



UNIVERSITAS INDONESIA

**ASSESSMENT OF HUMAN CAPITAL MANAGEMENT
IN PT. XYZ**

THESIS

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FACULTY OF ECONOMICS
MASTER OF MANAGEMENT PROGRAM
JAKARTA
JUNE 2011



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**ASSESSMENT OF HUMAN CAPITAL MANAGEMENT
IN PT. XYZ**

THESIS

Submitted to fulfill one of the requirements to obtain degree of
Master Management

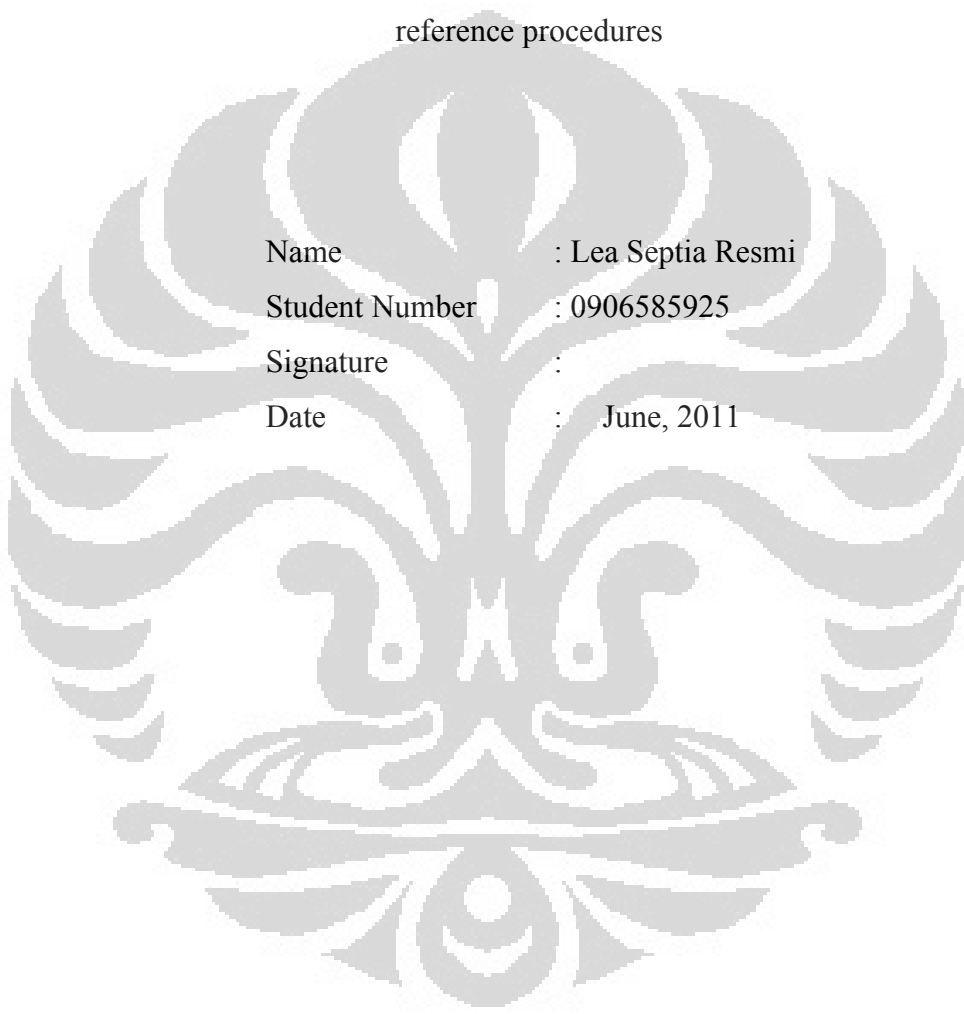
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STATEMENT OF ORIGINALITY

This final paper represents my own effort, any idea or excerpt from other writers in this final paper, either in form of publication or in other form of publication, if any, have been acknowledged in this paper in accordance to the academic standard or reference procedures



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PREFACE

I prayed to God Almighty, because of His blessings and mercy, I have completed this thesis. The thesis was conducted in order to fulfill the requirements to earn dual degree MM-MBA from the University of Indonesia. In preparing this material, not a few obstacles encountered and I realize the preparation is not be successful without the assistance, encouragement and guidance from various parties. Therefore I would like to give my sincere thanks to:

- 1) Prof. Rhenald Kasali, Ph.D. as Director of Masters in Management Program of the Faculty of Economics, all lectures and all staffs of MM-UI for their help during my education period in University of Indonesia.
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- 5) And last but not least my lovely family who gives all supports to overcome the difficulties in completing this thesis.

Hopefully, this material can be useful and give significant contributions to the development of science.

Jakarta, June 2011

Author

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ABSTRACT

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Title : Assessment of Human Capital Management in PT. XYZ.

The purpose of this research was to understand to what extent strategic planning, organizational alignment, and leadership were implemented as part of human capital management in PT. XYZ. The research methodology used in this study is qualitative methodology. In doing the assessment, interviews were conducted with the shareholder, all the highest level directors, and staffs in PT. XYZ. Working culture issue, complex relationship between shareholder and top management, and lack of competency in human capital, made the employees' performance cannot align with the company's objective. Based on the study results, PT. XYZ can gain more benefit if they examined their strategic planning, organizational alignment, and leadership in more comprehensive and continuous manner in addition to assess and develop their human capital management.

Key Words :

Human capital management, self-assessment, strategic planning, organizational alignment, leadership.

ABSTRAKSI

Nama : Lea Septia Kerja
Program Study : Master Management – MBA
Judul : Penilaian Human Capital Management di PT. XYZ

Tujuan dari penelitian ini adalah untuk memahami sejauh mana perencanaan strategis, keselarasan organisasi, dan kepemimpinan dilaksanakan sebagai bagian dari manajemen sumber daya manusia di PT. XYZ. Metodologi penelitian yang digunakan dalam penelitian ini adalah metodologi kualitatif. Dalam melakukan penilaian, wawancara dilakukan dengan pemegang saham, seluruh direksi tingkat tertinggi, dan staf di PT. XYZ. Budaya kerja, hubungan yang kompleks antara pemegang saham dan top manajemen, dan kurangnya kompetensi dalam human capital, membuat kinerja karyawan tidak sesuai dengan tujuan perusahaan. Berdasarkan hasil penelitian, PT. XYZ bisa mendapatkan keuntungan lebih bila mereka meneliti perencanaan strategis mereka, keselarasan organisasi, dan kepemimpinan secara lebih komprehensif dan berkesinambungan dalam rangka untuk menilai dan mengembangkan manajemen sumber daya manusia mereka.

Kata Kunci:

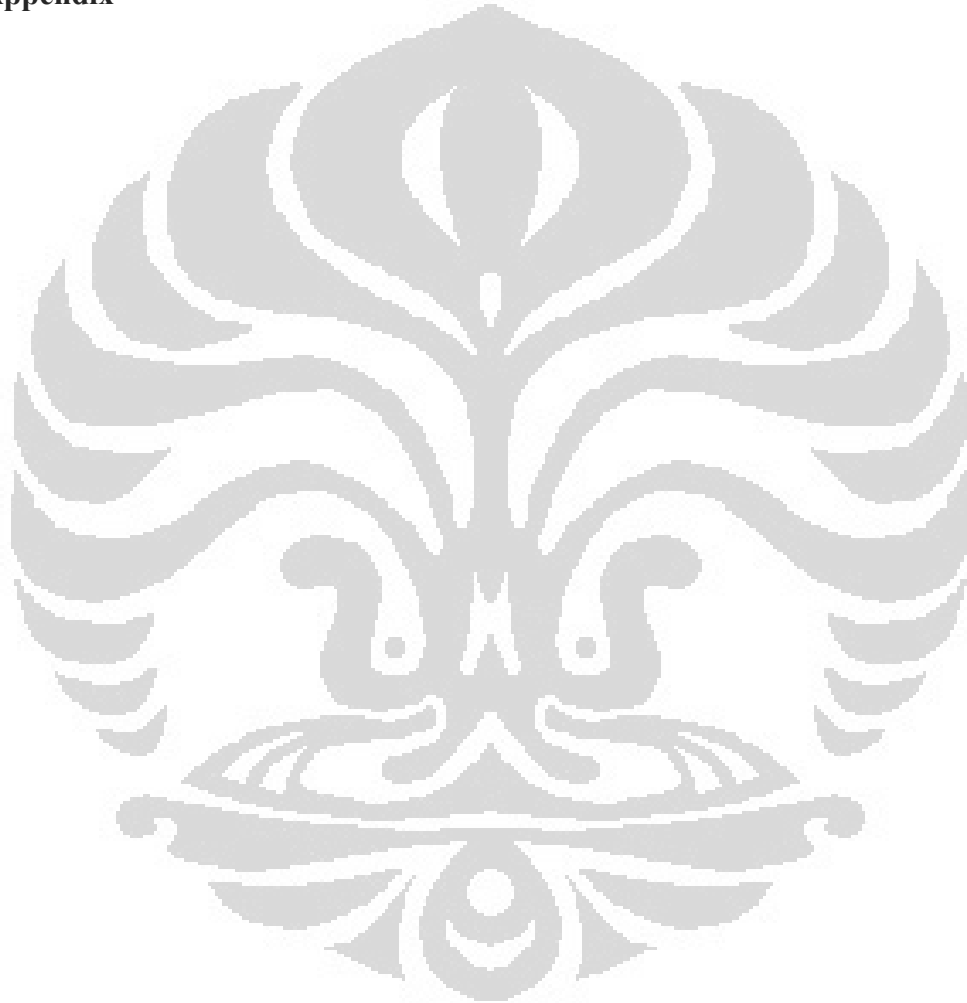
Human capital management, penilaian, perencanaan strategis, keselarasan organisasi, kepemimpinan.

