

Case Study

Strategy for Human Resources Development to Improve Employee Performance: Case Study of PT. Personnel Alih Daya Corporate

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ABSTRACT

Quality Human Resources (HR) is a determinant of company success. The need for competent human resources in the field of communication and information technology is increasing along with the convergence of communication and information flows. The research aims at analyzing the decline of employee's performance of the HR Department in developing employee productivity and obtains the strategy to improve the HR performance. The study was conducted using quantitative. In this case all permanent employees of the company become research respondents (census). The methods used in this research are descriptive to obtain an overview of employee competencies in the HR Department, Strategic Assumption Surfacing and Testing (SAST) to formulate the assumptions of the strategy and Analytical Hierarchy process (AHP) to determine strategy priorities based on certainty and interest in the company. The results showed that the HR Department got a bad evaluation caused by many things found in the HR competency which is negatively impacted to the employee's performance. There are several priorities that are considered capable of improving the performance and competence of the management department at PT. Persada consists of assessment (0,342), employee rotation (0,246) and competency directory (0,148).

Keywords: Competency, Performance, Human Resource Strategy

INTRODUCTION

Qualified human Resources (HR) is a determinant of company success. Through HR performance analysis, we will be able to formulated the HR development strategy that is relevant to the human resource conditions and needs. Corporate vision and mission must be a guideline for human resources in carrying out their duties and functions demonstrated by the achievement of employees in line with the company's target (Tjutju, 2008).

Performance is the quality and quantity of individuals or groups working in

specific activities caused by natural abilities or abilities gained from the process and desire for achievement. Performance improvements will be seen after the development of the human resource step itself. Performance in the organization is the answer to the purpose of a successful organization (Aruperes et al. 2018). Due to the efforts of human resources development are an absolute necessity for the organization to face of the demands of the current duty as well as to answer future challenges (Siagian, 1996). This "conditio

sine quanon" condition can be categorized as a form of human resources investment.

Human resource development is a process that requires planning, time management, cost, and well-programmatic activity (Wayne & Awad, 1981). The development of human resources has a broad dimension, aiming to increase the potential owned by the human resource, so that the professionalism in the organization can be increased. In this case, according to Handoko (1998) those program is expected to improve the efficiency and effectiveness of employees work in achieving the objective of work.

The needs of competent employees in communication and information technology are increasing in line with the flow of communication and information. The needs of these employees are generally prepared by "Vendors ". PT. Personnel Alih Daya (PT. Persada) is one of the subsidiaries company of PT. Indosat, TBK which manages the Manpower Services (outsourcing). The company has experience of managing outsourcing services for 13 years with a total outsourcing workforce of more than 12,000 people across Indonesia. it has four business units in providing services to its customers consists of Business Unit of Office Service, Business Unit of Technical Services, Business Unit of Contact Center Services, and Business Unit of Security Sevices. In the period of the last three years (2016-2018) PT. Persada experienced a decline in revenue sourced from the Holding Company, which is PT. Indosat (Table 1). Caused of the increasing competitors in similar businesses that can provide better service than PT. Persada and Lack of labor preparation to meet customer needs. This problem impacted to the reduction of the outsourcing amount that given by PT. Indosat TBK.

The results of identification explain at least five causes of the above problems are: (i) the decline in employee responsiveness to the customer, (ii) the weakness of supervision over employee productivity, (iii) the lack of preparation of the fulfillment

in labor for the customer, (iv) the needs of refreshment through some development of employees caused of saturated with technological developments, (v) Many employees follow the old culture and difficult to adapt with the development of the dynamic era. Some of these problems are identified due to the decline in the performance of HR departments that are influenced by their competence in increasing employee productivity.

Some previous researchers explained such as Chao etal (2017) competence is necessary to each layer of rank. There are three competencies that are considered important include core competency, professional competency and management competency. Akyol and Guler (2017) competency development is essential for industrial scale in business. Through proper competency management, business can run well (performance increases). Mikusova and Copikova (2010) explained that competence provides an impact to the individual to be more professional. The results indicated that there is a tendency to change the organizational performance with the development of competence. Brozova (2012) Competence is strongly influenced by how to understand content, communication skills, problem solving skills and innovative attitudes.

To find the best solution to the problem that occurred at PT. Persada, needs further research to determine what causes and how to handle it. This issue is very urgent to be researched in order to be formulated the right HR development strategy in increase employee performance at PT. Persada. Based on the background and formulation of the problems raised in the company, the objectives of this research are:

1. Analyzing the decline performance of HR department in developing employee productivity at PT. Persada.
2. Analyzing the factors that affecting to the employee performance based on key performance indicators (KPI).

