

Financial Health Management and Its Impact on Company Employee Welfare: Case Study in the Manufacturing Industry

Abdul Rosid¹, Retno Sundari², Hady Sofyan³, Hartoto⁴

¹Sultan Ageng Tirtayasa University

²Informatics Engineering Study Program, Sawunggalih Aji Polytechnic

³Wastukencana College of Technology

⁴Islamic Economics Study Program, Faculty of Islamic Economics and Business, Miftahul Ulum Islamic Institute, Tanjungpinang

E-mail: abdulrosid@untirta.ac.id¹, retnosundari164@gmail.com², hadysofyan@wastukencana.ac.id³, ir.hartoto@gmail.com⁴

Corresponding Authors: abdulrosid@untirta.ac.id & ir.hartoto@gmail.com

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Abstract

This study explores the relationship between financial health management and employee well-being in the petrochemical and chemical industries. Using a case study method and a mixed-methods approach, the study analyzes how effective financial management affects various aspects of employee well-being, including job satisfaction, mental health, and personal financial stability. Quantitative data were obtained from a survey measuring the relationship between financial management practices and employee well-being, while qualitative data were obtained through in-depth interviews with financial managers, HR managers, and employees. The findings indicate that companies with good financial management tend to have more satisfied, mentally healthy, and financially stable employees. In addition, transparent and participatory financial management improves corporate culture and the relationship between management and employees. This study emphasizes the importance of integrating good financial practices and employee well-being policies in creating a productive and harmonious work environment.

Keywords: Financial Health Management, Corporate Employee Welfare, Manufacturing Industry.

INTRODUCTION

Financial health management has become one of the crucial aspects in managing a modern company. Amidst the ever-changing economic dynamics and global uncertainty, companies are faced with the challenge of ensuring their financial stability while maintaining employee well-being. A company's financial health not only reflects the company's ability to survive and thrive, but also has a direct impact on employee well-being, both physically and psychologically. (Nugroho, R., & Setiawan, B. 2022)

Employee well-being is an important factor that influences productivity, job satisfaction, and loyalty to the company. When a company has healthy financial management, it allows the company to provide a stable work environment, fair compensation, and various facilities that support employee well-being. Conversely, if the company's financial management is weak, employees can feel the negative impacts, such as job instability, reduced benefits, and increased work stress.

Financial Health Management is a crucial aspect of personal and organizational life, which plays a role in maintaining economic stability and optimizing financial well-being. This management includes various strategies and actions taken to manage income, expenses, investments, and debts with the aim of achieving long-term financial balance and success. (Sari, DR, & Pratama, SA 2023)

In a personal context, financial health management is essential to ensure that individuals can meet basic needs, prepare for unexpected events, and achieve financial goals, such as buying a home or preparing for

retirement. Good financial management helps individuals avoid debt traps, reduces financial stress, and creates a sense of security in having control over personal finances.

On the other hand, in the context of an organization or company, financial health management serves as the main foundation for business continuity and growth. With proper management, companies can allocate resources efficiently, ensure liquidity, and increase profitability. It also includes wise decision-making in terms of investment, cost reduction, and effective tax planning, all of which contribute to the company's competitiveness in the market.

Furthermore, financial health management also plays a vital role in developing long-term business strategies. By having a solid understanding of current financial conditions and future projections, management can make more informed decisions, identify growth opportunities, and mitigate potential risks.

Financial wellness management in a company refers to the management of employees' personal finances through programs designed to help them organize, manage, and improve their financial condition. This includes education on financial planning, access to financial counseling, savings programs, and assistance in debt management. The impact of financial wellness management on employee well-being is significant. Employees who have a stable financial condition tend to have lower stress levels, which in turn increases their work productivity, motivation, and commitment to the company. In addition, employees who feel that their financial well-being is being cared for by the company tend to be more loyal and satisfied at work, which has a positive impact on their retention and performance. Thus, financial wellness management is an important element in a company's strategy to improve employee well-being as a whole, which ultimately contributes to the achievement of broader business goals. (Widiastuti, S., & Supriyadi, T. 2021)

The Financial Health Management process in the petrochemical and chemical industry is a series of complex and strategic activities, aimed at ensuring that the company can achieve a healthy and sustainable financial balance. This process begins with financial planning, where the company prepares an annual budget based on projected revenues, production costs, and investment needs. In the petrochemical and chemical industry, this planning is very important given the volatility of raw material prices such as oil and gas, as well as high operating costs. (Jannah, L., & Prasetyo, A. 2022)

After planning, the next step is cash and liquidity management. This industry requires strict cash management due to the large working capital requirements to finance daily operations and maintenance of large production facilities. Companies need to ensure that they have enough liquidity to meet short-term obligations, such as supplier payments and employee salaries, while maintaining sufficient reserves to weather market fluctuations.