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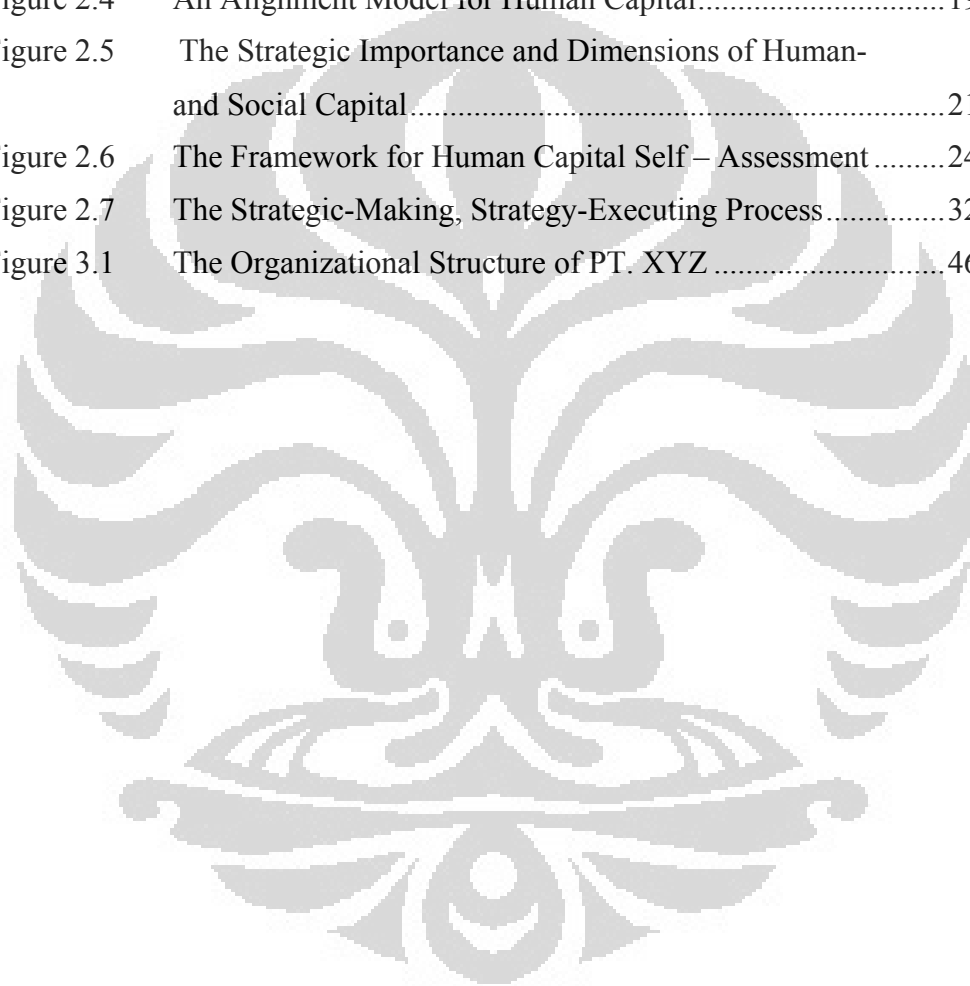
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CHAPTER 1

INTRODUCTION

1.1 Background

As we can see in recent year, the economic condition in Indonesia is remaining in positive growth. Based on BPS (Badan Pusat Statistik) report in the year 2010, the achievement of economic growth in Indonesia had reached 6.1%, which was beyond the government expectation. This achievement was much higher if it was compared to the economic growth on 2009 (4.5%). So far this situation is becoming the sustaining factor for a company to do a business expansion, development, and also change their business direction into more profitable and promising market.

However, even though there is promising market, the competitive level is very tight. Most of the companies strive to implement suitable strategy that can adapt with the company's external environment, especially the market condition and customer expectation that evolves every time. If the companies do not understand this situation, they won't survive in their own business. The orientation for implementing good strategy for the company is not only considering on the external environment, but the most important thing is the company has to implement excellent strategy for their own internal environment. A company's strategy is management's game plan for growing the business, staking out the market position, attracting and pleasing customers, competing successfully, conducting operations, and achieving targeted objectives (Thompson, Strickland & Gamble, 2005).

It is not easy to implement a new strategy in the organization; they will be facing an enormous challenge to make those possible. The challenges that organizations face today can be grouped into three categories (Noe, Hollenbeck, Gerhant, & Wright, 2008):

- The sustainability challenge
Sustainability refers to the ability of a company to survive and exceed in a dynamic competitive environment. Sustainability depends how well a company meets the need of those who have interest in seeing that company succeeds.
- The Global challenge.
Companies must be prepared to compete with companies from around the world.
- The technology challenge
Companies that have realized the greatest gains from new technology have human resource management practices that support the use of technology to create what is known as high performance work system. The three important aspects of high performance work system are (1) human resource and their capacity, (2) new technology and its opportunities, and (3) efficient work structures and policies.

Various steps of strategies to support all organization's activity have to be done immediately, from marketing, advertising, financial activity, and also not forgetting to build human capability. To build human capability in an organization, excellent human resource practices must be implemented to ensure that human resources are taken care of. Sound implementation of human resources policies and practices such as recruiting, screening, training, rewarding and appraising have strong relationship towards organizations' performance hence making Human Resources as one of the sources of competitive advantage (Osman, Ho, & Galang, 2011). The company that understands the importance of resources as an asset rather than as just supporting factor would always find ways to create a working environment that is conducive, secure, and able to fulfill work life balance to their employees.

Whether it is called 'people', 'labor', 'intellectual capital', 'human capital', 'human resources', 'talent', or some other term, the resource that lies within employees and how they are organized is increasingly recognized as critical to

strategic success and competitive advantage (Boudreau & Ramstad, 2007). Human plays major roles on the livelihood of the company, in which they do all the thinking, planning, and execute all the company's task. Human resource is the most important key for the company to achieve its success in the future. It is one of the production factors that give important influence for company's existence.

The company has to know basic knowledge on how to manage their human resource on accurate way that can generate possibility maximum outcome that align with the company's objective. Human Resource Management refers to the policies, practices, and systems that influence employees' behavior, attitudes, and performance (Noe et al., 2008). To create an excellent human resource management that can align with the company's business strategy, the company has to have a great foundation in their strategic human resource management. The strategic role of human resource management should be seen as an integral element of a company's overall success in accomplishing its mission and business strategy (Stoev & Mujtaba, 2009).

In addition to the traditional personnel and human resource management, there is a need for a new approach to personnel management, which it called Human Capital Management. Human Capital Management emphasizes an alignment between the individual and the organization and in our view offers the challenge and the key to successful management in the future (Marrewijk & Timmers, 2003: 171). As Hayton (2003) described in *Strategic Human Capital Management in SMEs*, human capital management is a functional area within the domain of human resource management (Jackson, 2010).

A firm's productivity depends on a variety of factors, and often-overlooked important contributor to a company's performance is the quality of its human capital. Typically, in a context such as Indonesia, which bases its competitive advantage on the supply of low cost labor, human resources are viewed as a variable cost to be minimized. Investment in human resources is widely believed to produce only negligible returns (Lake, 2008). As we can see from the research

above, many organizations in Indonesia still don't see the involvement of their human capital as an important asset to the organization, but they only see them as supporting non-important factor.

Different perspective comes from other countries, where they think that getting and making of human capital is a key priority. Based on SHRM Survey (Society for Human Resource Management, 2010), by using 449 respondents from different industries, they believe that the biggest investment challenges facing organization over the next ten years are obtaining human capital and optimizing human capital investments (47%), obtaining financial capital investment (29%), and the rest is obtaining intellectual capital (24%). It is proven that companies start to realize the important of human capital as one of their biggest assets.

The excellent performance of company cannot be achieved easily without the involvement of employee, especially when the organization has to make changes in their organization. Employee must be prepared to make a positive contribution to the organization, even as work requirements change. This means preparing employees for the future as well as improving job performance today (London & Wueste, 1992).

To meet the changing environment, company need to provide human capital a higher priority than ever before and modernize their human capital policies and practices. To see whether the organization has implemented an excellent strategy for utilizing their human capital, they can do the self assessment.

Based on the report of United States General Accountant Office (2000), all human capital policies and practices should be designed, implemented, and assessed and this strategy will help the organization pursue its shared vision. The United States General Accountant Office (2000) established five dimensions of human capital: 1) Strategic Planning, 2) Organizational Alignment, 3) Leadership, 4) Talent, and 5) Performance Culture.

By using those five dimensions as measuring standard, the organization can start self-assessment of their human capital. Self-assessment is the starting point for creating “human capital organizations” that focus on valuing employees and aligning their “people policies” to support organizational performance goals (United States General Accountant Office, 2000).

1.2 Problem Identification

Most of the large organizations already see the human capital is important to gain competitive advantage, but it differs in small enterprise. Like any other organization, the sophistication of their human resource management practices can lead to operational inefficiencies that can affect their ability to meet their obligations to corporate buyers (Ijose, 2010).

PT.XYZ is a small enterprise where they serve out their business as a distributor agent for health equipment. They have experience for supplying health equipment for almost 30 years, and their majority business partner is related to the Indonesia government. Over time, the business environment was changing simultantly. The company decided to change their business strategy but still related to the health equipment. Starting 2006, PT. XYZ has determined to change company’s name and business direction from a distributor agent to become investor property in health equipment that advance in technology system. On 2009, they succeed to make business agreement for investing advance laboratory in one of the government hospital.

PT. XYZ is a family owned companies and according to Gulzar and Wang (2010), family-owned companies are characterized as organizations in which the shareholders belong to the same family and participate substantially in the management, direction, and operation of the company. The current working cultures were quite different from other private company in general. It also can be said that PT. XYZ is an organic organization. Based on Morand (1995), organic organizations are defined relative to a set of structural arrangements for example low degrees of formalization (in terms of specification of job duties and division

of labor), significant lateral communication, and decentralization of decision making. Characteristic of organic organization in PT. XYZ can be seen on the implementation of non formal responsibility along with flexible standard operating procedure.

The working behavior between family-owned company and the other type of private company (listed or non-listed) is quite difference. In PT. XYZ, the shareholder freely controlled the company's management. Meanwhile according to the law of the Republic of Indonesia number 40 in the year 2007 concerning limited liability companies, in article 1 paragraph 5, it was mentioned the boards of directors have full authority and responsibility for the management of the company. It means only directors who have this responsibility. Meanwhile other company organs only give specific supervision and advice to the board of directors without being involved in management process. In listed companies, the formal regulation already well implemented. Current condition reflected PT. XYZ was not in full compliance with the government's regulation.

The major condition of the company since its existence in 2006 was each department could not align and work their vision together. There were no significant changes in the quality of its human resources especially from level directors, and meanwhile organization requires an effort to achieve higher productivity from all employees. Therefore the shareholder decided temporary to stop searching other new business clients. Because of this condition, the company could not run business optimally.

