

HUMAN RESOURCE MANAGEMENT AT PT. LOTTE CHEMICAL INDONESIA: AN APPROACH TO WELFARE, PERFORMANCE AND SUSTAINABILITY

Pirna Rahmawati¹⁾, Ameliah²⁾, Hasri Safa³⁾, Feby Arma Putra⁴⁾

^{1,2,3,4)}Public Sector of Human Resource Management Study Program, Polytechnic PGRI Banten

Corresponding author: Pirnarahmawati2005@gmail.com

Abstract

This research aims to analyze how Lotte Chemical Indonesia manages Human Resources (HR) in the dynamic and high-risk petrochemical industry environment. As one of the leading petrochemical companies in Indonesia, Lotte Chemical faces various challenges in recruitment, employee development, performance evaluation, as well as maintaining employee safety and well-being. Through this study, we explore the HR management approaches implemented by the company, including the use of technology in the e-HRM system, and how Key Performance Indicators (KPIs) are used to measure individual and team performance. Additionally, this research reviews the safety and welfare policies aimed at maintaining a healthy and safe working environment, considering the high accident risks inherent in the petrochemical industry

Keywords: Human Resources, Development, Performance

Introduction

Human resource management (HR) is a key element of organizational success. In the era of globalization and increasingly fierce competition, companies must not only manage their resources efficiently but also pay attention to the welfare of their employees as one of the keys to organizational sustainability (Cascio & Aguinis, 2019). As one of the leading companies in the chemical sector, PT. Lotte Chemical Indonesia faces the challenge of improving business performance while ensuring the welfare of its employees.

The petrochemical industry has the following characteristics: High demands on technical skills, the need for strict compliance with safety standards, and high operational risks. Therefore, companies such as Lotte Chemical Indonesia face major challenges in managing and retaining employees who not only technically competent but also able to adapt to a rapidly changing and high-risk work environment. Effective human resource management is the key to creating a productive, safe work environment and supporting employee professional development (Annas & Putra, 2024).

The welfare of employees has a significant effect on productivity and loyalty (Putra & Kurniati, 2024). Research shows that employees who feel rich tend to more motivated and perform more better (Wright & Nishii, 2019; Deti et al. 2024). By therefore, PT. Lotte Chemical Indonesia need implement HRM strategies that do not only focus on development skills but also health physical and mental employees.

In the context of sustainability, a holistic HRM approach is becoming increasingly important (Putra & Suseno, 2022). Companies that integrate sustainability practices into human resource management can improve their reputation and attract the best talent (López-Cabarcos et al. 2020). PT. Lotte Chemical Indonesia strives to be a company that not only produces high quality products, but also considers social and environmental impacts in its business activities.

A proactive approach to employee health can create a positive and productive work culture. According to Khan et al. (2020), high employee engagement contributes to innovation and efficiency in the workplace. By implementing a welfare program, PT. Lotte Chemical Indonesia is able to create a work environment that supports employee involvement.

In addition, it is important to measure and evaluate the effectiveness of welfare programs implemented by companies. Using appropriate measurement tools can help companies understand employee needs and identify opportunities for improvement (Kreitz, 2020). So that PT. Lotte Chemical Indonesia can design policies that are more responsive to the needs of its employees.

In implementing HRM, cooperation between management and employees is the key to success. Involving employees in the decision-making process can increase their sense of ownership and responsibility towards the organization (Benn et al., 2018). Therefore, PT. Lotte Chemical Indonesia needs to build effective communication channels to meet the demands of its employees.

By considering sustainability aspects, PT. Lotte Chemical Indonesia must not only strive to increase employee satisfaction, but also strive for a broader social impact. Ethical and sustainable business practices can attract customers and investors who think socially responsible (Carroll & Buchholtz, 2018). This is a huge competitive advantage.

Technology plays an important role in HR management in this company with the implementation of e-HRM (Electronic Human Resource Management), which helps automate various HR management processes such as shift management, attendance management and performance appraisal. By using this system, Lotte Chemical Indonesia can reduce human errors and increase efficiency. In addition, KPIs (Key Performance Indicators) have been introduced to measure and monitor employee performance objectively, thereby enabling the company to ensure that each individual and team contributes optimally to the company's goals.

Apart from technology, employee welfare and safety policies are also one of the main pillars of HR management at Lotte Chemical Indonesia. Due to the high risk of accidents in the petrochemical industry, companies must ensure that all employees work in a safe and comfortable environment. Benefit programs such as routine safety training, health insurance, and long-term career development programs are an integral part of a company's human resources strategy to maintain employee motivation and loyalty.

