

Implementation of Management Performance Assessment Based HR Scorecard

Yoyo Sudaryo

Lecturer of STIE INABA Bandung, Management Studies Program, School of Economics Indonesia Building, Jl Soekarno Hatta No. 448 Bandung
Email: y.sudaryo@yahoo.co.id

Abstract

This study aims to assess the performance of human resources management based on the Balanced Scorecard approach. Based on the analysis of the causal relationship it can be seen that at: Financial Perspective: Companies that transformed grow and develop by increasing product sales can increase profit growth directly encourage the achievement of the company's financial condition healthier. Customer Perspective: The company that can meet the needs of consumers will increase of customer satisfaction and customer loyalty. Internal Business Process Perspective : Increased productivity can increase of production capacity , after sales service , delivery time and lower product defects. Increased sales service can improve the satisfaction of customers. The precision time delivery of products can improve customer satisfaction. Learning and Growth Perspective: This perspective is supported by Human Resources that are reliable and good work culture. With the creation of this increases employee satisfaction may increase productivity.

Keywords: Implementation of HR Performance Management, Balanced Scorecard.

1. Introduction

Rapid business competition, as now, the company is required to take strategic steps in any condition to compete in the face of competitors that will arise. High economic growth and political stability and security are controlled will be used by the company to mobilize all resources optimally in order to achieve optimal business growth as well. The company's management continued transformation to leverage resources including Human Resources (HR) is effectively in line with the demands of market competition in the industry deregulation era telecommunications. At the globalization era that demands all the information that occurs in the whole world can be quickly followed by the telecom holding a very important role. The role of telecommunications include: strengthening national unity, facilitate the activities of government and support the achievement of development goals, encourage efforts to educate the nation, improving national economic growth, and strengthen the relations between nations. It is not only associated with achieving the target of PT XL Axiata Tbk, but also in order to win the competition in the telecommunications business is increasingly widespread in Indonesia especially for PT XL Axiata realize obsession, Tbk into regional and global operators. In addition, according to the company's commitment to make PT XL Axiata Tbk as the market leader in business information and communication. However, the performance problems occur PT XL Axiata. PT XL Axiata as the second largest mobile operator apparently decreased. In Q1 XL Axiata reported total reached 62.9 million, while in Q3 reported to reach 58.3 million. This is certainly an impact on the amount of data subscribers XL.

Robert Kaplan and David Norton introduced a concept of corporate performance measurement called the Balanced Scorecard. Balanced Scorecard measures the performance of companies from a variety of perspectives, both in terms of internal ie from a financial perspective, internal business process perspective and learning and growth perspective and in terms of terms of external. Balanced Scorecard is also able to translate vision into strategy as a goal (objectives) for each division or department at operational level so that in the end the management is able to achieve the vision of the company. The impact of the company will be able to compete and be able to continue to survive.

2. Review of Literature

According to Edwin B. Flippo (2006: 9) in Human Resource Management book revised edition in 2003 revealed that:

"Human Resource Management is the planning, organizing, directing and monitoring the activities of procurement, development, compensation, integration, maintenance and release of human resources in order to achieve various goals of individuals, organizations and society". Armstrong (2004: 29), Looking at performance management as a means to obtain better results than organizations, teams, and individuals with a way to understand and manage performance in a framework of objectives, standards, and requirements- attribute requirements agreed. The purpose of performance measurement according to Mulyadi 1993 are as follows:

1. To determine the contribution of a portion of the company to the whole organization.
2. To provide a basis for research achievements in the organization.
3. To provide motivation for managers in carrying out its part in tune with the ultimate goal of the company

as a whole.

