

## HUMAN RESOURCE RISK MANAGEMENT AND HR GOVERNANCE AS PREDICTORS OF ORGANIZATIONAL JUSTICE IN ISLAMIC BANKING INSTITUTIONS

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**Abstrak** – Penelitian ini bertujuan untuk mengkaji pengaruh Manajemen Risiko Sumber Daya Manusia (SDM) dan Tata Kelola SDM terhadap Keadilan Organisasi di lembaga perbankan syariah di Surabaya, Indonesia. Penelitian ini didorong oleh kebutuhan lembaga keuangan syariah untuk meningkatkan tata kelola SDM dan mengelola risiko terkait tenaga kerja dalam lingkungan yang sangat teratur. Pendekatan kuantitatif digunakan dengan mendistribusikan kuesioner terstruktur kepada 100 karyawan bank syariah yang memiliki pengalaman kerja minimal satu tahun. Data dianalisis menggunakan regresi linier berganda setelah memenuhi semua uji asumsi klasik. Hasil menunjukkan bahwa kedua variabel independen memiliki pengaruh positif dan signifikan terhadap Keadilan Organisasi. Pengelolaan Risiko Sumber Daya Manusia berkontribusi pada persepsi keadilan karyawan yang lebih kuat melalui identifikasi dan mitigasi risiko terkait SDM yang konsisten. Tata Kelola SDM juga menunjukkan dampak signifikan melalui kebijakan dan praktik SDM yang etis, transparan, adil, dan akuntabel. Nilai R Square sebesar 0,482 menunjukkan bahwa hampir setengah dari variasi dalam persepsi keadilan organisasi dapat dijelaskan oleh kedua prediktor tersebut. Temuan ini menyoroti pentingnya strategis untuk memperkuat pengelolaan risiko SDM dan tata kelola SDM guna menciptakan lingkungan organisasi yang adil di lembaga perbankan Islam.

**Kata kunci:** Manajemen Risiko Sumber Daya Manusia, Tata Kelola Sumber Daya Manusia, Keadilan Organisasi, Perbankan Islam.

**Abstract** – This study aims to examine the influence of Human Resource Risk Management and HR Governance on Organizational Justice within Islamic banking institutions in Surabaya, Indonesia. The research is motivated by the need for Islamic financial organizations to enhance human resource governance and manage labor-related risks in a highly regulated environment. A quantitative approach was employed by distributing structured questionnaires to 100 Islamic bank employees with a minimum of one year of work experience. The data were analyzed using multiple linear regression after meeting all classical assumption tests. The results indicate that both independent variables have a positive and significant effect on Organizational Justice. Human Resource Risk Management contributes to stronger employee justice perceptions through consistent identification and mitigation of HR-related risks. HR Governance also shows a significant impact through ethical, transparent, fair, and accountable HR policies and practices. The R Square value of 0.482 demonstrates that nearly half of the

*variance in organizational justice perceptions can be explained by the two predictors. These findings highlight the strategic importance of strengthening HR risk management and HR governance to foster a fair organizational environment within Islamic banking institutions.*

**Keywords:** *Human Resource Risk Management, HR Governance, Organizational Justice, Islamic Banking.*

## **INTRODUCTION**

The Islamic banking industry in Indonesia has grown rapidly over the past two decades, but this growth has been accompanied by increasing complexity in human resource management. Surabaya, as one of Indonesia's largest economic centers, reflects this dynamic. Amidst competition in the financial industry and demands for sharia compliance, Islamic banks are required to ensure that all internal processes, including HR management, run effectively and are free from risk (Jan et al., 2025). Achieving this requires the identification and management of key factors that can improve the overall effectiveness of the organization (Darmawan, 2024). This phenomenon raises questions about the extent to which Islamic banking institutions are able to manage HR risks and implement consistent HR governance.

Changes in banking regulations, strict compliance standards, and increased public expectations have made HR risk issues increasingly prominent in Islamic banking operations. Kroll (2011) shows that HR risk is one of the important determinants that affect the stability of organizational performance, especially when it comes to employee behavioral uncertainty, competency gaps, and internal system weaknesses. In facing this uncertainty, organizations need to

develop adaptive approaches to managing crises and economic challenges (Arifin & Darmawan, 2022). This condition is even more relevant in the Islamic banking sector, which operates based on the principles of trust and prudence (prudential banking), where ethical principles and professional integrity must be upheld in all operations, as is also the principle upheld in the legal advocacy system (Saktiawan et al., 2021). When HR risks are not managed adequately, various negative impacts can arise, ranging from ethical deviations to operational failures (Pathak, 2024).