3. Formulate the assumptions in the development of human resources that are strategically able to improve employee performance.
4. Make the human resources development strategy.

RESEARCH METHOD

The research conducted at PT Persada Company located in South Jakarta, Indonesia. The approach in this research is quantitative to get an overview of the competence of employees in the HR department, including in preparing an outsourcing employees in the field of telecommunications. The analysis used to formulate the assumptions of this strategy is Strategic Assumption Surfacing and Testing (SAST), based on the strategy assumption had been chosen then conducted strategy rating using the Analytical Hierarchy Process (AHP) based on certainty and priority in the company.

The technique to collect data is done by distributing the questionnaire to all the permanent employees of PT. Persada to assess the competence of HR department employees (census), the data collected, then analyzed step by step as follows:

1. Descriptive analysis

This stage is done to analyze data from the results of the questionnaire that was distributed to the permanent employees at PT. Persada, the assessment of the questionnaire using the ordinal scale to assess the level of competence of HR Department employees, consists of very incompetent, incompetent, less competent, competent, very competent.

2. Formulation of the HR development strategy assumption with SAST method.

This stage is done to get a strategy assumption relating to the importance and certainty in the company through the Strategic Assumption Surfacing and Testing (SAST) method. SAST is a method used in drafting alternative policies based on assumptions (Eriyatno and Fadjar 2007). The formulation of a strategy assumption was made as a solution to “the findings” of

problems acquired from the analysis in the previous stage.

3. Strategy formulation with AHP

This stage is done to get an appropriate HR development strategy to improve employee performance. The chosen strategy comes from the assumption that is the basis of a policy. These assumptions are assumptions that have a high level of importance and certainty gained from the previous research stage. The assumptions have been chosen to be ranked to become the strategy of human resources development in PT. Persada.

RESULTS

All the answer of respondents were tabulated and made with its frequency distribution according to each statement at the HR department competency. The respondents’ perception of this stage shows bad evaluation of the HR department competency, the assessment shows it is incompetent-less competent derived from the mode value in this analysis. The details are presented in Table 1.

Table 1. Employee perception of PT Persada on HR Competency Department

Competencei	Mode
Skill	2.00 (Disagree)
Motive	3.00 (Hesitant)
Traits	2.00 (Disagree)
Attitude/ Self concept	3.00 (Hesitant)
Knowledge	2.00 (Disagree)

Based on the scoring of the competency indicator in Table 1. It is known that the skills, traits, and knowledge have the mode value to be in the category of disagree which means incompetent, while attitudes and motives are in the category hesitant that means less competent. The findings are clearly a solid foundation in determining the factors in the competency in order to improve the performance of employees in the HR Department of PT. Persada. Rande (2016) explains that motives, traits, attitudes (concept of self), knowledge and skills are indicators in competence that have a positive influence on performance.

Human Resources (HR) is a factor that affects to the company's performance (Ardiana 2010). While the HR department is one of the important things in an organization because of its role as implementing subject of activities that affects its humans performance (Pakpahan, et al 2014). So that, the improvement of human resources in the company must continue. The audit findings obtained from the previous research stage were considered as consideration to generate the strategy assumptions. Assumption Strategy aims to improve the quality of human resources. The assumption was obtained by the Strategic Assumptions Surfacing & Testing (SAST) method.

Strategic assumptions gained from experts are thirty, then identified and analyzed by matching the same answers. The result of the synthesis assumption obtained twelve HR quality enhancement strategy assumption. The assumption is given a weighted based on the importance and certainty of assumptions. Scoring was made by several experts. The details of assumption are presented at Table 2.

Table 2. Scoring assumption of HR development strategy

Kode	Assumption Strategies	Imporance	Certainty
A1	Assessment	7.00	6.71
A2	Education and Training	6.43	6.29
A3	Compensation and Incentives	6.00	6.00
A4	Job Rotation	6.00	6.00
A5	Audit	6.71	6.57
A6	Mapping	6.43	6.43
A7	Facility	4.71	3.86
A8	Change of System	3.86	4.14
A9	Gathering	3.43	3.57
A10	Engagement	3.71	3.71
A11	Employee Promotion	3.29	4.14
A12	Competency Directory	4.14	4.29

Table 2. Contains twelve important points to determine the right strategy to improve the competency and performance of the HR department. This process is done by providing questionnaires to experts and then the feedback is importance and certainty in improving the performance of the HR department. The rating results were depicted graphically on the Cartesian quadrant. It shows the position of importance and level

of certainty easily. Position Figure can be seen in Figure 1.