To gain a successful competitive advantage, PT XYZ needed to improve their human capital management. To achieve this state, they had to perform self assessment of their human capital. This action would help leaders of PT. XYZ obtain understanding real condition of human capital in their organization.

This study would use human capital self-assessment from The United States General Accounting Office (2000) as a guideline in doing the assessment.

However on this research not all five dimensions are being analyzed, because many aspects in the self assessment was not implemented yet in PT. XYZ. This study only focused on three dimensions, which were strategic planning, organizational alignment, and leadership. There were several reasons for conducting these three dimensions assessment, namely:

- PT. XYZ felt each department has not aligned with their vision. The assessment of strategic planning can gain information as to what extent employees understand their vision and goals that the company has to achieve.
- Shareholder expected the company can achieved high performance and this achievement is expected to be realized from planning of workforce which involve the integration between human resource function and other departments. By doing assessment of organizational alignment, the organization will know to what extent integration between departments.
- The very most important issue the company facing in handling the changing organization was the leadership issue. The leaders play a major role on how they can successfully manage their team in fulfilling their goals. Through the leadership assessment, the company will know to what extent leadership has run the business.

Previously, human resource management research only focused on large organizations rather than on small businesses. The leaders in smaller private company commonly overlooked the value of a strategic approach to managing human capital. Human resource management was traditionally viewed as inappropriate for small firms, the very segment that now they must utilize human capital effectively in order to maintain competitive advantage (Jackson,2010).

There are several concepts addressed in the report of GAO human capital self-assessment. First, no matter where employed in the private or public sector, human capital is still a primary source of organizational results. Second, modern human capital policies and practices offer both private and public sectors to

improve economy, efficiency, and effectiveness. And third, the GAO undertook a study to identify what common principles underlay the human capital strategies and practices of private sector organizations regularly in human capital management.

The self-assessment instrument was considered a starting point for creating a human capital culture where the focus was on valuing employees and aligning “people policies” to support organizational performance goals . In order to sustain competitive advantage in their respective marketplaces, small business executives must either initiate or enhance human capital policies and practices. Small business leaders should have a clear, fact-based understanding of their organizations’ human capital management through a self-assessment approach (Jackson, 2010). Therefore the purpose of this research was to analyze a potential application of the GAO human capital self-assessment report to private sector in small company.

1.3 Questions Research

Furthermore, the research is focusing on self assessment and explores employees’ perspective regarding:

1. To what extent PT. XYZ has developed their strategic planning to achieve company’s goals?
2. To what extent organizational alignment has operationalized in PT. XYZ?
3. To what extent PT. XYZ has improved their leadership?

1.4 Benefit of The Research

From this research, it will give contribution in the form of advice that can be used by:

1. PT. XYZ where it provide them the understanding of the organization’s internal environment, make some consideration and also the right decision related to the strategic planning, organizational alignment, and leadership as part of human capital management that can be implemented in the organization and also will create a positive impact to their performance.

2. Master Management - University of Indonesia regarding to the theoretical of human capital management that can be implemented by employees of Master Management - University of Indonesia.
3. And also for the community, especially for the company in managing their human capital so that can obtain its competitive advantage.

1.5 Scope of The Research

Based on the argument that already had been disclosed before, the scope of material in this research focuses on human capital management area, specifically in:

1. The execution of strategic planning in PT. XYZ.
2. Organizational alignment in PT. XYZ.
3. And the existing of leadership style in PT. XYZ.

1.6 Outline of The Report

The thesis covers five chapters that be composed of:

Chapter 1: Introduction

The introductory chapter represents a general picture of the thesis. It states background, problem identification, question of the thesis, scope of the research, and outline of the report.

Chapter 2: Theoretical Studies

The theoretical study comprises theories and theoretical approach used in analyzing the problem and taking conclusion and recommendation.

Chapter 3: Research Methodology and Company Profile

Company profile and the application of the methodology research is described more detail in this chapter.

Chapter 4: Study Result

This chapter describes the result of human capital self-assessment that covers strategic planning, organizational alignment, and also leadership.

Chapter 5: Conclusions and Recommendations

In this chapter, the writer tries to conclude the analysis study. From the process analysis, the writer gives recommendation of more suitable and effective human capital strategy for PT. XYZ.



CHAPTER 2

THEORITICAL STUDIES

The theoretical studies in this research cover several theories, including the organization theory, concept of human resource management, and specifically all factors that related to human capital theory.

2.1 Theory of Organization

In accordance with the sustainable environmental that continuously changes over time, companies is demanded to have the modern organization structure that adaptive to the ever-changing environment. According to Daft (2009:11), “Organizations are (1) social entities that (2) are goal-directed, (3) are designed as deliberately structured and coordinated activity system, and (4) are linked to the external environment”. The key element of an organization is not a building or set of policies and procedure; organizations are made up of people and their relationship with one another. The good interaction between people to perform important function will help the organization to achieve goals.

Organizations exist to do the following (Daft, 2009):

- a) Bring together resources to achieve desired goals and outcomes.
- b) Produce goods and service efficiently.
- c) Facilitate innovation.
- d) Use modern manufacturing and information technologies.
- e) Adapt to and influence a changing environment.
- f) Create value for owners, customers, and employees.
- g) Accommodate ongoing challenges of diversity, ethics, and the motivation and coordination of employees.

2.1.1 Maximizing Human Resource in Organization

Regardless of unfavorable market conditions and fluctuations, many organizations have implemented changes that search to improve their competitiveness. Consideration for the organization wants to increased efficiency, profitability and

also the employee's productivity, make an improvement in human resource management is one of strategies that company can perform. According study research by Tan (2005), there are several factors associated with organization which are experiencing change and are able to maximizing human resource potential. These organizations can maximize their human resource through the following:

- a) Organization can increase communication and disseminate adequate information about the change to employees.
- b) Organization can create a supportive environment at the workplace.
- c) Organization can empower their employees to play a more active role in the implementation of change.
- d) Organization can help employees through training and educating them on how to cope with stress.

Developing an effective strategy to manage organization's human assets requires considering employees as investments. Such an approach helps to ensure that HR practices and principles are clearly in sync with the organization's overall strategy, forces the organization to invest in its best opportunities, and ensures that the performance standards are met (Mello, 2011). Organization that not only harness but also maximizing human resource is destined to succeed in the increasingly competitive world (Tan, 2005).

2.2 Human Resource Management

Human resource management is defined as *the integrated use of procedures, policies, and practices to recruit, maintain, and develop employees in order for the organization to meet its desired goals*. It includes six broad areas: human resource capacity, human resource planning, personnel policy and practices, human resource data, performance management, and training. Human resource management can assist the organization in developing a set of policies, practices, and system that advance the skills and increase the motivation of staff in order to achieve the highest possible level of performance over time (USAID, 2005: 1).

Other definition, human resource management refers to the policies, practices, and systems that influence employee's behavior, attitudes, and performance. The effective human resource management practices support business goals and objectives. That is, effective human resource management practices are strategic (Noe, et al, 2009).

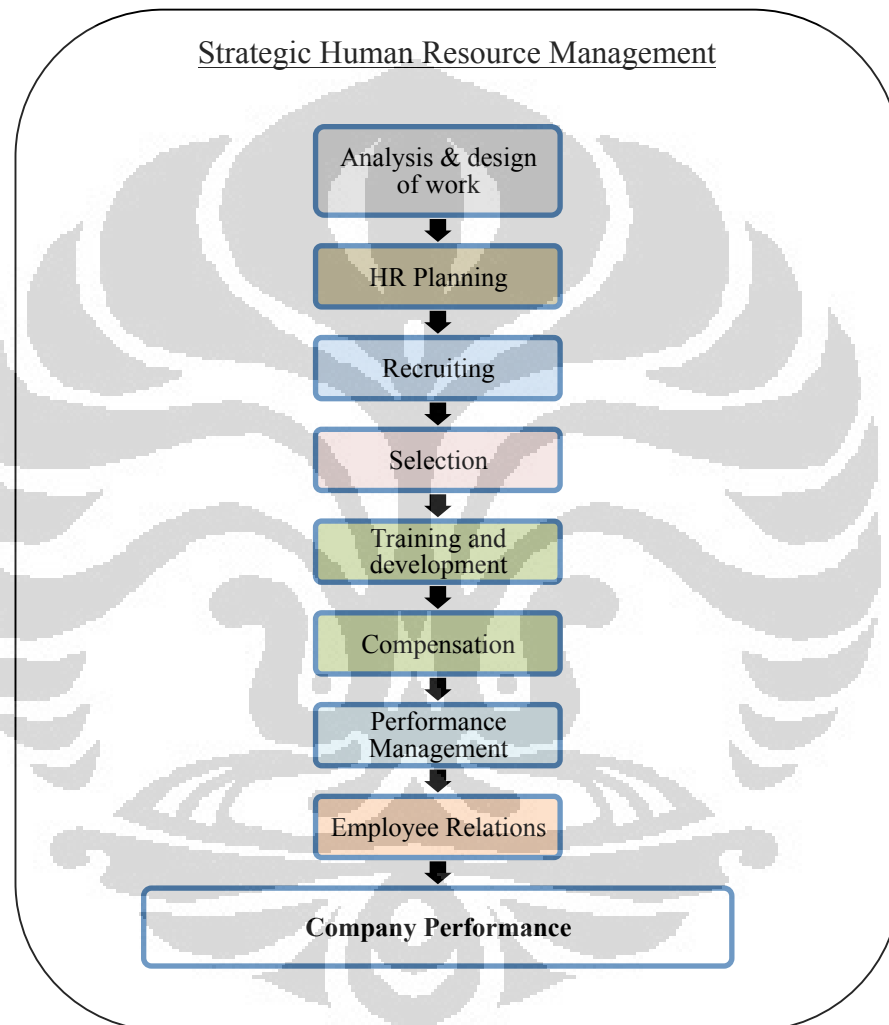


Figure 2.2 Human Resource Management Practices.

Source: Noe, Hollenbeck, Gerhart, & Wright (2009)

The Figure 2.2 describes the human resource function's responsibility to the company. The effectiveness and also the successful of how human resource functions carry out their responsibility can be seen from the company's

performance itself. They must have a good alignment with the other function in the company to achieving the goals.

The role and responsibilities of human resource departments is to consider human resource as a business within the company with three product lines (Noe, et al., 2008).