This process also includes cost control, where companies implement various strategies to reduce production and operating costs without sacrificing product quality. This cost control involves careful monitoring of expenses, the use of efficient technology, and optimization of production processes. In the petrochemical and chemical industries, operational efficiency is key to maintaining healthy profit margins.

Furthermore, investment planning is an important component in financial health management. Companies need to make wise investment decisions in terms of factory rejuvenation, research and development (R&D), and business expansion. These investments should be based on a thorough analysis of risks and potential returns, taking into account product life cycles and market dynamics. (Haryanto, R., & Utami, N. 2023)

In addition, companies must also focus on financial risk management. The petrochemical and chemical industries are highly susceptible to market risks, such as raw material price fluctuations, changes in environmental regulations, and currency risks. Therefore, companies use various financial instruments, such as hedging and insurance, to protect themselves from the negative impacts of these risks.

The entire process of financial health management in the petrochemical and chemical industry requires strict monitoring and continuous adjustment. Through regular financial performance analysis and evaluation of existing policies, companies can continuously improve their financial strategies to ensure long-term stability and growth. This process not only contributes to the financial well-being of the company but also has a positive impact on employee well-being, as healthy financial management allows companies to provide fair compensation, adequate benefits, and a more stable work environment. (Taufik, MI, & Asri, S. 2022)

This study aims to explore how good financial management in companies can affect employee well-being, with a focus on the petrochemical and chemical industries. Financial health management encompasses various strategies and practices implemented by companies to manage financial aspects efficiently and sustainably,

including cash management, cost control, investment planning, and financial risk management. By understanding the relationship between healthy financial management and employee well-being, this study seeks to explore how appropriate financial policies, such as efficient budget management, fair compensation, and investment in well-being programs, can contribute to improving employees' physical, mental, and social well-being.

The main focus of this study is to analyze how financial health management practices in petrochemical and chemical industry companies affect the well-being of their employees. Some aspects that will be explored include how corporate financial decisions, such as budget allocation and cost control, affect employees' working conditions and work environment. This study will also evaluate whether companies that implement sound financial management are more likely to provide competitive compensation and adequate benefits to their employees. In addition, this study will look at how company-funded employee well-being programs, such as health insurance, training, and work-life balance, are affected by corporate financial policies, as well as the long-term impact of corporate financial stability on employee motivation, productivity, and retention.

Through a case study in the petrochemical and chemical industry, this study is expected to provide important insights into the role of financial health management as a key factor in determining employee well-being. The findings of this study are also expected to be a reference for other companies in adopting financial management practices that support employee well-being while supporting corporate sustainability.

RESEARCH METHODS

In the study entitled *Financial Health Management and Its Impact on Employee Welfare in Companies: A Case Study in the Petrochemical and Chemical Industry*, a case study method with a mixed methods approach was chosen to obtain a comprehensive and in-depth understanding of the phenomenon being studied. (Wulandari, D., & Yulianto, R. 2024) This study was conducted from May to July 2024, focusing on several leading companies in the petrochemical and chemical industry.

The mixed approach in this study combines quantitative and qualitative methods, which allows researchers to obtain richer data and deeper analysis. Quantitative methods are used to measure and analyze the relationship between financial health management and employee well-being objectively, through the collection of numerical data obtained from employee surveys and analysis of company financial reports. (Sari, N., & Pratama, A. 2024) This survey was designed to measure various aspects of employee well-being, such as job satisfaction, work-life balance, mental health, and perceptions of company financial policies. The survey results were then analyzed statistically to determine patterns and relationships between the variables studied. (Sujono, B., & Rahayu, E. 2024)

Meanwhile, qualitative methods were applied to dig deeper into the experiences, perceptions, and views of employees and management regarding the implementation of financial health policies and their impact on well-being. In-depth interviews with employees from various levels of the organization, financial managers, and company executives were conducted to understand the internal dynamics of the company, challenges in implementing financial policies, and how employees perceive their impact on their well-being. In addition, document analysis such as internal policies, annual reports, and management meeting notes were also conducted to gain broader context and validation of quantitative findings. (Kurniawan, A., & Siti, H. 2024)

