

Chapter 1

Introduction

1.1 Host Institution Description

PT. Phapros Tbk is known as a pharmaceutical company located in Indonesia. It has served the community for over six decades by providing high-quality pharmaceutical products. Their products are mainly produced directly at Jalan Simongan No. 131, Semarang, Jawa Tengah. Owing its root to NV. Pharmaceutical Processing Industries, PT. Phapros was established as a part of the expansion of Oei Tiong Ham Concern (OTHC), the first Indonesian conglomerate known to dominate the sugar business and agro-industry. Since its establishment on 21st June 1954, PT. Phapros has developed a Corporate Culture based on professionalism. PT. Phapros was nationalized in 1961 and shifted its shareholders to the public in the 1970s. Since then, PT. Kimia Farma holds a controlling share of 56.57%. It operates on one In-site plant in Semarang, producing various human-made pharmaceutical products. In 2018, PT. Phapros successfully expanded its operations by acquiring PT. Lucas Djaja and PT. Marin Liza Farmasi in Bandung.

PT. Phapros Tbk. has a vision and several missions considered the fundamental pillars of trust. Its vision involves being a prominent pharmaceutical company that brings the best health products to enhance the quality of life. Meanwhile, their missions involve providing the best quality products and services with sustainable innovations, enhancing employee competency and professionalism for a better business process under Good Corporate Governance principles, providing added values, and supporting sustainable development for all stakeholders.

PT. Phapros currently manufactures diverse products, including over-the-counter (OTC) medications such as Antimo and Noza, generic drugs such as Gabapentin and Hemafort, prescription drugs such as Pehacain and Tebokan, and medical devices such as Bonefill Ortho and Primary Hip Stem (EcoFit®-total hip system).

PT. Phapros firmly hold onto the core value of “AKHLAK”, which can be elaborated in Amanah which upholds the given trust, Kompeten which continuously learns and develops capabilities, Harmonis which cares for and respects differences, Loyal which is dedicated and prioritizes the interests of Nations and State, Adaptif which is continuously innovating and enthusiastic in driving or facing change, and Kolaboratif which build the synergistic cooperation (Phapros, 2023).

In PT. Phapros' organizational structure, the President Director leads all departments and divisions. Middle management includes the Director of Finance, Risk Management, Human Capital (HC), GM of Corporate Secretary, Director of Production, Head of Internal Audit Unit, Marketing Director, and their respective subordinates. Under the Finance Director and team, there are GMs for Accounting, Finance, and HC & General Affairs. Under Production, there are GMs for Production Planning, Inventory Control, Engineering, Quality Operations (QO), Product Planning, and Procurement. Under the Marketing Director, there are GMs of for OTC, Ethical Branded, Generics Marketing, and Business Development. (Refer to **Appendix 7**).

1.2 Department Description

The QO department holds a critical role in a pharmaceutical industry organizational structure, ensuring top product quality and ongoing compliance. At the division's core, there is Quality Assurance (QA) department, tasked to ensure all documents of raw materials, pharmaceutical products and services, and production processes meet the quality standards and regulatory requirements through inspection and compliance management (EMEA, 2000). Working closely with the QA department, the Quality Control (QC) department is responsible for conducting thorough product testing to ensure it meets the requirements. Alongside the QC department, the Quality System (QS) department focuses on ensuring the quality processes meet regulations, while the Calibration Validation department is responsible for ensuring the equipment used is accurately calibrated and complies with the quality standards (Refer to **Appendix 8**).