According to Kaplan and Norton (2000: 7) Balanced Scorecard is a set of measurements that provide top-level managers a complete overview but including financial arrangements that represent the results and the actions that have been taken, then the financial melengkapipengukuran with operational pengukuranpengukuran kepuasanpelanggan, internal processes as well as development and innovation activities of the organization ". Aspects that are measured in the Balanced Scorecard

According to Amin Widjaja single year (2009: 5) Balanced Scorecard is a comprehensive framework for translating the mission, vision and strategy into a set of integrated performance measures include:

1. Financial Perspective
2. Customer Perspektive
3. Internal Business Process Perspective
4. Learning and growt Perspektive

Financial Perspective

Balanced scorecard linking financial goals with financial company. Goal strategy serves as a focus for all the goals and measure financial lainnya. Goal scorecard perspective of an organization depends on the position of the organization's business life recyclable.

Customer Perspective

Customers are considered important today given the increasingly intense battle retain existing customers and customers seize. In customer perspective of the Balanced Scorecard companies must first determine customer segments and market segments selected in competition. Customers prespective allows companies to determine the measurement core customers (satisfaction, loyalty, gain and advantage given) on customers and target market segments. Besides It also makes it possible to identify and quantify the proportion of the value delivered to customers and target market segments.

Internal Business Process Perspective

In this perspective the top management to identify processes that are most important to target customers and shareholders. The Company will determine the objectives and measures for this perspective after first determining the objectives and measures in the financial and customer perspectives. This sequence allows the company to focus on the measurement of internal business processes to processes that will encourage the achievement of the goals set for the customers and shareholders.

Learning and Growth Perspective

Measurement of the fourth and final perspective in Balanced Scorecard has a goal to propel the company into a learning organization as well as Encourage growth. Target of perspective is proved that the existing infrastructure allows the target in the previous three perspectives can be achieved. Balanced Scorecard emphasizes the importance of investing for the future, not only new equipment, research and development of new products but also leads to human infrastructure, systems and procedures if you want to achieve financial growth long. Mulyadi (2007: 54) points out some of the Balanced Scorecard excellence items, namely : " A a comprehensive , coherent , balanced , and scalable".

1. Comprehensive

Comprehensiveness of strategic objectives is the appropriate response to entering the business environment directs its complexity sasaran-sasaran fourth strategic perspective, the company's strategic plan covers a broad scope adequate to deal with complex business environment. If the strategic objectives directed only financial keperspektif, the scope of the strategic plan resulting from the strategic planning system would be too narrow so inadequate to deal with complex business environment.

2. Coherent

The resulting strategic objectives in a strategic planning system to MOTIVATE personnel to be responsible in the search for strategic initiatives that are beneficial to generate financial performance. Strategic planning system that generates coherent strategic objectives will make multiplication, long - term financial performance Because personnel are motivated to seek strategic initiative perspective learning and growth, internal business processes , customer or finance .

3. Balanced

Balance strategic goals generated by the system of strategic planning is important to generate long-term financial performance. Strategic objectives need to be directed to a balanced four perspectives: financial, customer,

internal business processes and learning and growth. Customers and learning and growth perspective focusing on the customer orang. Perspective realized to produce the best value for the customers. Perspective learning and growth is realized through the development of human resources. Internal business process perspective of financial processes and services for customers and processes to generate financial returns for investors. Internal business process perspective and learning and growth - oriented strategic companies. Targets should be directed into four perspectives of the balanced manner. The balance between the focus to the company 's internal and exit the company .

4. Measured

Measurable strategic targets generated by the strategic planning system promising achievement of strategic objectives generated by the system . Strategic objectives in the customer perspective , internal business processes and learning and growth is not Easily measurable targets but the Balanced Scorecard approach , the targets in the third non - financial perspective, be sized so that it can be managed so that the can be realized. Strategic measurable objectives for all three perspectives are promising embodiment of the non - financial strategic objectives so that financial performance can be doubled and long term .

