ABSTRACT

SADIKIN KUSWANTO. Strategic HR Role in Facing the Industry Environment Turbulence: Case Study at Petrochemical Industry. Under the direction of Tb. SJAFRI MANGKUPRAWIRA, SETIAIDI DJOHAR and AJI HERMAWAN.

The performance of an organization would be optimal when there is a harmony between the business organization with its surrounding environment, aligned with no strategic gap. Hence in formulating a good strategic planning, one of the crucial factors to be analyzed is the external factors outside an organization, whereby the purpose is to measure and understand the behaviors and effects of those turbulence external environments towards the organization. There are five level of environment turbulence: Repetitive, Expanding, Changing, Discontinuous and Surprising (Ansoff dan McDonnell, 1990). By evaluating and anticipating these 5 levels of environment turbulences, the business organization would be able to design its business strategic planning effectively. One of the important functional strategies supporting the core business functionality is the Strategic Human Resources Management.

When the strategic planning process in Strategic HR Management is not done accordingly, this unit would not function in the most effective way, which resulted in less or no added-value contributed to the organization. In this research, the role models of the Strategic HR Management are described and categorized as the following (Dave Ulrich, 1997): strategic partner, change agent, employee champion, and administrative expert.

This research is using a qualitative-based analysis, in which the information or data used is gathered through field/participant observation, questionnaires, in depth interviews, and focus group discussion. From this research, it can be concluded that the level of environment turbulence in seven petrochemical industry companies are Expanding and Changing, but the most dominant level of environment turbulence in seven petrochemical industry companies is Expanding. Also, it shows that not all companies that has adapted with its surrounding environment are able to survive and in actuality, there are additional variables affecting the turbulence level of petrochemical industry companies. On the other hand, the role of Strategic HR Management, which matches the turbulence level of Expanding, are administrative expert and employee champion, but the dominant is on the role as administrative expert, although the other roles are as important with level of suitability from highest to lowest is: administrative expert, employee champion, change agent, and strategic partner.

This research has shown that there are several other variables which affect the level of environment turbulence in a petrochemical industry company, along with certain situations and conditions which are affecting the strategic planning process and role of Strategic HR Management.

Keywords: strategic management, environment turbulence, strategic HR management, HR Role