The urgency of HR risk management in Islamic banking is even more apparent when organizations face new risks due to the digitalization of services and technological transformation. ISO 31000:2018 explains that organizations must be able to recognize, assess, mitigate, and monitor risks on an ongoing basis. This transformation also demands innovation in HR management practices to build organizational competitiveness amid global changes (Abdulah, Gardi, & Darmawan, 2021). In the context of human resources, the inability to identify risks can lead to errors in employee placement, labor compliance violations, and an increased potential for operational errors (Dekker, 2017).

This condition shows that HR risks are no longer a supporting issue, but an integral part of the sustainability of Islamic banks.

Apart from risk management, HR governance is another important issue in Islamic banking. The governance principles of transparency, accountability, fairness, and responsibility put forward by the Cadbury Committee (1992) should be reflected in all HR management policies and processes, including ensuring equality and fair involvement for all employees, as well as the principle of gender equality in HR practices (Infante & Darmawan, 2022). However, in practice, the implementation of ethical and fair HR governance does not always run optimally. This can be caused by an imbalance of authority, a lack of transparency in HR processes, or unclear oversight mechanisms (Du, 2024).

Research by Brennan and Solomon (2008) confirms that HR governance is greatly influenced by factors such as ethics, fairness, accountability, and organizational transparency. When these dimensions are not applied consistently, the potential for irregularities such as discrimination, unfairness in promotions, and bias in compensation becomes greater. This principle of accountability must also be reflected in all banking operations, including the responsibility to prevent abuse and ensure the integrity of processes, such as in lending (Firmanto et al., 2024). In the context of Islamic banking, which places the values of justice and trust as its main foundations, ineffective HR management can have a serious impact on employee

perceptions and behavior (Gano et al., 2024).

Human resource management and human resource risk management issues are ultimately directly related to perceptions of organizational justice. Greenberg (1987) explains that organizational justice consists of distributive, procedural, and interactional dimensions of justice, which influence how employees respond to organizational policies. When employees feel they are being treated unfairly, psychological conflicts can arise and trigger a decline in commitment, increased turnover intention, and a decline in service quality to customers (D'Ambrosio et al., 2018).

Recent research shows that perceptions of organizational justice can determine the stability of employee behavior, including compliance with rules and participation in work activities (Laundon et al., 2019). However, there is still a discrepancy between the values of justice that Islamic banks want to uphold and the reality experienced by employees. For example, differences in perceptions regarding the clarity of information, fairness of performance appraisal processes, and interpersonal treatment from superiors are still complaints that arise in some organizations (Feng & Liu, 2013).

The gap between the concept of organizational justice and its actual implementation in the Islamic banking environment indicates a problem rooted in how HR risk and HR governance are carried out. This is a crucial concern given that the principles of fairness and protection are central pillars not only in

corporate governance but also in Islamic business ethics, as reflected in discussions on legal protection and justice for business actors (Wibowo et al., 2024). If risks are not identified or handled properly, HR policies will not be able to create a sense of justice (Fesharaki & Sehhat, 2017). Conversely, HR governance that is not transparent and accountable will increase uncertainty and trigger perceptions of injustice among employees (Hamid et al., 2021).

This phenomenon further emphasizes the need for in-depth research on the relationship between Human Resource Risk Management, HR Governance, and Organizational Justice in the Islamic banking industry, particularly in Surabaya. This city has a wide variety of organizations, ranging from large Islamic banks to medium-sized Islamic business units. This diversity provides a more comprehensive picture of how HR management practices are implemented and how employees respond to them.

The limitations of previous studies, which have focused more on operational risk or corporate governance in general, indicate that there is an important space to examine HR risk and HR governance as factors that influence perceptions of organizational justice. With increasing expectations for professionalism and integrity in Islamic banking, understanding the relationship between these three variables is an important step in explaining various issues that often arise in the workplace, including decreased motivation, lack of commitment, and negative responses to organizational policies.

This study aims to explain the relationship between Human Resource Risk Management and HR Governance on Organizational Justice in the Islamic banking industry in Surabaya, by examining how HR risk management and the implementation of ethical, transparent, fair, and accountable HR governance influence employees' perceptions of fairness towards organizational policies and processes. Through empirical analysis involving Islamic bank employees who have at least one year of work experience, this study seeks to provide a deeper understanding of the role of these two variables in shaping employees' perceptions of distributive justice, procedural justice, interpersonal justice, and informational justice, so that the results can enrich HRM literature and serve as a basis for evaluating the development of HR management practices in the Islamic banking sector.