Methods Used

Research using descriptive method using kasus. Moh study approach. Nasir (2009: 54), is a descriptive method is:

" Descriptive method is a method in researching the status of a group of people , objects , conditions , a system of thought , or current events now .

the purpose of this descriptive study was to create a description , picture or painting in a systematic , factual and accurate information on the facts -fakta , the nature and the relationship between the phenomenon investigated ". Research focuses on improving the performance management company that was originally a traditional, partial and less related to the vision, mission and strategy of the organization as contained in the concept of Balanced Scorecard. Step - step that must be done in the preparation of the performance management system follows the principles of performance management with the preparation of the Balanced Scorecard method . The Stages - This stage in the process of preparation of the performance management system . After determining the model to be used in research to develop a performance management company then carried out data collection in the field . The field survey was conducted in the company to get a descriptive overview of the vision , mission , strategy and operating system data is obtained directly Company . The data is taken directly from the company in the form of condition reports - Reports of corporate data in the form of annual management and general data from existing data Others . Next will be used to obtain performance-based management method selected.

3. Theoretical Framework

Various Key Performance Indicators (KPIs) that has been identified is a collection of panel indicator of the success of the company. In order to be used and managed properly it is necessary to know the relationship and relevance of each of the indicators of each other. The relationship between these KPIs need to know because in addition to clarify the performance management process will be carried out also these factors should be used as an integral part of strategic measurement system. Steps are to identify the linkages between each KPI, both between KPI in a valuation perspective and with a different perspective KPI, through sub-objectives related to the KPI KPIs. Relationships happens next will be described in a strategy map. Here is an explanation of the relationship between the sub-objectives:

1. The increase in product sales , profit growth companies in order to encourage the achievement of a healthy financial condition of the company. Greater profits PT XL Axiata Tbk, so that wealth will continue to grow. Property owned by the company can support healthy financial.
2. Increased production capacity can increase sales. PT XL Axiata Tbk is a leading provider of information and communication services to customers, one of the factors that can attract customers, has a network capacity. Large network capacity can lead to the belief that the services provided by PT XL Axiata Tbk can meet all customer needs , so that in the end the sale of PT XL Axiata. Tbk increased.
3. An increasing number of customers will increase the sales of PT XL Axiata, Tbk is provider of services that most of its products is the customer's order, the customer will determine the existence of the company's sales. As more and more customers, the company also can increase the production company. This means the company's sales will increase in line with the increasing number of customers.
4. Customer satisfaction will increase customer loyalty and profitability, increase customer loyalty will increase customer profitability. Satisfaction is very important for PT XL Axiata Tbk. Because satisfied customers will continue to use the services of the company. The tendency to choose a company that can meet the desires and needs long-term, customer loyalty may be to always use the services provided by the company. With the fulfillment of customer satisfaction in addition to the company will earn customer

loyalty, customer profitability for the company will increase. Therefore is necessary for the company to always strive to satisfy our customers and maintain customer loyalty.

5. Increased productivity can increase production capacity, after sales service, delivery time and reduce product defects Production One of the things that greatly affect the production capacity of the company is the productivity of the company. Productivity is the ratio between the use of time and other resources with a variety of benefits and results obtained. With a greater benefit from the results obtained, it can be said that both the productivity of the company. Increased productivity of the company as a whole will be able to increase production capacity. Moreover, the delivery time of products can be in accordance with plans and production defects will decrease.
6. Timeliness of delivery of the product will increase customer satisfaction. PT XL Axiata Tbk , the length of the production is another thing to be aware of the company. This is because at the time of a customer order approving the company must provide a long-term product ordered. Often customers do not want to work too long so the company must provide an approved long processing time. The problem that often occurs is an error in production time so that time agreed with the customer can not be met.
7. Good after-sales service will increase customer satisfaction. Once the product is delivered to the company's customers still have to provide after sales service to the customers. In after-sales service of all customer complaints will be addressed and resolved as possible. After-sales service provided by the company in addition to show corporate responsibility over what is produced also showed professionalism of the company in business. With the good after-sales service that will increase customer satisfaction.
8. Increased employee satisfaction can increase employee productivity. Employees will be happy to try to promote and maintain the company where she worked. Thus, companies can more easily educate and develop employees to become human resource competencies that have high productivity and quality.