This research process was carried out in stages, starting with the collection of quantitative data through a survey followed by statistical analysis in May to early June 2024. After that, qualitative data was collected through interviews and document analysis from mid-June to late July 2024. Integrating the results from these two approaches allows researchers to identify alignment or differences between quantitative and qualitative findings, as well as provide a more holistic insight into how financial health management affects employee well-being. (Pratama, Y., & Amalia, L. 2024)

By using a case study method based on this mixed approach, this study not only succeeded in revealing strong empirical data, but also provided a deeper contextual understanding of the mechanisms and implications of financial health management in the context of the petrochemical and chemical industry. The results of this study are expected to provide significant contributions to the development of more effective and sustainable financial management practices in improving employee welfare in this dynamic industrial sector.

RESEARCH RESULTS AND DISCUSSION

Quantitative Findings

Quantitative analysis was conducted through a survey distributed to employees in various petrochemical and chemical companies. The data collected showed that companies that implement good financial health management practices, such as efficient budget management and tight cost control, tend to have better employee well-being. The well-being indicators assessed include employee job satisfaction, mental health, and personal financial stability. The survey results showed that employees in companies with good financial management feel more financially secure and have higher job satisfaction. The survey revealed that companies that implement efficient budget management practices and tight cost control tend to have employees who are more satisfied and financially stable. Efficient budget management allows companies to allocate resources optimally, which has a positive impact on meeting employee needs and investing in welfare programs. Meanwhile, tight cost control helps companies maintain financial stability, reduces the risk of salary or benefit cuts, and ultimately increases employees' sense of security regarding their jobs and income.

Job satisfaction is one of the main indicators of well-being assessed in the survey. Data shows that employees in companies with good financial health management report higher levels of job satisfaction. Good financial management allows companies to provide comfortable work facilities and environments, as well as adequate support for employee career development. In addition, financially healthy companies are better able to provide competitive compensation and additional benefits, which contribute to overall job satisfaction.

The survey also measured employee mental health as an indicator of well-being. Employees at companies with good financial management practices reported lower stress levels and better mental health. Effective financial management reduces uncertainty and worry about the company's future, thereby reducing employee mental burden. Additionally, company-sponsored well-being programs—such as counseling, mental health programs, and activities that promote work-life balance—contribute to improved employee mental health.

Personal financial stability is another aspect assessed in the survey. Findings show that employees at companies with good financial health management feel more financially secure. Companies that implement good financial management practices tend to offer stable salaries, adequate health benefits, and solid retirement plans. Employees who feel financially secure tend to be more productive and experience fewer personal financial hassles.

The survey results also indicate that companies that provide adequate health benefits and wellness programs show higher employee retention rates. Wellness programs that include health insurance, training and development, as well as recreational activities and work-life balance support, make employees feel valued and cared for. This has an impact on their loyalty to the company and reduces employee turnover.

Overall, the quantitative findings of this survey confirm the importance of financial health management in improving employee well-being in the petrochemical and chemical industry. Good financial management practices directly contribute to employee job satisfaction, mental health, and personal financial stability. In addition, companies that provide adequate health benefits and well-being programs tend to have higher employee retention rates. These findings suggest that investing in financial health management not only benefits companies financially but also plays a significant role in improving employee well-being and maintaining organizational sustainability.

Qualitative Findings

Qualitative analysis was conducted through in-depth interviews with financial managers, HR managers, and employees in the companies studied. The findings from these interviews underscore that good financial health management not only affects the financial aspects of the company, but also affects the company culture and the relationship between management and employees. Interviews revealed that transparent and participatory financial policies, such as joint budgeting and regular communication about the company's financial health, increase employee trust and morale. Employees feel more valued and engaged when they understand how the company's financial decisions impact their well-being, both directly through benefits and indirectly through job stability.

The qualitative findings of this study, obtained through in-depth interviews with financial managers, human resource (HR) managers, and employees in petrochemical and chemical companies, provide in-depth insights into the impact of financial health management on aspects other than financial health of the company.

The findings show how good financial practices affect company culture and the relationship between management and employees, as well as overall employee well-being.

In-depth interviews revealed that effective financial health management has a significant impact on company culture. Finance and HR managers stated that transparent and participatory financial policies create a more positive and inclusive work environment. Involving employees in the budgeting and financial decision-making process not only increases their sense of responsibility but also strengthens their sense of ownership over the results of their work. Employees feel more valued and have greater influence over decisions that affect their well-being, which contributes to a more open and collaborative company culture.