In recent years, Lotte Chemical Indonesia has implemented various initiatives to improve employee welfare, such as introducing continuous training programs and building a strong work safety culture. This is in line with the company's vision to not only be a leader in the petrochemical sector, but also become a sustainable company by prioritizing the welfare and safety of its employees. This strategy not only supports operational efficiency, but also improves the company's image in the eyes of employees, business partners and the general public.

In this context, this research examines how Lotte Chemical Indonesia manages human resources through technology, safety policies and employee welfare programs, and how this contributes to the company's productivity and sustainability. By understanding the HR management approaches currently used, you will gain a deeper understanding in depth about how companies can continue to innovate to improve employee performance and welfare in facing increasingly developing industrial challenges.

Method

This research uses a qualitative approach with the aim of gaining an in-depth understanding of human resource management (HR) practices at Lotte Chemical Indonesia. Due to its exploratory nature, a qualitative approach was chosen so that researchers could investigate the dynamics and strategies implemented by companies in managing human resources in the petrochemical industry. This method also allows researchers to capture a broader range of nuances and perspectives from key informants on the role of human resource management in employee safety, health, and performance.

There are two options available to researchers viz. 1) Point This is an in-depth interview with the HR manager of Point. At Lotte Chemical Indonesia, you can gain deeper insight into the human resources department and the policies implemented by the company. 2) Observations are carried out in the company's business area, especially in the factory work environment, to see firsthand how safety and welfare policies are implemented. Observations also cover the administrative work environment to ensure the implementation of human resource management policies in daily operations.

Results and Discussions

The results of this research provide more understanding in regarding the impact of human resources on balance life work, role sustainability HR, and well-being employees. Some results that can identified is:

Implementation of HR Management that is Focused on Productivity

The findings show that Lotte Chemical Indonesia is able to implement human resource management that focuses on achieving optimal productivity. Through the systematic use of Key Performance Indicators (KPI), the company can now better monitor employee performance and encourage the achievement of predetermined goals. Based on interviews and internal surveys, most employees feel that KPIs help them clearly understand their roles and responsibilities, thereby increasing productivity.

At Lotte Chemical Indonesia, KPIs are widely used to evaluate employee employees at various levels, starting from factory operators to top management. KPIs that are measurable and relevant enable the company identify opportunities improvement and give awards to employees for achieving goals. By therefore, KPI acts as a step motivation and control to ensure all employees work according to standards the specified.

Effectiveness Program Safety Work

This results also found that program safety accidents safety work program is running very well good. Based on internal data, ongoing safety training and routine safety audits have reduced number of work accidents by significant. Employees feel involved actively in maintaining safety, this results reflected from high awareness of the importance of safety protocols. These results indicate a positive relationship between implementation program safety and improvements safety and operational stability.

At Lotte Chemical Indonesia, these are implemented through routine safety programs, safety, and monitoring risks. The company also strives to build a safety work culture that is strong with involving all employees in process identification risks, mitigation, and assessment safety.

Welfare Employees and Loyalty

The research results show that welfare policies implemented by companies, such as health benefits, work-life balance programs, and career development opportunities, greatly influence employee loyalty and satisfaction. The majority of interviewees felt that they received sufficient support from the company, both in terms of physical and mental well-being. The low employee turnover rate shows that this welfare policy is effective in increasing employee loyalty, which also contributes to company productivity.

This research shows that employee benefits, such as health benefits, work-life balance programs, and career development opportunities, have a significant influence on employee loyalty and satisfaction. The majority of respondents felt they received good support from their company both in terms of physical and mental health. The low turnover rate shows that this benefits policy is effective in increasing employee retention, which ultimately contributes to company productivity.

At Lotte Chemical Indonesia, employee welfare programs not only include occupational health and safety guarantees, but also skills development training and career advancement. This program is designed to ensure that employees feel valued and motivated, which will ultimately increase their engagement and productivity

Use of e-HRM Technology

The research results show that the application of E-HRM technology at Lotte Chemical Indonesia has had a significant impact on the efficiency of human resource management. Employees and managers report that e-HRM systems make planning, reporting performance, and managing HR data easier compared to previously time-consuming and error-prone tasks. However, there are several barriers to implementing this technology, especially on the production floor, where employees require further training to use the system effectively.

