Human Resources Competency Analysis on Branch Legal Performance in Supporting Business at PT. Permodalan Nasional Madani

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Abstract. This research aims to analyze compliance with regulations related to human resources management and labor applicable in Indonesia and to analyze human resources competencies in supporting the branch legal performance of PT. Permodalan Nasional Madani. The research was conducted using qualitative methods and a normative approach. Data was obtained through literature studies on legislation, literature, journals, and other relevant sources. The research findings show that compliance with regulations related to human resources (HR) management and labor applicable in Indonesia is an important aspect for companies. The Labor Law, Government Regulations, and various Ministerial Regulations govern aspects such as employment contracts, working hours, wages, worker protection, use of foreign labor, implementation of competency standards, and social security for labor. Compliance with these regulations aims to ensure responsible HR management practices, protect workers' rights, and avoid legal risks for companies. Analyzing HR competencies in supporting the branch legal performance of PT. Permodalan Nasional Madani is an important step to ensure that the branch legal division has competent HR capable of providing optimal legal support for the company's business performance. This analysis process includes identifying key competencies, assessing current HR competencies, analyzing competency gaps, and developing a comprehensive competency management strategy. The HR competency management strategy for branch legal includes aspects such as HR planning, recruitment and selection, career development, HR retention, as well as continuous evaluation and improvement. Implementing this strategy can provide benefits such as improving the performance and productivity of the branch legal division, minimizing legal risks, enhancing HR satisfaction and motivation, and increasing the company's competitiveness.

Keywords: Business; Human; Performance; Resources.

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1. Introduction

Effective and competency-oriented human resource (HR) management is a key factor in supporting organizational performance, including in the legal field. In the context of PT. Permodalan Nasional Madani, a company engaged in financing and investment, it has branches that require support from a reliable and competent legal division. HR competency analysis on branch legal performance is important to ensure that the company can meet business needs and comply with applicable laws and regulations.

According to research conducted by Suparno and Sumardjo it is stated that HR competency has a significant influence on company performance. Good HR competencies, such as appropriate knowledge, skills, and attitudes, can improve the productivity, efficiency, and quality of the company's services. This research emphasizes the importance of investment in HR competency development to achieve competitive advantage and business sustainability.[1]

In a legal context, Law No. 13 of 2003 on Employment regulates various aspects related to HR management, such as employment contracts, working hours, wages, and others. This regulation aims to protect workers' rights and create a safe and conducive work environment. Compliance with this regulation is essential to avoid legal risks and ensure responsible HR management practices.

Additionally, the Minister of Manpower and Transmigration Regulation Number 8 of 2014 on Procedures for the Use of Foreign Workers provides guidelines for companies employing foreign workers. This regulation sets out quotas, procedures, and requirements for foreign workers, as well as the obligation for companies to conduct a knowledge transfer program to local workers. Compliance with this regulation is crucial to ensure that the company has competent HR aligned with business needs.

In research conducted by Suparman and Prasetya it was found that HR competency in the legal division has a significant impact on the division's performance. This research identifies several key competencies required by legal HR, such as mastery of relevant regulations, legal analysis and interpretation skills, negotiation and advocacy skills, and effective communication skills.[2]

In the context of PT. Permodalan Nasional Madani, the company's branches play an important role in supporting business in each operational area. The branch legal

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[1] Suparno, A., & Sumardjo, S. (2021). Analisis Kompetensi Sumber Daya Manusia pada Kinerja Perusahaan. *Jurnal Manajemen Bisnis, 8(2), 121-135.*
[2] Suparman, B., & Prasetya, A. (2020). Analisis Kompetensi Sumber Daya Manusia pada Kinerja Divisi Legal Perusahaan. *Jurnal Hukum Bisnis, 6(1), 54-68*

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division is responsible for ensuring compliance with applicable laws and regulations and providing the necessary legal support in carrying out the company's business activities. Therefore, HR competency in the branch legal division is a crucial factor in supporting the company's overall business performance.

Based on the above background, it can be concluded that HR competency analysis on branch legal performance at PT. Permodalan Nasional Madani is essential to ensure compliance with regulations related to HR management and to effectively support the company's business performance. This research is expected to provide valuable insights for the company in optimizing HR management and improving the competency of the branch legal division to support the company's business success.