- a) Administrative Services and Transactions.
 - Compensation, hiring, and staffing.
 - Emphasis: Resource efficiency and service quality.
- b) Business Partner Services.
 - Developing effective human resource systems and helping implement business plans, talent management.
 - Emphasis: Knowing the business and exercising influence – problem solving, designing effective systems to ensure needed competencies.
- c) Strategic Partner.
 - Contributing to business strategy based on considerations of human capital, business capabilities, readiness, and developing human resource practices as strategic differentiators.
 - Emphasis: Knowledge of human resource and the business, competition, the market, and business strategies.

As we can see how human resource function can help organization to improve performance that involved in carrying out human resource aspect of management, that influence employees' behavior, attitudes and performance. However, some organizations outsourced their human resource functions or the organization's administration department handles all matters regarding human resource functions, on the pretext of increasing efficiency or reducing cost. However based on the finding research by Osman, Ho, & Galang (2011) SMEs' employees with human resource department reported a higher level of job satisfaction that impact to the organization performance.

2.2.1 Effective Human Resource Management

In April 1995, United States – General Accounting Office (GAO) sponsored a 2-day symposium of 32 leaders from leading private sector organizations and governments at the state and local levels and abroad to discuss their approaches toward managing people, the principles they employed, the changes they had made, and the lessons they had learned. According to many of the symposium participants, the demand for faster, cheaper, and better service delivery led their organizations to develop new and more flexible ways of managing people. On the basis of the symposium proceedings, GAO discerned eight interrelated principles common to these organizations (United States General Accounting Office, 2000:28):

- a) Value people as assets rather than as costs.
- b) Emphasize mission, vision, and organizational culture.
- c) Hold managers responsible for achieving results instead of imposing rigid, process-oriented rules and standards.
- d) Choose an organizational structure appropriate to the organization rather than trying to make “one size fit all.”
- e) Instead of isolating the “personnel function” organizationally, integrate human resource management into the mission of the organization.
- f) Treat continuous learning as an investment in success rather than as a cost to be minimized.
- g) Pursue an integrated rather than an ad hoc approach to information management.
- h) Provide sustained leadership that recognizes change as a permanent condition, not a one-time event.

As GAO (2000) reported at the time, the sense of the symposium participants was that the eight principles should be treated as a whole and that effective human resource management and effective business practices are inseparable. From this symposium result, it will help organization to improve their management in human resource.

2.3 Competitive Advantage

Managers at all levels in organizations are becoming increasingly aware that a critical source of competitive advantage often comes not having the most ingenious product design or service, the best marketing strategy, state-of-the-art-technology, or the most savvy financial management but from having the appropriate system for attracting, motivating, and managing the organizations' human resource (Mello, 2011). The human asset cannot be replaced by other factors, for that reason it becomes a competitive advantage on its marketplace and the organizations will experience positive impact from the condition.

2.3.1 Relationship Resources, Capability and Competitive Advantage

To gain competitive advantage, the company has to know the capabilities that can be generated by their resources. Ungerer (2004) displayed the relationship between the resources, capability, and competitive advantage.

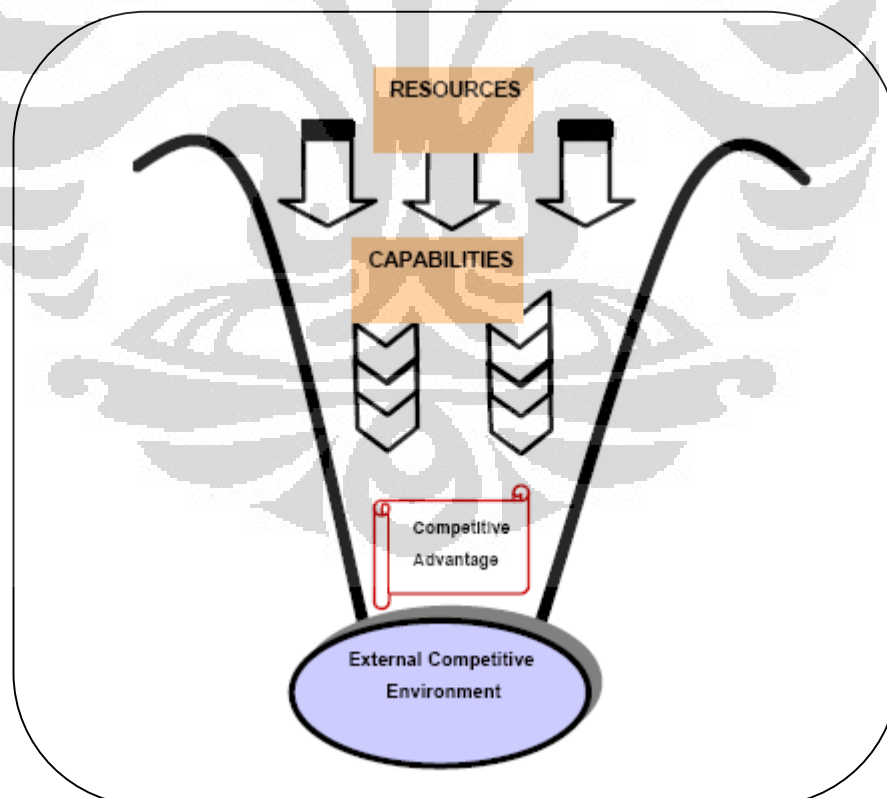


Figure 2.3 Relationship of Resource, Capability, and Competitive Advantage.

Source: Ivanovic, Galicic, & Krstevska (2010)

The Figure 2.3 describes the impact of the resource, capability and competitive advantage into the external environment. Resources represent physical, human and organization capital resources. Meanwhile capabilities consist of numerous interactive routines in the business processes that are usually functionally used and/or operationally intersected units. The competitive advantage emerges based on organization capabilities. It can be concluded that the competitive advantage can be acquired in the external environment, if the capability of a resources can be fully utilized.

2.3.2 Competitive advantage through Investment in Human Resource

It is important to manage employees, their knowledge and competences are such a way that the organization can build a long-term competitive advantage (Pablos & Lytras, 2008). Sometimes there is only short-term commitment that exists between employees and company, employees can freely walk or leave the company at anytime. From this condition, organization should have developed a stronger relation through long-term investment strategy in human resource and it will create a stronger competitive advantage.

According to Mello (2011:14), Investments in HR are longer term, once an organization gains a competitive advantage through its employees, the outcomes associated with the strategy are likely to be enduring and difficult to duplicate by competitors as such programs and values become more firmly entrenched in the organization's culture. Although investments in human assets may be risky and the return may take a long time to materialize, investment in people continues to be the main source of sustainable competitive advantage for organizations.

2.4 Human Capital

The constant change in the working environment will force the organizations to make an adjustment in their new conditions. All the changes reinforce the importance of the employees for the organization. We should change the old perspective of how employees being treated as easily replaceable resources, because the company has to start treat them like other organizational capital. The

employees must to be treated as human capital and not as usual human resource that do all the administrative tasks. “The companies need to dedicate greater attention to their essential part – the people (the employees). The time has come when human potential, that is to say the employees in the organization, should be viewed from a different perspective” (Ivanovic, Galicic, & Krstevska, 2010).

Before we analyze deeper about the importance of human capital, maybe first we have to understand what human capital is? A team of human resource management authors offered the perspective “We’re living in a time when a new economic paradigm – characterized by speed, innovation, short cycle times, quality, and customer satisfaction – is highlighting the importance of intangible assets, such as brand recognition, knowledge, innovation, and particularly human capital” (Kreitner & Kinicki, 2010). Other theory of human capital is a caused-and-effect description of how people create business value (Hall, 2008).

Human capital is the productive potential of an individual’s knowledge and actions (Kreitner & Kinicki, 2010). On these days or in the future, the employee who has the right combination of knowledge, skills, and motivation will do extremely well to represents human capital by giving a competitive advantage for the organization. Fitz-enz (2000:23) stated, “As staff groups utilize human capital more effectively, they increase their contribution to the goals of the enterprise”.

2.4.1 Human Capital Management

Usually, the relationship between the employee and the organization is made by contracts, in which the employee commits himself to use his knowledge, learning and skills for the benefit of the company. In return, the organization provides a reasonable compensation. Organizations hold a hierarchical and interdependent relationship with their employees, and organizations benefit from employee performances but they also have a supporting obligation and responsibility towards them (Marrewijk & Timmers, 2003). The model Figure 2.4 focuses on the alignment between the individual employee and the collective organization.

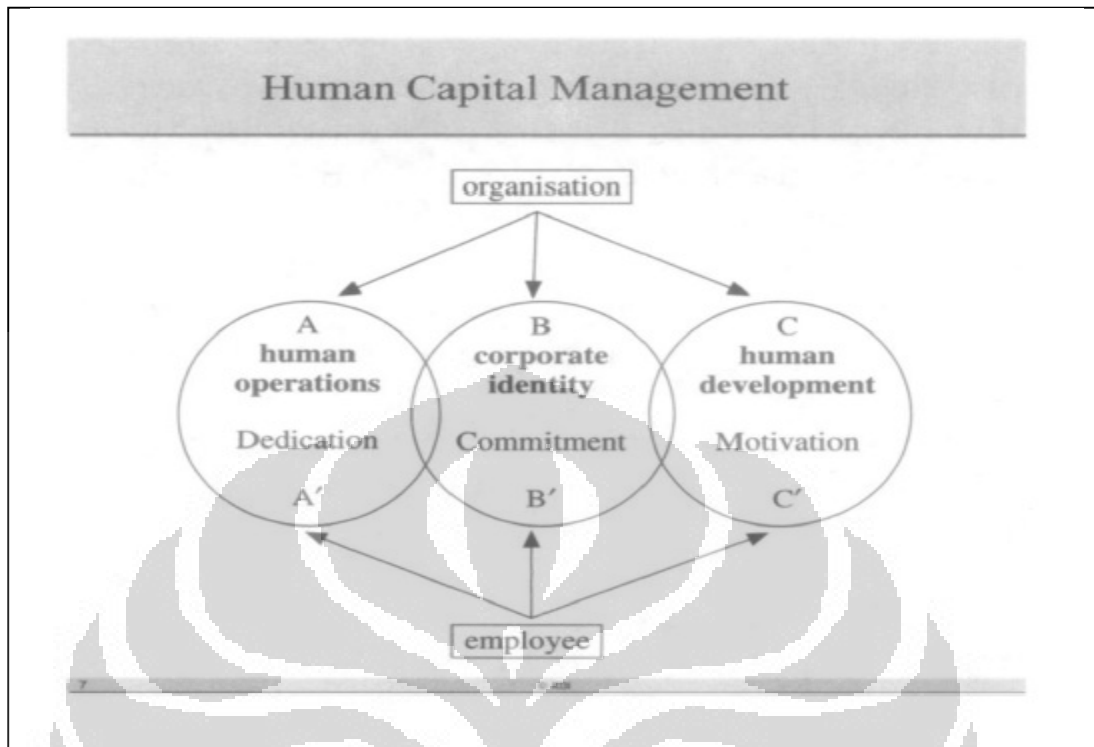


Figure 2.4. An Alignment Model for Human Capital

Source: Marrewijk & Timmers (2003)