4. Hypothesis and Model

5. Methodology, Finding and Discussion

6. Conclusion

Based on the results of research and analysis has been done, it can be concluded as follows:

1. Scorecard compiled showed very large gap between the financial perspective internal business process perspective and learning and growth. This indicates that the internal business process perspective and learning and growth perspectives are considered less contributed to the continued growth of the financial
2. Based on the analysis of the causal relationship it can be seen that at:
 - a. Financial perspective: Increased sales of products can increase the growth of corporate profits so as to encourage the achievement of a healthy financial condition.
 - b. Customer Perspective: Increased production capacity to increase sales of products and increase the number of customers. Increased number of customers increase sales. Increased customer satisfaction will increase profit growth Increased customer loyalty can increase profits growth.
 - c. Internal Business Process Perspective: Increased productivity can increase production capacity, after sales service, delivery time and lower product defects. Increased sales service can increase customer satisfaction. Timeliness of delivery of the product can increase customer satisfaction.
 - d. Learning and Growth Perspective: Increased employee satisfaction may increase productivity.

7. References

- De Wall, Andre A, 2001, *The Power of Performance Management: How Leading Companies Create Sustained Value*, John Wiley & Son, Newyork.
- Flippo, Edwin B, 2006, *Principle Of Personnel Management*. Eighth Edition. Tokyo: Mcgraw-Hill, Kogakhusa Ltd.
- Gitman, Lawrence J, 1997, *Principles of Managerial Finance*, 8th edition, Addison Wesley Publishing Company.
- Deden Bambang and Surya Permana, Dorajatun, 2004, *Analysis of Business Strategy and Corporate Performance Measurement Using the Balanced Scorecard*, Final Program and Business Administration, School of Business and Management, Institute of Technology Bandung.
- Kaplan, Robert S & David P Norton. 1996, *The Balanced Strategy Into Action Scorecard* Translating. Boston: Harvard Business Scool Press.
- Kaplan, Robert S & David P Norton, 2000, *Balanced Scorecard: applying Being Strategy Action*, Issue Indonesia. Jakarta: Erland.
- Kaplan, Robert S and Davis P.Norton, 2004, *Converting Intangible Assets Strategy Map Into Tangible Outcomes*, Harvard Business School Press, Boston→Massachutes Annual Management Report of PT XL Axiata Tbk

- Luis, Suwardi, and Biromo, Prima. A, 2007, Step by Step in Cascading the Balanced Scorecard to Functional Scorecards. Jakarta: Gramedia Pustaka Utama.
- Nasir, Moh, 2009, Research Methods. Jakarta: Indonesian Glalia.
- Mulyadi, 2007, Strategic Management System Based on the Balanced Scorecard. AMP Yogyakarta.UPP YKPN.
- Vincent Gasperz, 2003, Integrated Performance Management System BalancedScorecard with Six Sigma for Business Organization and Pemerintah. Jakarta. PT Gramedia Pustaka Utama
- Single, Amin, 2009. Understanding the Balanced Scorecard concept. Harvarindo. Jakarta.

The IISTE is a pioneer in the Open-Access hosting service and academic event management. The aim of the firm is Accelerating Global Knowledge Sharing.

More information about the firm can be found on the homepage:

<http://www.iiste.org>

CALL FOR JOURNAL PAPERS

There are more than 30 peer-reviewed academic journals hosted under the hosting platform.

Prospective authors of journals can find the submission instruction on the following page: <http://www.iiste.org/journals/> All the journals articles are available online to the readers all over the world without financial, legal, or technical barriers other than those inseparable from gaining access to the internet itself. Paper version of the journals is also available upon request of readers and authors.

MORE RESOURCES

Book publication information: <http://www.iiste.org/book/>

Academic conference: <http://www.iiste.org/conference/upcoming-conferences-call-for-paper/>

IISTE Knowledge Sharing Partners

EBSCO, Index Copernicus, Ulrich's Periodicals Directory, JournalTOCS, PKP Open Archives Harvester, Bielefeld Academic Search Engine, Elektronische Zeitschriftenbibliothek EZB, Open J-Gate, OCLC WorldCat, Universe Digital Library, NewJour, Google Scholar