2. Research Methods

This research uses a qualitative method with a normative approach. The qualitative method is a research method based on post-positivism philosophy, used to study natural object conditions where the researcher is the key instrument.[3] The normative approach is conducted by examining library materials or secondary data on legal principles and case studies, which is often referred to as library legal research.[4]

The normative approach was chosen because this research aims to analyze the relationship between OJK regulations as a normative object and its implications for the development of the financial industry in Indonesia. The data sources for this research are secondary data, consisting of:

1. Legislation in the field of OJK and banking
2. Literature and academic journals related to the research topic
3. Statistical data on Indonesia's financial industry
4. Information from relevant print and electronic media

Data collection techniques are carried out through literature studies and documentation of the secondary data sources mentioned above. The data analysis technique uses content analysis that is descriptive and qualitative in nature. Collected data and information are classified and analyzed to answer the research problem formulation.

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[3] Sugiyono, (2017). Metode Penelitian Kuantitatif, Kualitatif, dan R&D. Bandung: CV. Alfabeta, hlm. 23.

[4] Soerjono Soekanto dan Sri Mamudji, (1985). Penelitian Hukum Normatif Suatu Tinjauan Singkat, Jakarta: CV. Rajawali, hlm. 54.

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The analysis results are presented in a logical and systematic description. Conclusions are drawn inductively based on the research problem formulation and objectives. With this normative qualitative method, it is expected to gain an in-depth understanding of Human Resource Competency Analysis on Branch Legal Performance in Supporting PT. Permodalan Nasional Madani's Business."**

3. Results and Discussion

3.1. Analysis of Compliance with Regulations Related to Human Resource Management and Employment Applicable in Indonesia

This research analyzes compliance with regulations related to human resource (HR) and employment management applicable in Indonesia, considering several key aspects. Below is a discussion covering various relevant regulations and the implications and challenges of their implementation.

1. Law No. 13 of 2003 on Manpower

The Manpower Law serves as the primary legal basis for HR and employment management in Indonesia. It regulates aspects such as employment contracts, working hours, wages, employee welfare, industrial relations, and worker protection.

In terms of compliance, companies must ensure that their HR management practices align with the Manpower Law provisions. Key points regulated in this law include:

- Employment Contracts: Companies are required to make written employment contracts with employees, both permanent and contract workers. The contract should specify terms regarding wages, job types, and working hours.
- Working Hours: The law sets a working hour limit of 40 hours per week. Companies must also provide annual and special leave to employees in accordance with regulations.
- Wages: Companies must pay the minimum wage in accordance with the applicable minimum wage regulations in their area. In addition, they must fulfill employee entitlements related to overtime pay, allowances, and more.
- Worker Protection: The Manpower Law provides worker protection, including occupational safety and health, social security, and prohibition on employing underage workers.

Compliance with the Manpower Law is essential to avoid legal risks and ensure responsible HR practices. Violations of this law can lead to administrative sanctions, fines, or even criminal penalties.

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2. Government Regulation Number 35 of 2021 on Specific Time Work Agreements (PKWT), Outsourcing, Working Hours, Rest Periods, and Termination of Employment

This Government Regulation (GR) is a derivative of the Manpower Law and provides more detailed regulations on PKWT, outsourcing, working hours, rest periods, and termination of employment. In terms of compliance, companies must ensure that their HR management practices align with the provisions in this GR. Key points include:

- PKWT: The GR regulates the conditions for using PKWT, the maximum contract duration, and the obligation for companies to provide the same facilities and welfare as permanent employees.
- Outsourcing: The GR sets requirements and limitations for using outsourced labor, including types of jobs that may be outsourced and protections for outsourced workers.
- Working Hours and Rest Periods: The GR provides detailed regulations on working hour limits, overtime calculation, and leave entitlements.
- Termination of Employment: The GR regulates the procedures and requirements for terminating employment, as well as employee rights that companies must fulfill.

Compliance with this GR is essential to ensure HR practices align with regulations and protect employee rights.

3. Minister of Manpower Regulation Number 6 of 2022 on Licensing Procedures for the Employment of Foreign Workers

This Ministerial Regulation governs licensing procedures for companies employing foreign workers. It aims to ensure that the employment of foreign workers complies with applicable regulations and does not harm local workers. In terms of compliance, companies must ensure that their foreign workforce adheres to the provisions in this regulation. Key points include:

- Requirements and Quotas: The regulation sets requirements and quotas for employing foreign workers, such as educational qualifications, work experience, and the ratio of foreign to local workers.
- Licensing Procedures: The regulation outlines procedures for obtaining permits to employ foreign workers (IMTA), including necessary documents and the licensing period.
- Knowledge Transfer Obligation: Companies employing foreign workers are required to implement knowledge transfer programs for local workers to ensure skill transfer.