The complex work-situation demands that employees and organizations find a certain alignment in goals and responsibilities. The alignment with the employees (human capital) takes place in three domains Marrewijk & Timmers (2003:175):

a. Corporate Identity and Values

Human capital management aims at the proactive development and stimulation of the organization's identity and corporate culture. The company's mission and supporting values greatly influence the corporate identity, policies, institutional structures and thus corporate behavior, also with respect to its employees.

b. Human Operations

The next domain, "human operations", represents all tasks and execution of planned activities. When operational and supporting processes take place in a context of dialogue and alignment, employees show dedication and high productivity.

c. Human Developments

Organizations innovate and technologies and markets change. To be able to keep up with these developments, employees - the human capital - need to develop as well. New knowledge and skills have to be learned and competencies trained. Within this domain, an alignment needs to be established, between the tempo of the development inside and outside the organization, and the direction and extent of competence development with respect to individual employees.

Corporate identity and values, human operations and human developments have to be in line with dedication, commitment and motivation. The goals and approach of "Investors in People" are very well connected to the crucial aspect of human capital management. Human capital Management primarily aims at establishing and supporting this alignment between the individual and the collective. A successful organization-employee alignment results in commitment, dedication and loyalty. In a process of alignment between individuals and the organization, the mission, vision and company goals are formulated and eventually translated into individual tasks and responsibilities. Aligning the personal characteristics, attitudes and competences of the available human capital with the collective needs of the organization, essentially differs from the top down approach of resource planners (Marrewijk & Timmers, 2003).

2.4.2 Building Human and Social Capital

In the United States, the following “perfect storm” of current and emerging trends heightens the importance and urgency of building human capital (Kreitner & Kinicki, 2010):

- Spread of advance technology to developing countries with rapidly growing middle classes (e.g., China, India, Russia, and Brazil).
- Off-shoring of increasingly sophisticated jobs (e.g., product design, architecture, medical diagnosis).
- A comparatively poor math and science skill among America’s youth.

- Massive brain drain caused by retiring post-World War II baby-boom generation.

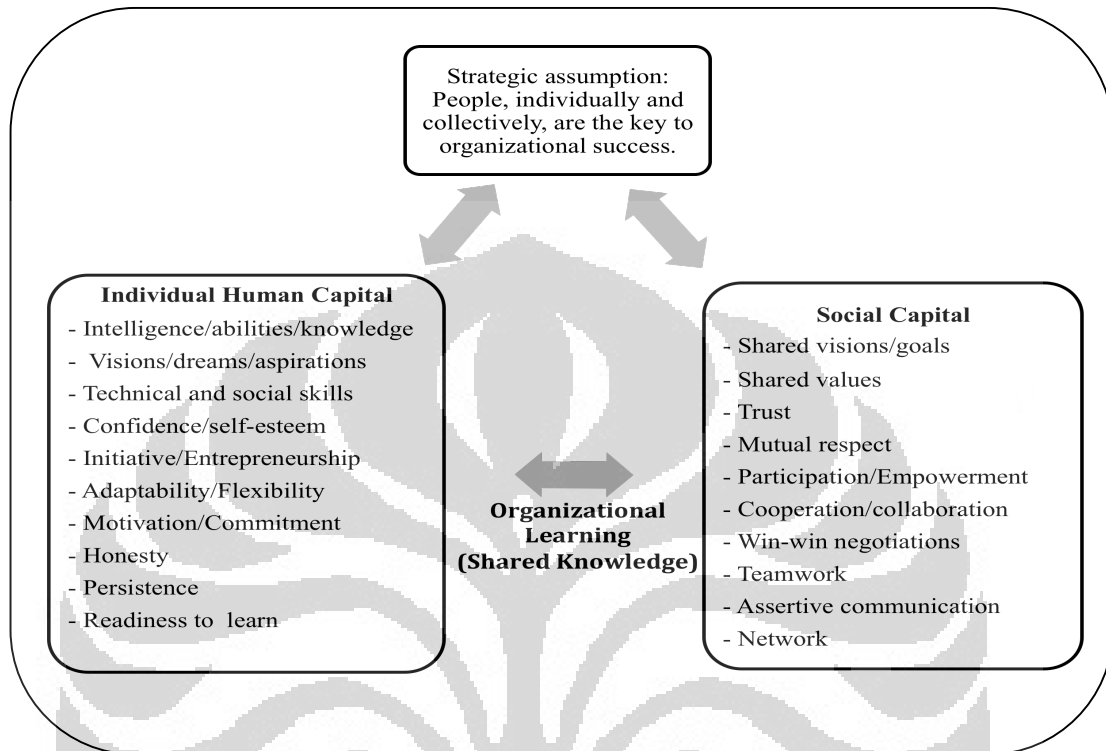


Figure 2.5 The Strategic Importance and Dimensions of Human and Social Capital.

Source: Kreitner & Kinicki (2010)

The Figure of 2.4.2 describes the strategic relation of human capital and social capital that will create a formula of organizational success. The social capital is needed to leverage individual human capital for generate the excellent outcome from organization.

2.5 Human Capital in United States - General Accounting Office (GAO)

The U.S. General Accounting Office which is renamed in 2002 as The U.S. Government Accountability Office (GAO) is known as "the investigative arm of Congress" and "the congressional watchdog." GAO supports the Congress in meeting its constitutional responsibilities and helps improving the performance and accountability of the federal government for the benefit of the American people. The changes in social, economic and technological are influencing the

organization around the world on how to conduct their business strategy. To meet the changing environment, federal agencies need to give human capital a higher priority than ever before and modernize their human capital policies and practices. There are two key principles that are central to the human capital idea. First, people are assets whose value can be enhanced through investment. As with any investment, the goal is to maximize value while managing risk. Second, an organization's human capital policies must be aligned to support the organization's shared vision – that is mission, vision for the future, core values, goals and objectives, and strategies by which the organization has defined its direction and its expectations for itself and its people (United States General Accounting Office, 2000:1).

The American congress asked the federal agencies to change the way their managed the organization by building a framework for more businesslike and result-oriented management. The financial management, information management and also performance-based management were reformed, but there was another factor that agency forgot to set up. The human capital management had not been emerged by the federal agencies.

To fill the gap, on September 2000, The U.S. General Accounting Office released a document entitled *Human Capital: A Self Assessment Checklist for Agency Leaders*. In general, through this document, the leaders of agency are being recommended to take practical steps to improve human capital practices which are first by performing self-assessment.

2.5.1 The Advantage of GAO Human Capital Self – Assessment

The company should conduct the self-assessment to their organization. Self-assessment is starting point for creating “human capital organizations” – agencies that focus on valuing employees and aligning their “people policies” to support organizational performance goals (United States General Accounting Office, 2000). Jackson (2010) stated, “The GAO/OCG version further defined and strongly encouraged agency leaders to use human capital self-assessment to help

them understand the strengths and limitations of their hiring, diversity, retention, promotion, succession cycle, and performance incentive human capital systems. The intent of self-assessment was to aid federal agency leaders in developing a profile of their human capital, provide useful historical and perspective views of the adequacy of their programs or reveal any human capital gaps that may need to be filled (United States General Accounting Office, 2000).

The GAO self-assessment approach was based primarily on two principles that are central to the human capital concept: investing in employees and aligning “people policies” to fulfill an organization’s shared vision. The GAO self assessment approach emphasized investment in enhancing the value of individual employees and the agency workforce as a whole. The self-assessment also measured if the agency maintained an “established, clearly defined, and communicated shared vision”(to include a mission, vision for the future, core values, goals and objectives, and strategies) and aligned its resources and systems to support it (United States General Accounting Office, 2000).

2.5.2 The Concept of Self-Assessment

Ritchie & Dale (2000) explained the understanding of self-assessment is a comprehensive, systematic and regular in-house review of an organization’s activities and results (that) allows the organization to discern clearly its strengths and areas in which improvements can be made and culminates in planned improvement actions which are monitored for progress (Jackson, 2010). And according to Wilson (1999), “a small to medium size enterprise (SME) assessment process provides (a) a means to drive improvement activity, (b) a recognition for improvements in business performance, (c) a structure to look strategically at the business, and (d) the ability to relate improvements to a single reference framework” (Jackson, 2010).

2.5.3 The Framework for GAO Human Capital Self – Assessment

The GAO Self-assessment framework has five parts. Each part contains at least two key questions for a quick assessment of the agency’s human capital policies and practices in the respective area.