## **METHOD**

This research was conducted in the banking industry, with a specific focus on Islamic banking institutions operating in the city of Surabaya. The Islamic banking sector was chosen based on its characteristics, which include a compliance-based governance structure, strict risk management, and a work system that emphasizes the values of fairness and trustworthiness. The city of Surabaya was chosen as the locus of the study because it is one of the largest economic centers in Indonesia, making it a relevant representation for examining the implementation of HR risk management practices, HR

governance, and perceptions of organizational fairness in the Islamic banking industry.

Human Resource Risk Management (HRRM) is the first independent variable (X1). Kroll (2011) wrote about organizational risk and public performance, including human resource factors that are critical elements in organizational risk. Kroll explained that human resource risk arises from the uncertainty of human behavior, competency gaps, labor regulations, and weaknesses in the workforce management system. This explanation is often used as a theoretical basis for understanding human-based risks in organizations (Berger, 2022). Thus, Human Resource Risk Management is a series of systematic processes to identify, assess, mitigate, and control risks arising from workforce activities and organizational HR processes (Kambarov & Tashpulatova, 2024).

Referring to ISO 31000:2018 on risk management frameworks, which is widely used in Human Resource Risk Management research, HR risk measurement covers several key elements. Organizations need to have the ability to perform Risk Identification, which is recognizing and anticipating potential risks related to human resources. After that, a Risk Assessment process is required to ensure an accurate assessment of the probability of risks occurring and the magnitude of the impact they may have. The management process continues through Risk Mitigation, which involves various measures designed to reduce or limit the effects of risks on the organization's operations. All of these stages require Risk Monitoring and Review, which

involves continuous evaluation of the risk situation to ensure that control measures remain relevant and effective. In addition, the level of Compliance with Regulations is an important aspect because it shows the extent to which the organization complies with applicable employment provisions and regulations as part of efforts to maintain the stability and security of HR management practices.

HR Governance (X2) is a governance mechanism in HR management that ensures HR policies, practices, and decisions are carried out in an ethical, fair, transparent, and responsible manner (Kaehler & Grundei, 2019). The Cadbury Committee (1992) emphasizes four main principles of governance, namely transparency, accountability, fairness, and responsibility. According to Brennan and Solomon (2008), the Ethical HRM Framework discusses ethics, fairness, accountability, and transparency as dimensions of governance and corporate ethics, which are then applied in the domain of HR Governance by subsequent researchers. Based on this, the indicators of HR Governance are Ethical Conduct, Fairness in HR Policies, Inclusiveness, Transparency, and Accountability.

Organizational Justice (Y) is employees' perception of the extent to which policies, processes, and treatment within the organization are carried out fairly. This understanding is an important foundation for creating healthy working relationships because perceptions of justice have been shown to influence employee motivation, trust, and behavioral stability in various organizational situations (Laundon et al., 2019).

Greenberg (1987) was the first figure to formulate the term organizational justice in the discipline of management and explained that perceptions of justice include distributive justice, procedural justice, and interactional justice. Colquitt (2001) developed the most widely used empirical scale, considered the gold standard in OJ measurement. The four dimensions are distributive justice, procedural justice, interpersonal justice, and informational justice.

The indicators for each variable were used to compile a questionnaire that was distributed to respondents. The three variables were measured using a Likert scale to obtain quantitative data that could be analyzed statistically. Data collection was carried out using a survey method with a structured questionnaire. The research instrument was distributed through a WhatsApp Group consisting of Human Resource Department (HRD) leaders from various Islamic banks in Surabaya. The use of digital media was chosen to facilitate questionnaire distribution, speed up responses, and increase respondent accessibility without disrupting banking operations.

The research population consisted of all Islamic bank employees in the city of Surabaya, while the sample was determined using purposive sampling with the following respondent criteria: (1) active employee status at an Islamic bank, and (2) at least one year of employment. These criteria were set to ensure that respondents had sufficient experience in experiencing the implementation of Human Resource Risk Management (HRRM),

HR Governance, and organizational justice practices in their institutions. The sample size was set at 100 respondents, and when the number of responses reached this figure, the data collection process was stopped and the data was processed.