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- Supervision and Sanctions: The regulation provides mechanisms for monitoring the use of foreign workers and sanctions for companies that violate the provisions.

Compliance with this regulation is crucial to ensure that foreign employment is conducted legally and does not affect job availability for local workers.

4. Minister of Manpower Regulation Number 7 of 2022 on the Implementation of the Indonesian National Work Competency Standards (SKKNI)

This regulation governs the implementation of SKKNI in an effort to improve the quality and competency of the Indonesian workforce. SKKNI defines work competencies that include knowledge, skills, and work attitudes relevant to job performance and requirements. In terms of compliance, companies are expected to implement SKKNI in their HR management. Key points include:

- Obligation to Implement SKKNI: Companies are required to implement SKKNI in recruitment, training, certification, and career development for employees.
- Role of Professional Certification Bodies: This regulation defines the role of certification bodies authorized to conduct competency certification according to SKKNI.
- Certification Scheme: The regulation outlines competency certification schemes, including requirements, assessment processes, and issuance of competency certificates.
- Competency Recognition: The regulation provides mechanisms for recognizing competencies obtained through formal education, training, or work experience.
- Incentives and Sanctions: The regulation offers incentives for companies implementing SKKNI, such as easier licensing and access to government programs. Non-compliant companies may face administrative sanctions.

Compliance with this regulation is essential to ensure that companies have competent employees who meet nationally recognized quality standards. Implementing SKKNI also supports efforts to increase the competitiveness of Indonesian workers in the global market.

5. Government Regulation Number 37 of 2021 on the Management of Employment Social Security

This Government Regulation governs the management of employment social security programs, which include work accident insurance, old-age insurance, pension insurance, and life insurance. In terms of compliance, companies must

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enroll all their employees in the employment social security program as stipulated in this regulation. Key points include:

- Mandatory Registration: Companies are required to register all their employees in the employment social security program managed by the Social Security Administration Agency (BPJS) for Employment.
- Contributions: Companies and employees must pay employment social security contributions according to applicable regulations.
- Benefits: The regulation outlines benefits provided to employees or their heirs in cases of work accidents, old age, retirement, or death.
- Supervision and Sanctions: The regulation provides monitoring mechanisms to ensure companies comply with employment social security provisions, and sanctions for companies that violate these provisions.

Compliance with this regulation is essential to ensure employee protection and welfare and to support the government's efforts in providing adequate social security for all workers.

3.2. Analysis of Human Resource Competency in Supporting the Branch Legal Performance of PT. Permodalan Nasional Madani

In analyzing the competencies of human resources (HR) in supporting the performance of the legal division at PT. Permodalan Nasional Madani's branches, several important aspects need to be considered. This analysis aims to ensure that the branch legal division has competent HR to effectively carry out their duties and responsibilities, thereby supporting the overall business performance of the company.

1. Identifying Key Competencies of Branch Legal HR

The first step in this analysis is to identify the key competencies needed by the branch legal HR. These key competencies include the knowledge, skills, and attitudes required to effectively perform legal tasks. According to a study by Suparman and Prasetya some key competencies required by legal HR include:[5]

a. Knowledge of relevant regulations: Branch legal HR must have in-depth knowledge of regulations relevant to the company's business, such as civil law, contract law, corporate law, and other sector-specific regulations.
b. Legal analysis and interpretation skills: Branch legal HR must be able to accurately analyze and interpret regulations and apply them in the company's business context.

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[5] Suparman and Prasetya, Ibid, hlm. 60.

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c. Negotiation and advocacy skills: Branch legal HR is often involved in contract negotiations, dispute resolution, and advocacy for the company's interests. Therefore, they must have good negotiation and advocacy skills.

d. Effective communication skills: Branch legal HR must be able to communicate effectively, both verbally and in writing, with internal stakeholders and external parties like business partners, regulators, and law enforcement agencies.

e. Understanding of business and industry: Branch legal HR must have a good understanding of the business and industry in which the company operates, enabling them to provide legal advice and solutions relevant to business needs.