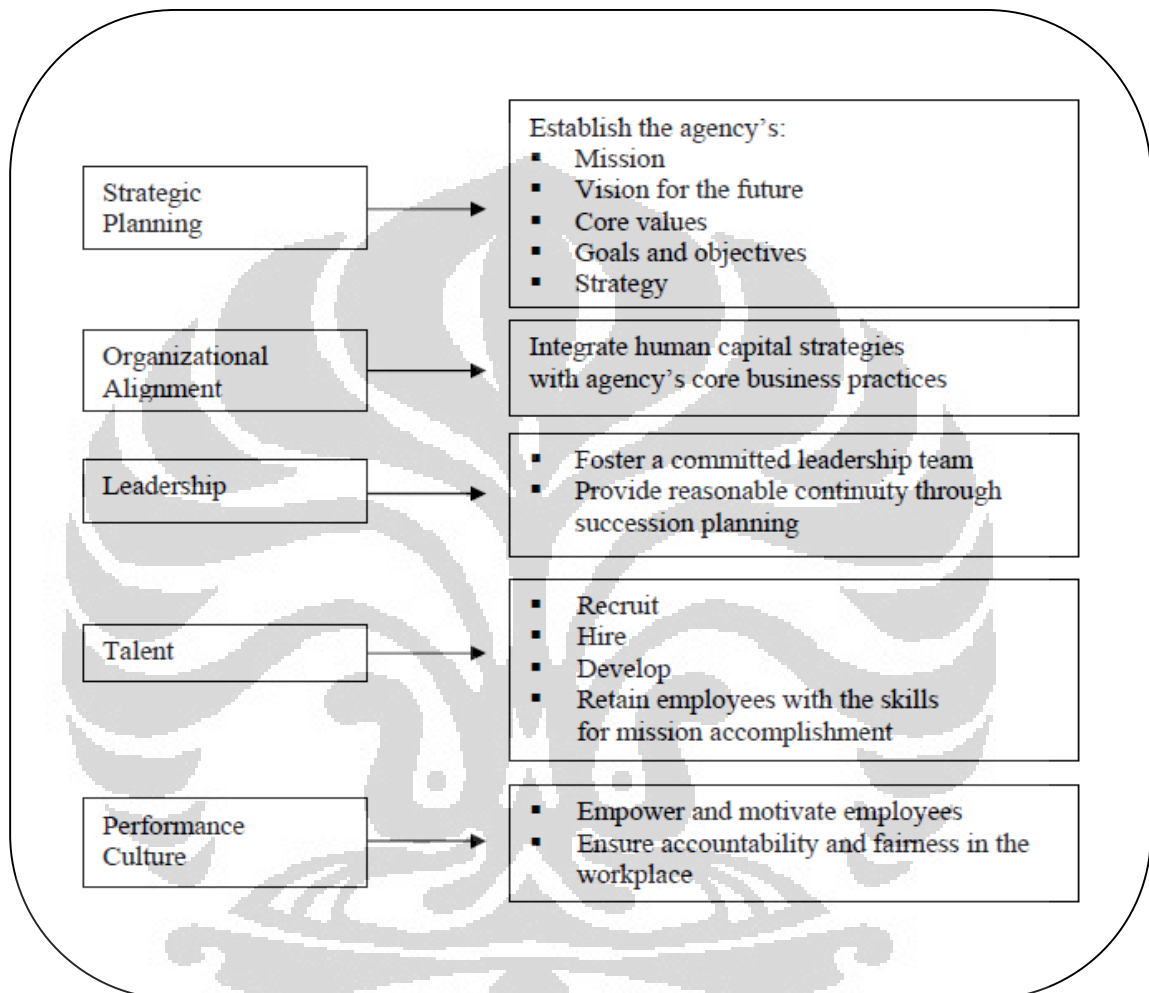


Figure 2.6 The Framework for GAO Human Capital Self – Assessment.

Source: United States General Accounting Office (2000)

On figure 2.6, each parts of self-assessment consist of several key points that management has to know. For example in strategic planning, management has to acquire information regarding the goals and objectives that employees have to understand.

But other important thing that management has to know, there are certain unifying considerations should be kept in mind in doing self-assessment of those five dimensions, which are (United States General Accounting Office, 2000:10):

- **All aspects of human capital are interrelated**

The principles of effectively managing people are inseparable and must be treated as a whole. Any sorting of human capital issues may have a sound rationale behind it, but no sorting should imply that human capital issues can be compartmentalized and dealt with in isolation from one another.

- **Trust requires transparency**

To pursue its shared vision effectively, the agency must earn the trust of its workforce by involving employees in the strategic planning process and by ensuring that the process is transparent—that is, consistently making it clear that the shared vision is the basis for the agency’s actions and decisions.

- **Merit principles and other national goals still apply**

Performance based management does not supercede the merit principles or other national goals, such as veterans preference. A modern merit system will achieve a reasonable balance among taxpayer demands, employer needs, and employee interests.

- **Constraints and flexibilities need to be understood**

The purpose of human capital self-assessment is to help agencies target areas in which to make changes in support of their organizational missions and other needs. Agencies that identify areas for improvement need to learn what constraints exist that apply to them and what flexibilities are available.

- **Fact-based human capital management requires data**

Federal agencies typically do not have the data required to effectively assess how well their human capital approaches support results. A more fact-based approach to human capital management will entail the development and use of data that demonstrate the effectiveness of human capital policies and practices—thereby improving managers’ ability to maximize the value of human capital investments while managing the related risks.

- **The use of best practices requires prudent decision making**

Identifying best practices and benchmarking against leading organizations are both potentially useful and important pursuits. Federal agencies must be careful to recognize the unique characteristics and circumstances that make organizations different from one another and to consider the applicability of practices that have worked elsewhere. For example, the environments in which public and private sector organizations operate differ significantly; our work has shown that many management principles identified in the private sector are applicable to the federal sector, but these differences need to be taken into account when agencies consider alternatives to their current management approaches.

- **Attention to human capital must be ongoing**

To be effective, strategic human capital management requires the sustained commitment and attention of senior leaders and managers at all levels of the agency. Managing the workforce is not a problem for which the organization can supply an answer and then move on. Rather, managers must continually monitor and refine their agencies' human capital approaches to ensure their ongoing effectiveness and continuous improvement.

2.6 Basis for Human Capital Management in United States – General Accounting Office (GAO)

In 1999, GAO was asked to identify what common principles, if any, underlay the human capital strategies and practices of private sector organizations regularly cited as leaders in the area of human capital management. The objectives of the assignment were to identify these principles and to offer illustrative examples that federal managers might consider as they work to improve their agencies' human capital approaches (United States General Accounting Office, 2000:29).

To gather this information, GAO interviewed representatives of nine private sector organizations that were recognized in the current literature as being innovative or effective in strategically managing their human capital: Federal Express Corp.; IBM Corp.; Marriott International, Inc.; Merck and Co., Inc.;

Motorola, Inc.; Sears, Roebuck and Company; Southwest Airlines Co.; Weyerhaeuser Co.; and Xerox Corp., Document Solutions Group. On the basis of the information they provided, GAO identified 10 underlying and interrelated principles of human capital management that were common to the nine organizations (United States General Accounting Office, 2000:29):

- a. Treat human capital management as being fundamental to strategic business management.
- b. Integrate human capital considerations when identifying the mission, strategic goals, and core values of the organization well as when designing and implementing operational policies and practices.
- c. Integrate human capital functional staff into management teams. Include human capital leaders as full members of the top management team rather than isolating them to provide after-the-fact support. Expand the strategic role of human capital staff beyond that of providing traditional personnel administration services.
- d. Leverage the internal human capital function with external expertise. Supplement internal human capital staff's knowledge and skills by seeking outside expertise from consultants, professional associations, and other organization, as needed.
- e. Hire, develop, and sustain leaders according to leadership characteristics identified as essential to achieving specific missions and goals.
- f. Identify the leadership traits needed to achieve high performance of mission and goals; and build and sustain the organization's pool of leaders through recruiting, hiring, development, retention, and succession policies and practices targeted at producing leaders with the identified characteristics
- g. Communicate a shared vision that all employees, working as one team, can strive to accomplish.
- h. Promote a common understanding of the mission, strategic goals, and core values that all employees are directed to work as a team to achieve. Create a line-of sight between individual contributions and the organization's performance and results.

- i. Hire, develop, and retain employees according to competencies.
- j. Identify the competencies knowledge, skills, abilities, and behaviors needed to achieve high performance of mission and goals and build and sustain the organization's talent pool through recruiting, hiring, development, and retention policies and practices targeted at building and sustaining those competencies.
- k. Use performance management systems, including pay and other meaningful incentives, to link performance to results.
- l. Provide incentives and hold employees accountable for contributing to the achievement of mission and goals. Reward those employees who meet or exceed clearly defined and transparent standards of high performance.
- m. Support and reward teams to achieve high performance.
- n. Foster a culture in which individuals interact and support and learn from each other as a means of contributing to the high performance of their peers, units, and the organization as a whole. Bring together the right people with the right competencies to achieve high performance as a result, rather than in spite, of the organizational structure.
- o. Integrate employee input into the design and implementation of human capital policies and practices.
- p. Incorporate the first-hand knowledge and insights of employees and employee groups to develop responsive human capital policies and practices. Empower employees by making them stakeholders in the development of solutions and new methods of promoting and achieving high performance of organizational missions and goals.
- q. Measure the effectiveness of human capital policies and practices. Evaluate and make fact-based decisions on whether human capital policies and practices support high performance of mission and goals. Identify the performance return on human capital investments.

2.6.1 Useful Measures/Risk Indicators for Human Capital Management

Agencies that want to assess and make fact-based decisions involving their human capital may look at a variety of quantifiable data, including, but not limited to,

those listed below. Valid and reliable data are crucial, not just for maximizing the value of human capital but for managing risk as well. The kinds of data listed here can be used to spotlight risk factors—such as unacceptably high turnover among employees in mission-critical occupations or low acceptance rates among job candidates to whom positions are offered—and alert agency leaders to the need for corrective actions. Leaders may want to determine whether human capital data such as these are available, how frequently they are updated, and whether they are consistently used for planning and decision making (United States General Accounting Office, 2000:34).

- Size and shape of the workforce including, but not limited to: the distribution of employees by pay level, attrition rates, retirement rates and projected eligibility by employee pay level, and ratio of managers to employees.
- Attrition rates, retirement rates, and projected retirement eligibility of agency leaders.
- Skills inventory including, but not limited to: current and potential gaps in skills, distribution of skills by demographic cohort, and level of education of the workforce.
- Data on numbers and deployment of temporary employees and contract workers.
- Data on the dispersal of performance appraisal ratings, such as the mean, mode, and standard deviation of scores.
- Average period required to fill vacancies and trends over time.
- Data on the number, size, and costs of bonuses, awards, and other incentives, and their distribution among segments of the workforce.
- Data from employee satisfaction surveys and focus groups.
- Data from exit interviews.
- Information technology expenses, such as equipment costs, contractor support, upgrades, and training.
- Statistics on grievances, EEO complaints, and findings over time.

- Number and types of cases handled and/or resolved via alternative dispute resolution (ADR) programs.
- The agency's total human capital cost in dollars and as a percentage of total operating budget.
- Percentage of operating budget spent on recruitment.
- Acceptance rates among job candidates to whom positions are offered.
- Costs of promotions, grade increases, and within-grade increases.