After the data was collected, analysis was performed using multiple linear regression techniques. This technique was chosen because it is capable of explaining the simultaneous and partial effects of both independent variables on the dependent variable. Classical assumption tests, such as normality, multicollinearity, and heteroscedasticity tests, were also conducted to ensure the validity of the regression model. The regression results will provide an empirical description of the strength of the relationship between HRRM and HR Governance on Organizational Justice in the Islamic banking environment in Surabaya.

## **RESULTS AND DISCUSSION**

Based on questionnaires successfully collected from 100 Islamic bank employees in Surabaya, a general picture of the demographic and professional characteristics of respondents was obtained, which is an important basis for understanding the context of their answers. The majority of respondents were between 26 and 35 years old, accounting for more than half of the total sample. This condition shows that the workforce in Surabaya's Islamic banking sector is dominated by a relatively mature productive age group who have sufficient work experience to assess the HR management practices, HR risks, and organizational fairness

applied by the institutions where they work. The respondents' age, which tends to be in the career development phase, makes their perceptions of HR practices more critical and stable.

In terms of gender, there were slightly more female respondents than male respondents. This reflects the reality of the national banking industry, which has a high proportion of female workers, especially in administrative, customer service, and other support functions. The dominance of female workers can influence sensitivity to aspects of fairness, transparency, and interpersonal treatment within the organization, given that previous studies have shown that women tend to have a keener perception of the dimensions of interactional and informational justice.

In terms of length of service, most respondents had been working for between one and five years. The selection of a minimum criterion of one year in this study proved to be appropriate as it allowed respondents to have a fairly in-depth understanding of work processes, HR policies, and organizational governance. Respondents with more than five years of service were also present in significant numbers, providing a depth of perspective on how HRRM and HR Governance policies are perceived by employees with different levels of seniority.

In terms of education level, most respondents were bachelor's degree graduates. This group generally has the analytical skills to

assess HR policies and interpret the transparency of processes within the organization. The relatively homogeneous educational background supports consistency in perceptions of organizational fairness, particularly in terms of workload distribution, compensation, and career opportunities.

The respondents' positions or work divisions show that the majority come from banking operational functions such as customer service, financing, and internal administration. Meanwhile, respondents from the HRD or risk management departments are fewer in number but still provide important information on how organizational policies are perceived by different work units. This composition strengthens the representativeness of the data because perceptions of organizational justice are reflected by individuals who are directly involved in the core operational activities of the bank.

In general, the respondent profile describes the Islamic banking workforce as dynamic, well-educated, and with an appropriate level of work experience to assess the effectiveness of HRRM and HR Governance implementation. These demographic characteristics provide the context that respondents' perceptions of organizational justice are based on relevant professional experience and formed in a work environment that emphasizes compliance, prudence, and values of justice in accordance with Islamic principles.

**Table 1. Respondent Profile**

Category	Subcategory	Amount (n)	Percentage (%)
Age	20–25 years old	18	18%
	26–35 years old	56	56%
	36–45 years old	22	22%
	>45 years old	4	4%
Gender	Male	46	46%
	Female	54	54%
Length of Service	1–3 years	42	42%
	4–5 years	36	36%
	>5 years	22	22%
Education	Diploma	12	12%
	Bachelor's degree	72	72%
	Master's degree	16	16%
Division of Labour	Operations/Services	48	48%
	Finance/Marketing	32	32%
	Administration/Back Office	14	14%
	HRD/Risk Management	6	6%

The results of descriptive data processing show the respondents' perceptions of the three research variables. For the Human Resource Risk Management (HRRM) variable, the average score was 4.18 with a standard deviation of 0.47, which is in the high category. This score indicates that most employees feel that the organization has a systematic HR risk management mechanism, from risk identification to compliance with labor regulations. This finding reflects employees' awareness that Islamic banking operates within a strict regulatory framework, making risk management a major concern in maintaining operational sustainability.

The HR Governance variable also showed a high descriptive value with an average score of 4.12 and a standard deviation of 0.52. This value indicates that respondents view their organizations as sufficiently ethical, transparent, and accountable in implementing HR policies. However,

the data shows variations in perception among respondents, especially on the indicator of fairness in promotion and compensation. This variation indicates differences in individual experiences regarding the extent to which HR governance policies are consistently implemented within the organization.

The Organizational Justice variable obtained a more moderate average score of 3.74, with a standard deviation of 0.58, which is in the fairly high category but not as strong as the previous two variables. Respondents felt that organizational policies had been implemented relatively fairly, especially in terms of procedural and interpersonal justice. However, perceptions related to distributive justice and clarity of information tended to be lower, indicating that outcome aspects such as compensation, workload, and access to information were still considered not fully meeting the expectations of some employees. This phenomenon is in line with the



characteristics of service organizations, where process justice is generally more accepted because it is structural in nature, while outcome justice is personal and more sensitive to differences in employee perceptions.