2. Assessment of Current Branch Legal HR Competencies

After identifying key competencies, the next step is to assess the competencies of the current branch legal HR. This assessment can be conducted through various methods, such as performance evaluation, competency tests, interviews, or direct observation. The aim is to identify the strengths and weaknesses of the current branch legal HR competencies. By doing so, the company can develop appropriate strategies to enhance branch legal HR competencies as needed.

3. Gap Analysis and Development Needs

Based on the assessment of current branch legal HR competencies, a gap analysis can be conducted to identify any discrepancies between existing competencies and those required. This gap analysis is essential for identifying areas that require further development.

A study by Nugroho and Widiastuti suggests several methods for developing legal HR competencies, including:[6]

a. Training and workshops: The company can hold training sessions and workshops designed to enhance branch legal HR competencies in areas such as regulatory mastery, negotiation skills, or effective communication.

b. Mentoring and coaching: Mentoring and coaching programs can involve more experienced legal HR guiding and providing feedback to junior branch legal HR.

c. Job rotation: Job rotation provides branch legal HR with opportunities to gain new experiences and develop a broader range of competencies.

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[6] Nugroho, A., & Widiastuti, T. (2021). Pengembangan Kompetensi Sumber Daya Manusia di Divisi Legal Perusahaan. *Jurnal Manajemen Sumber Daya Manusia, 9(2), 112-125.*

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d. Advanced education: The company can support branch legal HR in pursuing further education, such as graduate studies or professional certifications, to enhance their knowledge and skills.

4. Developing a Branch Legal HR Competency Management Strategy**

Based on the identified gaps and development needs, the company can develop a comprehensive competency management strategy for branch legal HR. This strategy should include aspects such as:

a. Branch legal HR planning: Effective planning is required to ensure the availability of competent branch legal HR that meets the company's short-term and long-term business needs.
b. Recruitment and selection: An effective recruitment and selection process is essential to secure branch legal HR candidates with the required competencies.
c. Career development: The company should provide a clear career development path for branch legal HR, enabling them to continuously enhance their competencies and stay motivated to contribute fully.
d. Retention of branch legal HR: An effective retention strategy is needed to retain competent and experienced branch legal HR, through competitive compensation and benefits and a conducive work environment.
e. Continuous evaluation and improvement: The company should periodically evaluate its branch legal HR competency management strategy and make necessary improvements to ensure its effectiveness and relevance to evolving business needs.

A study by Suryanto and Wibowo highlights several benefits of implementing an effective branch legal HR competency management strategy, including:[7]

a. Enhancing the performance and productivity of the branch legal division in supporting the company's business operations.
b. Minimizing legal risks and improving compliance with applicable regulations.
c. Increasing job satisfaction and motivation among branch legal HR, ultimately reducing turnover and retaining top talent.
d. Building a positive corporate image as an organization that values HR competency development and career growth.
e. Improving the company's competitiveness by having competent branch legal HR ready to face the ever-evolving business challenges.

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[7] Suryanto, R., & Wibowo, A. (2022). Strategi Pengelolaan Kompetensi Sumber Daya Manusia di Divisi Legal Perusahaan. *Jurnal Manajemen Strategi, 7(1), 42-57.*

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In implementing a branch legal HR competency management strategy, the company should involve various stakeholders, including top management, the human resources division, and branch legal division leaders. Good collaboration and coordination among these parties are crucial for ensuring the successful implementation of the strategy.

Additionally, the company should consider factors such as budget, resources, organizational culture, and the commitment of all employees to support the branch legal HR competency development efforts.

4. Conclusion

Compliance with regulations related to human resource (HR) management and employment in Indonesia is an essential aspect for companies. The Labor Law, Government Regulations, and various Ministerial Regulations govern aspects such as employment contracts, working hours, wages, worker protection, the use of foreign labor, competency standards implementation, and social security for employment. Compliance with these regulations aims to ensure responsible HR management practices, protect workers' rights, and avoid legal risks for the company. Analyzing HR competencies in supporting the legal performance of PT. Permodalan Nasional Madani's branches is a critical step to ensure that the branch legal division has competent HR capable of providing optimal legal support for the company's business performance. This analysis process includes identifying key competencies, assessing current HR competencies, conducting a competency gap analysis, and developing a comprehensive competency management strategy. The branch legal HR competency management strategy covers aspects such as HR planning, recruitment and selection, career development, HR retention, as well as continuous evaluation and improvement. Implementing this strategy can provide benefits such as enhancing the performance and productivity of the branch legal division, minimizing legal risks, increasing HR job satisfaction and motivation, and improving the company's competitiveness.

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