Strategy formulation in improving the performance of HR department of PT. Persada is the thing to do. The determinant of alternative strategy is the final stage in this study, which uses an analytical hierarchy process (AHP) approach. Prasetyaningtyas (2019) explained that the basic concept of analytical hierarchy process is a simple, flexible and transparent approach for users. This has been strengthened by Garfi Etal (2011) which explains that the analytical hierarchy process is associated with a tool capable of conducting policy development.

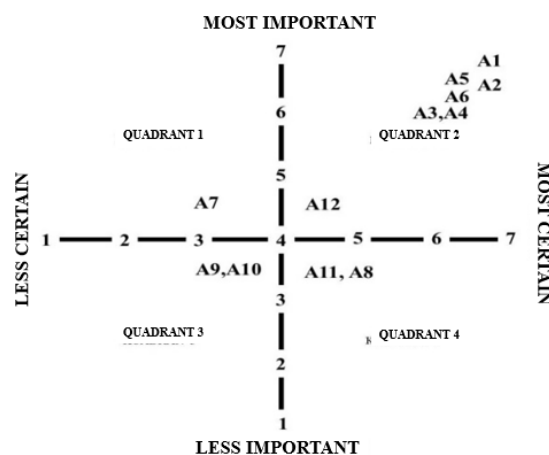


Figure 1. Scoring of The Strategy Assumption

In this research the structure of the analytical hierarchy process (AHP) is composed of four hierarchies. The levels consist of Level 1) objectives related to the HR Department's performance improvement strategy. Level 2) Actors involved in the establishment of a strategy board of Director, general Manager, HR Manager, HR Staff. Level 3) Divisions that need to be improved include recruitment, training, appraisal and industry relations. Level 4) Factors related to knowledge, skills, motives, traits and attitudes. Level 5) The alternatives gained from the results of SAST.

A vertical approach needs to be done as a base knowing the priority focus of each element and the level that has been analyzed in a horizontal approach. The approach is

done by making the average value of output that has come out from the AHP processing. The calculation results are presented in Figure 2.

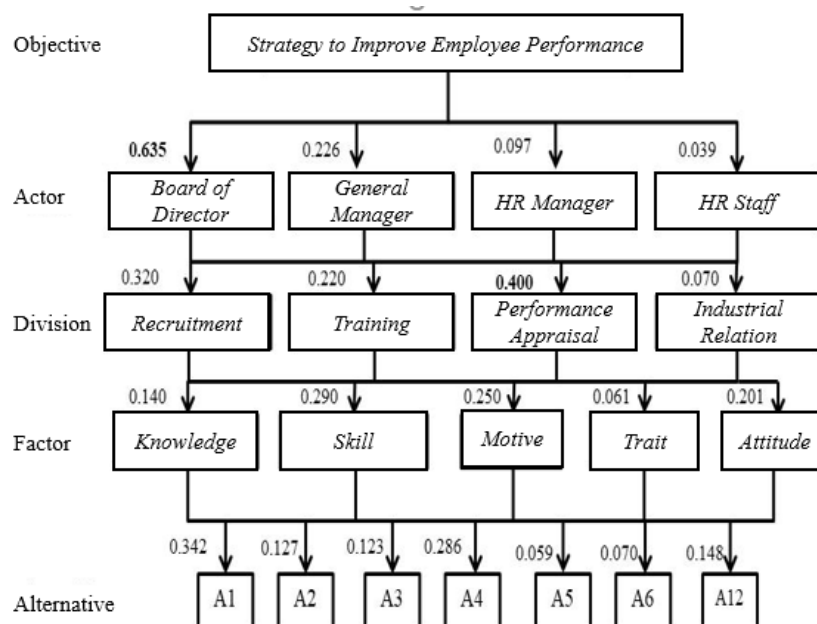


Figure 2. Analytical Hierarchy Process Vertical Approach

Figure 2 explains the main priorities in the performance improvement strategies of the HR department. In the group of actors it is known that the Board of directors plays an important role in establishing strategies for companies with a value of 0.635. according to Kraus and Farrell (2016) that the Board of Director is a strategic leader where it is required to be able to direct the company to develop and better through a set of policies and applications in its daily life. Executive leaders are acknowledged to be crucial for organizational performance, due to the top leader's function is formulating collective objectives, applying values, influencing cultures, and determining strategic plans for an organization. Mackey (2008) explains that top management plays an important role in contributing more than 25% of management performance. In the case of PT. Persada to formulate the performance improvement strategy of HR Department is determined by the board of directors, where they are required to be more sensitive in identifying the symptoms and situation of

each department, especially in the Department of Human Resources.