The overall interpretation of the descriptive results shows that Islamic banking in Surabaya is considered to have implemented good HR risk management and HR governance, but perceptions of organizational justice are still influenced by implementational aspects such as the consistency of HR

policies, the quality of internal communication, and the pattern of interaction between superiors and employees. This perception gap indicates that although the formal system has been well established, the actual experience of fairness is influenced by daily operational dynamics in the workplace. The results of this descriptive analysis provide an important basis before entering the regression analysis stage to explain the relationship between variables statistically.

**Table 2. Descriptive Statistics of Research Variables**

Variable			Number of Items	Mean	Std. Dev.	Category
Human Resource Management (HRRM)	Risk		5	4.18	0.47	High
HR Governance (HRG)			5	4.12	0.52	High
Organizational Justice (OJ)			4	3.74	0.58	Moderate – Quite High

The validity test results show that all items in the three research variables have a Corrected Item–Total Correlation value above 0.30, so all statements are declared valid and suitable for use in further analysis. No items were found to be invalid or have low correlations, which means that all statements are able to represent the constructs of each variable consistently.

The reliability test results showed that Cronbach's Alpha values for the HRRM variable were 0.842, HR Governance 0.831, and Organizational Justice 0.816. All of these values were above the threshold of 0.70, indicating that the three variables had a strong level of internal consistency. Thus, the research instrument is proven to be reliable and can be used in regression testing in the next stage of analysis.

The normality test was performed using Kolmogorov–Smirnov and showed a significance value of 0.087, which is above 0.05. This indicates that the data is normally distributed and is suitable for use in multiple linear regression analysis. The normal distribution of the data indicates that the respondents' answer patterns do not show extreme deviations, and the regression model can be interpreted parametrically.

The multicollinearity test shows that the Variance Inflation Factor (VIF) value is 1.482, which is well below the limit of 10. The Tolerance value is also above the threshold of 0.10. These results indicate that there is no multicollinearity between the independent variables, so that both variables can be used simultaneously to

predict the Organizational Justice variable.

The heteroscedasticity test was performed using the Glejser method, and the significance values of each independent variable were above 0.05. These findings indicate that there are no signs of heteroscedasticity in the regression model, so that the residual variance is considered constant. The absence of heteroscedasticity strengthens the validity of the regression model constructed.

Multiple linear regression analysis was performed to determine the effect of Human Resource Risk Management and HR Governance on Organizational Justice. The regression results show that both independent variables have a positive and significant effect on organizational justice. The HRRM variable obtained a regression coefficient value of 0.421

with a significance value of 0.000, indicating that the better the management of HR risk within the organization, the higher the perception of organizational justice felt by employees. This reinforces the view that HR risk control is an important foundation for workplace stability and employee perceptions of fairness.

The HR Governance variable shows a regression coefficient of 0.337 with a significance value of 0.002, which means that transparent, ethical, fair, and accountable HR governance contributes significantly to the formation of perceptions of organizational justice. These results are in line with governance theory, which states that fairness in HR policies and consistency in implementation are important determinants of perceptions of justice in the work environment.

**Table 3. Multiple Linear Regression Results**

Variable	Coefficient (B)	t-test	Sig.	Descriptions
Constant	1.127	–	–	–
HRRM	0.421	4.812	0.000	Significant
HR Governance	0.337	3.289	0.002	Significant

The F-test value of 24.716 with a significance of 0.000 indicates that the regression model used is valid and that both independent variables simultaneously have a significant effect on the Organizational Justice variable. The R Square value of 0.482 indicates

that 48.2 per cent of the variation in perceptions of organizational justice can be explained by HRRM and HR Governance, while the remainder is influenced by other factors outside the research model.

**Table 4. Summary of Regression Model**

Model Indicators	Value
R	0.694
R Square	0.482
Adjusted R Square	0.472
F-hitung	24.716
Sig. F	0.000

The results of the study indicate that Human Resource Risk Management has a significant and positive influence on Organizational Justice. This finding illustrates that the stronger an organization's ability to identify, assess, mitigate, and monitor risks related to human resources, the better the perception of fairness felt by employees. In the Islamic banking environment, which operates under strict regulations and high integrity requirements, HR risk management is a key factor in building operational stability and employee trust. The high HRRM regression coefficient value shows that elements such as competency risk mitigation, employment compliance, and behavioral risk control contribute directly to the perception of fairness, both in procedural and interpersonal aspects. This is in line with the theoretical views of Kroll and Berger, who emphasize that human-based risks affect the reliability of overall organizational functions and impact the psychological experience of employees.