In addition to reviewing internal data, agencies may find it useful to benchmark their human capital data against those of high-performing public and private sector organizations with comparable missions and circumstances.

2.7 Human Capital Dimension - Strategic Planning

A company's strategy consists of the competitive moves and business approaches that managers employ to attract and please customers, compete successfully, grow the business, conduct operations, and achieve targeted objectives (Thompson, Strickland, & Gamble, 2005). To achieve excellent and successful strategy, company must first construct a plan. Planning has always been regarded as part of management. If the human resource management department is not doing planning, then is probably not doing its work correctly (Sibson, 1992). Even when there are unexpected events that require immediate attention, planning helps the organization get back on the track quickly and without wasted activity.

Hodgetts and Luthans (2003) state, "strategic planning is the process of determining an organization's basic mission and long-term objectives, then implementing a plan of action for attaining these goals". Sibson (1992) explained "Strategic planning avoids costly and disruptive surprises that can prevent achieving goals and also avoids costly emergencies". Most of the MNCs employ strategic planning, and the result of the planning is coming from a careful analysis of both internal and also external environment. The strategic planning will be succeeding if the company can accurately forecast the external environment and appraised the strength and weakness of the internal company. One of the main reasons companies need to build strategic planning is to follow of their

increasingly diversified operations in a continuously changing environment. Strategic planning provides sense of direction and sets priorities that affect what is done and the focus of work.

Strategic Planning establish the Agency's Mission, Vision for the Future, Core Values, Goals and Objectives, and Strategies. High-performance organizations begin by defining what they want to accomplish and what kind of organization they want to be. They define a "shared vision"—i.e., a mission, a vision for the future, core values, goals and objectives, and strategies—and communicate that shared vision clearly, constantly, and consistently. The agency's shared vision provides the standard for assessing the appropriateness and effectiveness of everything the agency does (United States General Accounting Office, 2000). In the area of human capital, the company should develop strategies to make an improvement in the value of its employees and focus their efforts on the company's vision. The impact from this strategy should be in the most excellent similar interests of employer and employee, which the company's capacity to achieve its shared vision will enhance, while its employees will take the advantage from the incentives of working for a high-performance organization. According to Marrewijk & Timmers (2003), "successful companies pay much attention to the communication of the company's vision and the organizational values. This way the corporate identity can inspire employees to perform to their best abilities."

Communication creates meaning for people. Or it should. It is the only way any group, small, large, can become aligned behind the overarching goals of an organization. Getting the message across unequivocally at every level is an absolute key. Basically it is what the creative process is all about (Bennis & Goldsmith, 1994).

2.7.1 The Strategy Making

In the early process of making the company's strategy, the organization must determine in where directions they have to go, or what items they should changes (product, technology, or people) in objectives to improving their current

performance in the market. The Figure 2.8 explained several phases of direction-shaping factors that are needed to be considered in make a decision in where to head and why such a direction makes good business sense.

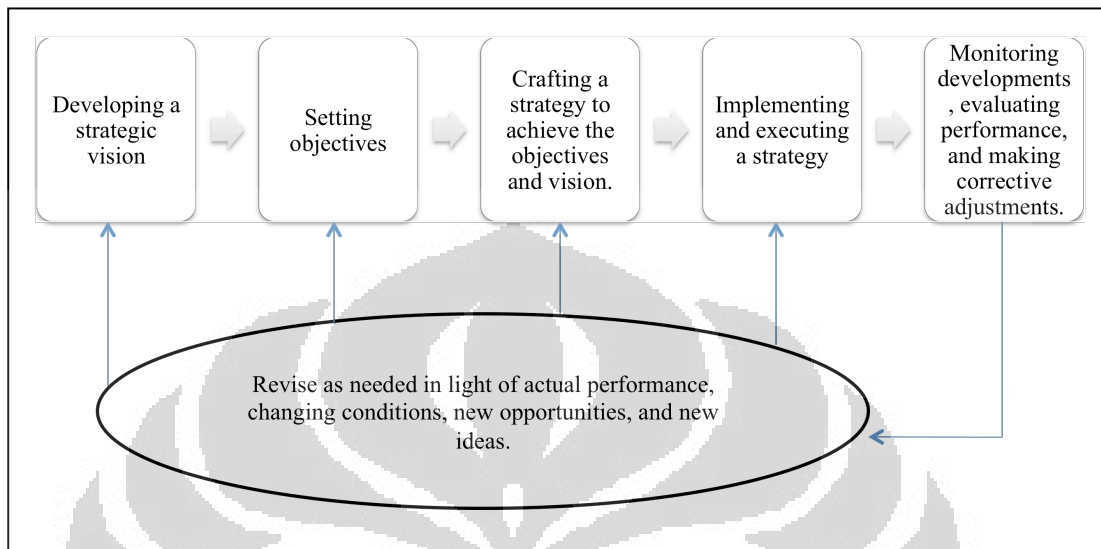


Figure 2.7 The Strategic-Making, Strategy-Executing Process

Source: Thompson, Strickland, & Gamble (2005)

For starting point, the company must focus constitute a strategic vision for the company. “A strategic vision is a road map showing the route of a company intends to take in developing and strengthening its business. It paints a picture of a company’s destination and provides a rationale for going there “(Thompson, Strickland, & Gamble, 2005). Not only creating the strategic vision, after the company succeed to establish it, constantly they have to communicate their strategic vision to the employees.

The next phase that the company must focus on is setting their objectives. Objectives are an organization’s performance targets-the results and outcomes it wants to achieve. They function as yardsticks for tracking an organization’s performance and progress. The purpose of setting objectives is to convert the strategic vision into the goal that company wants to achieve in the future. Meanwhile Crafting strategy is concerned principally with forming responses to changes under way in the external environment, devising competitive moves and

market approaches aimed at producing sustainable competitive advantage, building competitively valuable competencies and capabilities, and uniting the strategic actions initiated in various parts of the company (Thompson, Strickland, & Gamble, 2005).

By merging the strategic vision, setting objectives, and crafting a strategy, the company will generate *strategic plan*. A company's *strategic plan* lays out its future direction, performance targets, and strategy. In small privately owned companies, strategic plans exist mostly in the form of oral understanding and commitments among managers and key employees about where to head, what to accomplish, and how to proceed (Thompson, Strickland, & Gamble, 2005).

2.8 Human Capital Dimension - Organization Alignment

Organizational alignment integrates human capital strategies with the agency's core business practices. High-performance organizations choose the best strategies for integrating their organizational components, activities, core processes, and resources to support mission accomplishment. Likewise, high-performance agencies align their human capital management systems—from the organizational level down to individual employees—with their strategic and program planning. As with any comparable investment of resources, the goal is to maximize value while managing risk. In the human capital area, this requires workforce planning that is explicitly linked to the agency's shared vision. It also requires that what has traditionally been called the "personnel" or "human resources (HR)" function undergo a fundamental reorientation, from being a strictly support function involved in managing personnel processes and ensuring compliance with rules and regulations, to taking a "place at the table" with the agency's top management team (United States General Accounting Office, 2000, p.15).

Effective human capital professionals must have the appropriate preparation and experience not just to provide effective mission support, but to participate as partners with line managers and staff in developing, implementing, and assessing the agency's human capital approaches (United States General Accounting Office,

2000). Alignment has to be found between the values and goals of individuals and the collective, between employees and organizations. Alignment between personal and company-values characterizes successful organizations (Marrewijk & Timmers, 2003).

2.9 Human Capital Dimension – Leadership

Most definition leadership reflect the assumption that involves a process whereby intentional influence is exerted by one person over other people to guide, structure, and facilitate activities and relationships in a group or organization (Yukl, 2002:3). Ulrich, Smallwood, and Sweetman (2008) stated that beyond our personal awareness, research has shown that the quality of leadership helps meet the expectations of investors, customers, and employees. While we can stipulate that leadership matters and that we know it when we encounter it, it is more difficult to find the answer on simple question, “What makes an effective leader?” In study after study about what CEO’s worry about, a chronically important topic is how to develop the next generation of effective leaders.

According to Yukl (2002), leadership effectiveness is occasionally measured in terms of the leader’s contribution to the quality of group processes, as perceived by followers or by outside observers. Does the leader enhance group cohesiveness, member cooperation, member motivation, problem solving, decision making, and resolution of conflict among members? Does the leader contribute to the efficiency of role specialization, the organization of activities, the accumulation of resources, and the readiness of the group to deal with change and crises? Does the leader improve the quality of work life, build the self confidence of followers, increase their skills, and contribute to their psychological growth and development?

But there is no simple answer to the question of how to evaluate leadership effectiveness. The selection of appropriate criteria depends on the objectives and values of the person making the evaluation, and people have different values (Yukl, 2002). As mentioned before on chapter 1, the condition of PT. XYZ is on the changing process due to the management decided to take different business

strategy for the organization. On this situation, the organization is demanding for a leader who can be reliable on. Yukl (2002:273) defined “effective leadership is needed to revitalize an organization and facilitate adaptation to a changing environment”.

2.9.1 Communicating a Vision

Yukl (2002:283) also found that the research on charismatic and transformational leadership indicates that a clear and compelling vision is very useful to guide change in an organization. Through a clear communication of organization’s vision between leader and employees, it will improve strong alignment between them.

Bennis & Goldsmith (1994:99) explained that while leaders come in every size, shape, and disposition – short, tall, neat, sloppy, young, old, male, and female – there is at least one ingredient that every leader shared: concern with a guiding purpose, an overarching vision. They were more than goal directed, they were vision directed.

A committed senior leadership team is essential to fostering an agency’s shared vision (i.e., its mission, vision for the future, core values, goals and objectives, and strategies), aligning organizational components so that the agency can best pursue this vision, and building a commitment to the vision at all levels of the organization. To become a high-performance organization, an agency needs senior leaders who are drivers of continuous improvement and whose styles and substance are in accord with the way the agency sees its mission and its own character. To create a workforce that shares this vision and is aware of the contribution that each employee can and must make toward achieving it, the agency’s senior leaders must work as a team to convey a clear and consistent portrayal of this vision throughout the organization by their words and deeds and the example they set. Political appointees and career managers may bring differing values to the team, but they must work at building mutual understanding and trust and at committing themselves to a shared set of goals for their agency.

These goals can take years to achieve, so the agency must have a succession planning strategy that ensures a sustained commitment and continuity of leadership even as individual leaders arrive or depart (United States General Accounting Office, 2000:17).

