

Human Resource Management Strategy In The Garment Industry: Improving Business by Ensuring Employees Welfare

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ABSTRACT

Indonesia has significant investments in the garment industry compared to other countries. However, low salaries, non-permanent labor contracts, and poor working conditions pose challenges for garment industry workers. In 2015, the number of workers in the Textile and Textile Product (TPT) sector reached 1.6 million people, 600,000 of whom worked in garment factories. This crisis in the garment sector could pose serious problems for the country.

Efforts to improve employee life satisfaction and reduce turnover intention would promote worker focus and eagerness to fulfill Key Performance Indicators (KPI), and would thereby strengthen the garment industry. One means to achieve this is by increasing employees' work-life balance. This approach entails ensuring workers have enough assets to protect their families in the present and future, receive adequate compensation, remain in good health (no workplace illness), and work hours in compliance with Ministry of Labor regulations in order to reduce fatigue and ensure adequate family time.

This study compiled data from 3,790 garment workers from 66 companies in 20 cities located in 5 Indonesian provinces. Data analysis was conducted with smartPLS. This research should inform regulatory changes among garment operator companies. Alignment and compliance with international regulatory standards could position Indonesia as the garment industry leader.