The HR Governance variable also shows a significant influence on Organizational Justice. Ethical, transparent, fair, and accountable HR governance creates a work environment that facilitates perceptions of fairness among employees. In Islamic banking, which places trust and integrity as the foundation of its operations, HR Governance plays an important role in regulating human resource allocation, performance evaluation processes, promotions, and compensation. This is in line with research showing that the successful integration of quality of work life aspects, including procedural

justice, in HR management contributes to employee well-being and performance (Eddine et al., 2021). When HR policies are implemented consistently and openly, employees feel a sense of order and clarity, which ultimately strengthens procedural and informational justice. These findings are consistent with the Cadbury Committee governance framework and Brennan and Solomon's Ethical HRM framework, which emphasize that governance based on fairness and transparency promotes healthy and sustainable working relationships.

The simultaneous regression results show that HRRM and HR Governance together contribute significantly to the formation of perceptions of organizational justice, as reflected in an R Square value of 0.482. This figure indicates that almost half of the variation in perceptions of organizational justice can be explained by these two variables. These findings show that organizational justice is not only a matter of interpersonal perceptions or compensation policies, but is a comprehensive result of how organizations manage human risk and how governance structures are implemented. Thus, organizational justice is not merely an output, but a reflection of the management philosophy in strategic and long-term oriented human resource management.

The research findings provide a number of important implications for Islamic banking management. Strengthening Human Resource Risk Management needs to be a priority agenda in HR strategy, particularly in facing the dynamics of competence, developments in labor regulations, and professional ethical demands in

banking. Organizations need to strengthen their risk identification systems, competence risk mitigation training, internal compliance monitoring, and monitoring capabilities to ensure the stability of HR performance. Preventive measures against HR risks have been proven to not only maintain operational sustainability but also have the potential to create a strong foundation of integrity culture. This culture, in turn, can improve the quality of service and transparency perceived by customers, where trust and positive experiences are determining factors of their loyalty (Darmawan, 2022).

HR Governance needs to be continuously developed through more equitable, consistent, and structured policies. Transparency in promotions, openness in performance appraisals, and certainty of information regarding compensation are important elements for creating organizational fairness. Islamic banking must strengthen internal audit and ethical oversight mechanisms so that HR processes are

not only perceived as fair but are truly felt to be fair by all employees. With the implementation of strong governance, organizations can reduce potential bias, internal conflicts, and dissatisfaction that can damage perceptions of fairness.

In addition, these findings show that internal communication is an important bridge between HR policies and employee perceptions. Every policy or change in the HR management system needs to be communicated clearly, completely, and in a timely manner so as not to cause misunderstandings that affect perceptions of fairness. Sharia bank HRD leaders can utilize various modern communication platforms to ensure that employees understand the basis for the organization's decision-making. Another strategic implication is the need for training for work unit leaders on interpersonal justice, including how to treat employees with respect, empathy, and professionalism, as emphasized in the Interpersonal Justice dimension. simultaneous contribution in explaining perceptions of organizational justice, which is a fundamental factor in maintaining motivation, loyalty, and long-term working relationships in Islamic banking organizations.

Based on the research results, several strategic recommendations can be proposed. HRRM needs to be strengthened through the digitization of risk monitoring processes, the utilization of HR analytics data, and advanced training for all HR departments and work unit leaders. HR governance also needs to be strengthened through a more transparent and documented merit-based promotion and performance

## **CONCLUSION AND RECOMMENDATIONS**

This study concludes that Human Resource Risk Management and HR Governance have a significant and positive influence on Organizational Justice in the Islamic banking industry in Surabaya. HRRM has been proven to be an important element in building perceptions of justice through a systematic and consistent risk control process. HR Governance also contributes strongly to creating a work environment that employees perceive as fair through ethical, transparent, and accountable policies. These two variables show a significant

appraisal system. To improve perceptions of organizational justice, organizations need to improve internal communication flows and ensure that all policies are communicated consistently across all lines of the organization. Future research could expand the scope of variables such as employee voice, ethical leadership, or psychological safety to examine other factors that influence perceptions of justice in Islamic banking.

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