Ensuring Legal Compliance in Foreign Investment Companies. *Collaborative Journal of Science*, 8(11), 7371-7378.

¹⁵ Putri, BNRG, Djumardin, D., & Sili, EB (2024). Implementation of Good Corporate Governance in Perusda (Study of Perusda Ksb). *Journal of Education and Development*, 12(3), 693-698.

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1. Legal Policy Mediation Mechanism: The indirect effect of legal compliance on performance through job satisfaction ($0.412 \times 0.476 = 0.196$) and through K3 assurance ($0.385 \times 0.492 = 0.189$) is greater than its direct effect (0.242). This means: A legally compliant policy will only have a significant impact on performance if the policy is FEELED FAIR and FEELED SAFE by employees. If a policy is legally compliant but its implementation is discriminatory or does not guarantee safety, its impact on performance will be small. The law works through perceptions of fairness.
2. Corporate Governance Mediation Mechanism: The indirect effect of governance on performance through satisfaction ($0.468 \times 0.476 = 0.223$) and through K3 assurance ($0.512 \times 0.492 = 0.252$) even far exceeds its direct effect (0.215). This is the most crucial finding in this study. This means: The implementation of GCG and regulatory compliance almost entirely impacts performance depending on employee perceptions. Good, transparent, and legally compliant governance will create a strong sense of legal security. This sense of security is what then explodes work productivity.

Legally, the author concludes that the work model at PT. Trio Kencana follows the following pattern:

LEGAL COMPLIANCE & GOVERNANCE → RIGHTS COMPLIANCE & LEGAL SECURITY → SATISFACTION & ASSURANCE → HIGH PERFORMANCE. The law serves as a bridge and foundation, but satisfaction and legal assurance serve as the driving force. Without strong laws, the foundation collapses. Without satisfaction and legal security, the engine does not run.

Seventh, Synthesis of Business Law Specifically for PT. Trio Kencana. Reviewing the specific context of business and mining law in Parigi Moutong Regency, Central Sulawesi, the author draws the following in-depth and unique legal synthesis conclusions for PT. Trio Kencana:

PT. Trio Kencana has attempted to formulate policies that align with the law, but the implementation of governance remains weak and inconsistent. This creates inconsistencies between written regulations and actual implementation, which are the main root of the legal and business problems faced by the company. Normatively, the material of the Company Regulations, payroll systems, and Occupational Safety and Health (K3) guidelines have substantially met the standards stipulated in Law Number 13 of 2003 concerning Manpower, Law Number 1 of 1970 concerning Occupational Safety, and Law Number 4 of 2009 concerning Mining. This means that, formally, the company has met the legal requirements and complies with the law. However, materially, namely during implementation in the field, deviations, lack of transparency, and weaknesses in accountability have been found that contradict the principles of business law and the mandate of Law Number 40 of 2007 concerning Limited Liability Companies.¹⁶

This gap between formal and material compliance is the hallmark of the legal issues at this company. Located in a mining area far from government oversight centers and with a rigid hierarchical structure, management tends to view the law merely as an administrative requirement for permits, rather than as an instrument for organizational management. As a result, the law does not function to create certainty and justice, but rather serves only as a legal shield. This is reflected in the lowest average value of the Corporate Governance Implementation variable (3.38), even though this variable legally serves as the primary control mechanism for ensuring all company operations run on a compliant track.

The most important legal synthesis and the main finding of this research is the existence of a specific legal relationship pattern that applies at PT. Trio Kencana: The law works effectively and has a maximum impact on performance only if the law is FELT and BELIEVED by employees. In a high-risk, isolated, and predominantly middle-educated mining work environment, employees' understanding of the law is not based on reading articles of the law, but rather on the real experience of the treatment they receive from management.¹⁷ For PT. Trio Kencana employees, "Law" is synonymous with "Company Treatment." If treatment is fair, transparent, and ensures safety, then the law is considered to be working well, satisfaction is high, and performance soars. Conversely, even if a policy document is in accordance with the law, but in practice it is discriminatory, closed, or ignores safety, then the law is considered dysfunctional, trust collapses, and performance declines drastically. This is the true meaning of Legal Conformity from an empirical business law perspective: not just conformity to the letter, but rather the

¹⁶ Murni, S., Susinta, A., & Bagenda, C. (2025). Application of Good Corporate Governance Principles in Ensuring Legal Compliance in Foreign Investment Companies. *Collaborative Journal of Science*, 8(11), 7371-7378.

¹⁷ Ramadhani, K., AP, A., Amalia, R., Sefina, M., Rahmat, W., Nabila, F., & Imran, MR (2023). Legal aspects of mining and environmental management. Bekasi: PT Dewangga Energi Internasional.

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conformity between rules and reality, the conformity between rights on paper and rights enjoyed in reality.¹⁸ Furthermore, the business law synthesis for the context of PT. Trio Kencana emphasizes that Occupational Safety and Health (K3) Legal Guarantees are the backbone of the company's entire business success. Unlike service or manufacturing companies, in gold mining, the risk of danger is a daily companion. Legally, K3 obligations are legally binding (*dwingend recht*) and cannot be reduced. However, from a business perspective, this study proves that K3 is the greatest strategic asset. K3 legal guarantees are proven to be the variable with the most dominant impact on performance ($\beta=0.492$). This means that every rupiah spent and every legal regulation implemented for occupational safety has a much greater return on investment in the form of stable productivity, low legal risk, and the company's legal image maintained in the eyes of the government and the public.

CONCLUSION

Legal compliance with human resource policies has a positive and significant impact on job satisfaction and Occupational Safety and Health (OHS) legal guarantees. The more aligned company policies are with laws and regulations, the higher the sense of justice, legal certainty, and security felt by employees. Conversely, inconsistencies in legal procedures, especially regarding disputes and termination of employment, become a source of dissatisfaction and legal uncertainty. The implementation of good corporate governance (GCG) has the greatest impact on job satisfaction and OHS legal guarantees. The principles of transparency, accountability, and fairness have proven to be important factors in strengthening legal protection and employee trust in management. Legal compliance with policies and GCG implementation has a direct impact on employee performance, but the impact is greater through the mediation of job satisfaction and OHS legal guarantees. OHS variables are the dominant factor in employee performance, especially in the high-risk mining sector. Overall, PT. Trio Kencana is still at the passive compliance stage. In fact, active compliance that places the law as an instrument of protection and justice can increase loyalty, productivity, and business sustainability of the company.

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¹⁸ Kerti, RM (2017). *Reconstruction of Standard Clauses in the Property Business Sector Based on Justice Values*. Dissertation, Jakarta: Postgraduate Law Doctoral Program, Trisakti University.

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