Lotte Chemical Indonesia adopts e-HRM technology to support human resource management, especially employee data management, shift planning and performance evaluation. The use of this technology not only increases operational efficiency, but also helps companies create a more orderly and transparent work environment.

The Influence of Safety and Welfare on Productivity

The research results also show a strong relationship between safety and social policies and employee productivity. Data shows that departments with higher involvement in safety and benefits

programs are more productive than departments with lower involvement. Employees who feel safe are more focused and motivated to perform well.

Discussion

In the discussion, the focus is analyzing the results of research in more depth, relating them with theories that relevant, and draw conclusions from findings that obtained. Discussion that obtained among others:

Comparison with Previous Theory and Research.

Human resource management at Lotte Chemical Indonesia focuses on increasing employee productivity through a structured and measurable management system, including the implementation of KPIs. Implementing KPIs ensures that all employees have clear and measurable goals, thereby motivating them to work more efficiently. Additionally, KPIs that cover multiple aspects of performance also provide a holistic view of employee skills and contributions, enabling managers to provide the necessary support and interventions to improve performance. By focusing on measurable productivity, companies can ensure that employees are on track to achieve company goals while maintaining high performance standards.

Strengths and Weaknesses Management HR at Lotte Chemical Indonesia

Lotte Chemical Indonesia's work safety program is an important element in maintaining productivity and stable operations. Various safety training courses, regular audits and an active incident reporting system can help companies reduce the risk of accidents and increase safety awareness among employees. This safety program not only protects employees, but also serves as a tool to maintain operational stability, as a safe work environment tends to improve employee concentration and performance. By reducing work accidents, Lotte Chemical Indonesia can maintain production efficiency and reduce costs related to accidents and downtime.

Effectiveness Policy Safety and Welfare Employees

Employee welfare is a key factor in increasing employee loyalty and motivation at Lotte Chemical Indonesia. Wellness programs that include health benefits, work-life balance and professional development opportunities ensure high employee satisfaction. Employees who feel they have a good position in their company tend to be more loyal and more motivated to achieve better results. Apart from that, the company is also able to maintain a low employee turnover rate, thereby having a positive impact on business continuity and reducing recruitment and training costs for new employees. High loyalty also contributes to a positive work culture, where employees feel emotionally involved in the company's goals. The impact of E-HRM technology on organizational effectiveness

Lotte Chemical Indonesia's e-HRM technology facilitates human resource management by automating various management processes such as scheduling, employee data management, and performance evaluation. Implementing e-HRM increases efficiency, reduces human error, and speeds up decision making in human resource management. However, despite the clear benefits, there are challenges in implementing this technology, especially for employees who are new to new systems. Overcoming these challenges requires ongoing training and increased technical support to help all employees optimize system use. This technology also promotes transparency in career development, because employees can see their career paths more clearly and have easier access to training and promotion information.

Contribution of HR Policy to Productivity and Competitiveness

Employee safety and health directly affects productivity at Lotte Chemical Indonesia. An effective workplace safety program reduces the risk of accidents and allows employees to remain calm and focused without the distractions caused by workplace accidents. At the same time, keeping employees healthy through benefits and personal development programs will help maintain employee motivation and engagement. A safe work environment combined with health considerations will increase employee productivity and loyalty. This contributes to operational efficiency and consistent achievement of production targets, which ultimately supports overall company growth.

Conclusion

This research concludes that Lotte Chemical Indonesia has been successfully implemented management resources human resources (HR) that is strategic and effective for help achieve the business objectives of the company. HR policies that are implemented such as employee performance, work work, and use of technology e-HRM has been proven improving productivity and create a work that is safe and conducive. The use of Key Performance Indicators (KPI) is also an tool that is effective for measuring and improving employee performance.

In addition to the, safety work which comprehensive and sustainable are very effective in reducing risk accident work. This is has created a safety which culture in which employees participate actively in maintaining safety safety. This is in line with the theory of safety work which shows that safety is not just is important to protect employees, but also plays a role in maintaining smooth operations and productivity.

Overall, the HR management implemented by Lotte Chemical Indonesia can balance the company's productivity needs and employee welfare. The use of modern technology in HR management also brings efficiency and transparency benefits. Therefore, Lotte Chemical Indonesia can be used as a successful example of how petrochemical companies can manage human resources as well as possible to achieve sustainable competitiveness in a highly competitive industry.

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