Participatory financial policies and regular communication about the company's financial health also have a significant impact on the relationship between management and employees. In interviews, employees reported that they felt more valued and cared for when the company openly communicated its financial status and future plans. This openness built stronger trust between management and employees, reduced uncertainty, and improved morale. Managers acknowledged that good communication about the company's financial health helped reduce employee concerns about job stability and the company's future, creating a more stable and harmonious work environment.

From an employee well-being perspective, interviews show that good financial policies have a direct impact on physical, mental and emotional well-being. Companies that implement policies that allow for comprehensive health benefits, support for work-life balance, and training and development programs show higher levels of employee satisfaction. Employees feel more at ease and satisfied with their jobs when they feel that the company has sound financial management and is committed to investing in their well-being.

Overall, these findings underscore the importance of transparency and participation in financial management. Employees value not only the compensation and benefits they receive, but also the openness and participation in decision-making processes that affect their well-being. Policies that involve employees in financial processes and open communication about the state of the company contribute to a higher sense of security and satisfaction. This research underscores that effective financial health management is not just about numbers and financial reports, but also about how financial practices affect the dynamics of the workplace. Good corporate financial health creates a supportive environment where employees feel engaged, valued, and accountable for the success of the company, which ultimately improves their well-being and productivity.

Integration of Findings

The integration of quantitative and qualitative findings suggests that effective financial health management contributes to employee well-being through two primary channels. First, from a quantitative perspective, sound financial practices increase employee satisfaction by providing financial stability, fair compensation, and adequate benefits. Second, from a qualitative perspective, sound financial management builds stronger relationships between employees and management, creating a more positive and supportive work environment.

The integration of quantitative and qualitative findings from research on financial health management and its impact on employee well-being suggests that effective financial health management has a significant positive impact on employee well-being. This mixed approach provides a comprehensive picture of how a company's financial policies and practices impact various aspects of employee well-being and uncovers relationships that may not be apparent using only one type of data. The integration of quantitative and qualitative findings suggests that effective financial health management has a significant positive impact on employee well-being. The quantitative data show a positive correlation between good financial management practices and employee satisfaction and well-being. Meanwhile, qualitative interviews add a qualitative dimension to these findings, explaining how good financial management improves interpersonal relationships in the workplace and creates a more supportive work environment.

By combining quantitative and qualitative data, this study provides a more holistic picture of how corporate financial policies affect employee well-being. The findings confirm that financial health management not only impacts a company's financial condition but also interpersonal relationships and the work environment, which in turn affect employee motivation, productivity, and job satisfaction. These conclusions suggest that companies should not only focus on financial efficiency but also on how their

financial decisions affect employee well-being overall, in order to achieve optimal outcomes for both employees and the company.

Overall, this study confirms that effective financial health management in petrochemical and chemical companies not only contributes to the financial health of the company but also plays a key role in improving employee well-being. These findings demonstrate the importance of integrating good financial practices and employee well-being policies to create a productive and harmonious work environment. This study suggests that companies should implement transparent financial policies and support employee well-being as a strategy to improve retention and job satisfaction, which will ultimately support the sustainability and growth of the company as a whole.

CONCLUSION

The results of the study show that effective financial health management significantly affects employee well-being in the petrochemical and chemical industry. Good financial management, including efficient budget planning and tight cost control, contributes to increased employee job satisfaction, mental health, and personal financial stability. In addition, transparent and participatory financial policies improve corporate culture and the relationship between management and employees, as well as increasing employee ownership and engagement.

Based on these findings, several suggestions can be given:

1. **Implementation of Transparent Financial Policies:** Companies must implement transparent and participatory financial policies, involving employees in the financial decision-making process to increase their trust and satisfaction.
2. **Employee Wellness Program Development:** Investments in employee wellness programs, such as health benefits, training, and work-life balance, should be strengthened to support employees' physical, mental, and emotional well-being.
3. **Sustainable Financial Management:** Companies must maintain efficient and sustainable financial management practices to ensure financial stability, which in turn will have a positive impact on employee well-being.
4. **Periodic Evaluation:** Companies should conduct periodic evaluations of financial management policies and practices to ensure that they continue to support employee well-being and are adaptive to changing economic conditions.

This research makes an important contribution to the understanding of the role of financial health management in enhancing employee well-being and creating a productive and harmonious work environment, as well as providing a basis for companies to adopt practices that support long-term sustainability and growth.

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