The third Level is the division, known that the highest priority in the division group is division of performance appraisal. The experts who have been given an overview and summary of general problems from the HR department concluded that the Division of performance appraisal is must be considered first. This condition is caused by many complaints from staff in other departments that there is no difference in the impact of the work done. The HR department, especially the performance appraisal division must be able to reorder and integrate the appraisal results with other divisions in order to support the company's progress. The importance of improvement in the performance appraisal division is due to employees who tend to continue to motivate themselves to continue working better due to the impact of the assessment given by the company to them (Raghunathan and Sastry 2018). The impact of precisely performance appraisal is very meaningful for employees in future

performance improvement; this indicates that with the assessment of the organization can grow better than before. It becomes a recommendation for the management of PT. Persada to overcome problems in the performance appraisal division which can then be applied to other divisions.

The fourth level is the factor; it is known that skills are the main priority in the group of factors. It indicates the ability of employees in carrying out a task to completion. Skills can also be said as expertise related to the ability to carry out physical and mental tasks. So, experts decide that skills are an important thing needed by HR department staff. This condition is consistent with the reality in the HR department of PT. Persada, where staff do not use their skills properly and do not have the desire to improve their skills. Management must be able to provide encouragement to existing staff in the HR department in order to be willing to use the power they have. Patterson et al (1997) has explained that employee skills are able to have an impact on improving performance, in this case employees need to be convinced that the effort given will be valued by the organization. This statement is supported by West et al (2002) which explains that skills are an important focus that needs to be prioritized by management, this is because the company will quickly run to achieve its goals by utilizing the skills possessed by employees.

At the fifth level, the prioritized alternative strategies are A1 "assessment", A4 "job rotation" and A12 "competency directories", the three alternative strategies being the top priority for management to develop. Management needs to emphasize to the HR department to formulate an employee appraisal system both in general and specifically. It is important to formulate an assessment that is considered important in supporting the policies of the employee performance appraisal division. Companies need to develop with the right detail and according to the needs of each department (performance assessment, portfolio

assessment, product assessment and self assessment). Leahy et al (2005), Haritah (2010) and Mcmillan and Hearn (2008) stated that in the formulation of a good assessment must be based on the objectives and criteria for success, feedback, responding to needs and a comprehensive assessment.

Alternative work rotation is carried out by formulating policies related to this matter. This concept needs to be formulated as a basis for improving skills and ultimately the performance of employees, where every staff in the HR department is required to have expertise from each division. This concept can be transmitted to other departments if this policy is successful in improving employee performance in the HR department. Kaymaz (2010) states that job rotation is able to have an impact on increasing knowledge and skills which ultimately impacts both individual and organizational performance. Job rotation policies need to be supported by the provision of basic materials so that employees are able to know the main tasks and objectives set by the company.

Creating a competency directory is an important thing needed by the HR department. This is as a basis in making the needs of each rank and type of work. Competency directory as a reference in providing improvement for each employee. As we know that HR development is still in the same form or impressed only to complete responsibilities. However in fact every employee needs different material for the guidance to work.

CONCLUSION

In this study it is known that there are several conclusions based on the objectives of this study, including:

1. The cause of the decline in performance of PT. Persada is a performance evaluation that is not carried out properly, there is no feedback on the performance appraisal, there is no education program and training and development program renewal, there is

- no reward and punishment program for employees, and there is no support from the HR department as a work support.
2. Competencies from the HR department reviewed through each indicator have a bad evaluation or generally incompetent. It indicates that the HR department of PT. Persada is unable to work in accordance with the expectations of other departments. Performance appraisal in each division in the HR department shows poor performance, where the performance appraisal & compensation benefit division has the worst performance.
 3. Determination of strategy assumptions using SAST obtained 12 assumptions. The results of the analysis produce only 7 strategic assumptions that are in the most important and most certain quadrants. this is caused by the company needs the right changes to immediately improve the competence and performance of the HR department of PT. Persada
 4. Strategy priority is formed into five levels, where level 1 is the main objective of this study, namely the strategy to improve the performance of the HR department. Level 2 is the actor with the highest priority for the board of directors. Level 3 is the division with the highest priority on improving the performance appraisal division. Level 4 is the factor with the highest priority skills and level 5, namely alternative strategies with the top three priorities are assessment, employee rotation and competency directory.

Recommendation

HR development strategy to improve employee performance based on HR competencies owned by the company is the right way. The recommendations offered based on the study are the implementation of studies on HR development strategies to provide input on improving employee performance. The study can focus on the competence and performance of staff in the

HR department referring to the large role of the HR department in maintaining the general employee performance of each company. The main priority recommended is to improve the assessment system, create a competency directory, and work rotation to increase employee knowledge

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How to cite this article: Mayangsari P, Ma'arif S, Amanah S. Strategy for human resources development to improve employee performance: case study of PT. personnel Alih Daya corporate. *International Journal of Research and Review*. 2019; 6(12):527-534.