2.10 Human Capital in Small Medium Enterprise (SME)

According to U.S. Small Business Administration (2004) small business is independently owned and operated and which is not dominant in its field of operation. However the U. S. Small Business Administration does not provide a single, universal numerical definition of small business by employee head count but rather it established a “size standard” that contained numerical definitions based on industry categories. A common size standard referenced is 500 or fewer employees (Jackson, 2010).

The increase of growth from small medium enterprise has given positive impact to the welfare and economic condition cause of the availability of job opportunity that also increase. However, according to Huselid (2003), there is still little known about human resource practices in small organization. In a call for more human resources research in the small business sector, there are four challenges (Jackson, 2010):

- How do we develop and implement an HR strategy in a smaller organization where resources are usually quite limited?
- Do the HR policies and practices that have been designed for larger firms work in smaller firms, too?
- How can we retain and develop talent in such an environment?
- What are the specific research questions and challenges that can help us to begin to frame our future work on HR in small and medium enterprises?

The management in SME has to have a knowledge and competency in managing their human capital. But sometimes they cannot reach their goals because of poor management. According to Pickle and Abrahamson (1989) the common problems

that usually appear in small company are include inadequate management caused of lack experience and incompetence, neglect, fraud, and also stress. Now the question is how can a company run their business if they don't have inadequate management to handle their employees as valuable human capital?

The other common problem that small company has to deal is from the owner itself. Megginson, Byrd & Megginson (2000) explained that a common problem in small firm is the owner's reluctant to delegate authority. This practice prevents the owner from devoting time to more pressing needs while also preventing others from developing into well-rounded workers.

2.10.1 Family Owned Company

Susanto (2005) divided family company into two kinds. The first is a family owned enterprise (FOE), which is owned by the family but managed by professionals from outside the family circle. The family only acts as owner and does not involve itself in operations in the field. And the second type of family business is family business enterprise (FBE), a company owned and managed by the founding family. The company type is characterized by holding key positions within the company by a family member. According to the current condition, PT. XYZ is included in family owned enterprise (FOE) categories.

Family-owned companies are characterized as organizations in which the shareholders belong to the same family and participate substantially in the management, direction, and operation of the company. "A family business refers to a company where the voting majority is in the hands of the controlling family; including the founder(s) who intend to pass the business on to their descendants". Family firms are companies in which one or more families linked by kinship, close affinity, or solid alliances hold a sufficiently large share of risk capital to enable them to make decisions regarding strategic management (Gulzar & Wang, 2010: 124)

2.10.2 Organic Organization

Based on the observation by the researcher, PT. XYZ is categorized as organic organization. Organic organizations are flexible networks of multitalented individuals who perform a variety of task. Decision making tends to be decentralized in organic organizations. The decentralized decision making occurs when important decisions are made by middle and lower level managers. (Kreitner & Kinicki, 2010: 512).

Organic organization usually use in rapidly changing environment, the internal organization was much looser, free-flowing, and adaptive. Rules and regulations often were not written down or, if written down, were ignored. The hierarchy of authority was not clear. Decision making authority was decentralized (Daft 2009).

Herewith the characteristic of organic organization according to Daft (2009:233):

- Employees contribute to the common tasks of the department.
- Task are adjusted and redefined through employee teamwork.
- There is less hierarchy of authority and control, and there are few rules.
- Knowledge and control of tasks are located anywhere in the organization.
- Communication is horizontal.

CHAPTER 3

RESEARCH METHODOLOGY AND COMPANY PROFILE

3.1 Research Methodology

The purpose of this research was to understand to what extent strategic planning, organizational alignment, and leadership were implemented as part of human capital management in PT. XYZ. To achieve that, the researcher wanted to utilize topic previously established in the United State – General Accounting Office (2000) human capital study. To achieve the purpose of the research, case study interview was conducted with the employees at PT. XYZ.

The human capital GAO (2000) checklist is intended to be a relatively simple diagnostic tool. It is meant simply to capture senior leaders' informed views of their human capital policies and practices. They may wish to develop a kind of "status check" of their human capital situation. However, regardless of whether senior leaders choose to record their views in these terms, the overall picture that emerges through use of the checklist should help them begin a more systematic, in depth, and continuous effort to evaluate and improve their human capital systems.

The research methodology used in this study is qualitative method. Creswell (2003) offered definition, qualitative approach is one in which the inquirer often makes knowledge claims based primarily on constructivist perspective (i.e., the multiple meaning of individual experiences, meanings socially and historically constructed, with the intent of developing a theory or pattern) or advocacy/participatory perspectives (i.e., political, issue-oriented, collaborative, or change oriented) or both. It also uses strategies of inquiry such as narratives, phenomenologies, ethnographies, grounded theory studies, or case studies. The researcher collects open-ended, emerging data with the primary intent of developing themes from the data.

According to Creswell (1998), there are eight significant reasons for conducting qualitative research. First, the *nature* of qualitative research questions are

characterized as asking “how” or “what” is occurring within a topic while quantitative questions ask “why” and look for comparisons, relationships, or cause and effect. The second reason for conducting qualitative research may be that a need exists to *explore* a topic for which variables are not easily identified or perhaps theories must be developed to explain a behavior. Third, qualitative research provides a *detailed view* of the topic or individual; unlike quantitative research that cannot capture a subject’s perspective because of its inferential methods. Fourth, a qualitative approach provides for the study of a topic or subject in their *natural setting*. The researcher is able to gather data within the domain of the subject(s) and keep findings in context. The fifth reason for conducting qualitative research is the researcher’s interest in *writing*, “the writer brings himself or herself into the study, the personal pronoun ‘I’ is used, or perhaps the writer engages a storytelling form of narration”. *Sufficient time and resources* to dedicate to data collection comprise the sixth reason using qualitative research.

After data are collected, extensive time is required for data analysis. Seventh, *audiences are receptive* to qualitative research. Creswell (1998) cited possible audiences as “a graduate adviser or committee, a discipline inclusive of multiple research methodologies, or publication outlets”. Finally, Creswell (1998) suggested using a qualitative approach to underline the researcher’s role as an *active learner* “who can tell the story from the participants’ view rather than as an ‘expert’ who passes judgment on participants” (Jackson, 2010, p. 50).

3.1.1 Methods of Data Collection

In this research, the methods of data collection consist of:

- Field Research
 - a. Interview

The interview is intended to get information based on the employee’s perspective about the company in general and also the human capital management.

- b. Observation in each department.

- **Library Research**

Library research is gathering all related information of human capital management from various sources. The source of information itself comes not only from textbook, but also from journal and the internet article.

Qualitative researchers look for involvement of their participants in data collection and seek to build rapport and credibility with the individuals in the study. The actual methods of data collection, traditionally based on open-ended observations, interviews, and documents, now include a vast vary array of materials, such as sound, e-mails, scrapbooks, and other emerging form (Creswell, 2003).

As mentioned before, the data collection is gathered from interviewees in order to determine to extent the small businesses has operationalized the human capital criteria that presented by the GAO. Merriam (1988) and Marshall and Rossman (1989) contend that data collection and data analysis must be a simultaneously process in qualitative research.

Agar (1980) explained that throughout data analysis, the researcher seek to identify and describe patterns and themes from the perspective of the participant(s), then attempt to understand and explain these patterns and themes (Creswell, 2003).

3.1.2 Interview Methods

There are several types of data collection in qualitative methods, and one of them is through interview. An interview is interactional because there is an exchanging, or sharing, of roles, responsibilities, feelings, beliefs, motives and information. A thorough interview guide is essential for survey interviews because the guide dictates the topic and subtopics to be covered and all primary and secondary questions to be asked (Stewart & Cash, 2006, p. 127).

Creswell (2003) explained the advantage and the limitation of using the interview methods.

Table 3.1 Qualitative Data Collection-Interview Methods

Data Collection	Options With Types	Advantages of The Type	Limitations of The Type.
Interviews	<ul style="list-style-type: none"> • Face-to-face: one on one, in-person interview. • Telephone: researcher interviews by phone. • Group: researcher interviews participants in a group. 	<ul style="list-style-type: none"> • Useful when participants cannot be observed directly. • Participants can provide historical information. • Allows researcher “control” over the line of questioning. 	<ul style="list-style-type: none"> • Provides “indirect” information filtered through the views of interviewees. • Provide information in a designated “place” rather than the natural field setting. • Researcher’s presence may bias responses. • People are not equally articulated and perceptive.

Source: Creswell, 2003.

The research is based on the federal study *Human Capital: A Self-Assessment Checklist for Agency Leaders* by the U.S. General Accounting Office (2000). The self-assessment is conducting through interview method.

In making the report of interview result, it has to be analyzed into the right categories so it can be easy to analyze. Gay et al (2006) described data analysis as “an attempt by the researcher to summarize collected data in a dependable and accurate manner. And then notes were also made and key points and issues were highlighted that enabled the researcher to begin to outline categories (Gay et al., 2006).

For analyzing data, Marshall & Rossman (2006) selected a logical seven-phase analytic procedure presented by: (a) organize the data, (b) become immersed in the data, (c) generate categories and themes, (d) code the data, (e) offer

interpretations through analytic memos, (f) search for alternative understandings, and (g) write the format for presenting the study (Jackson, 2010, p. 76).

Table 3.2 The Interview Key Questions

Elements	Key Questions
Strategic Planning	a) How does your organization make a clearly defined shared vision (mission, vision, core values, goals and objectives), direction and its expectations for the organization? b) How your organization creates a consistent human capital strategy and integrated it with the organization's overall strategic planning?
Organizational Alignment	a) What is the specific workforce planning that organization making to identify its current and future human capital needs? b) How the organization rely on its personnel, human resources, or human capital professionals that can: <ul style="list-style-type: none"> • contribute a "human capital perspective" to the organization's broader strategic planning process? • provide integrated mission support, participate as partners with line managers, and reach out to other organizational functions through facilitation, coordination, and counseling? • lead or assist in the organization's workforce planning efforts and in developing, implementing, and assessing human capital policies and practices that will help the organization achieve its shared vision?
Leadership	a) How the organization defined its leaders' roles, responsibilities, attributes and competencies and the performance expectations it has for them in its shared vision? b) How high-level leaders pursue an explicit strategy to build teamwork, communicate the organization's shared vision in clear and consistent terms to all levels of the organization and receive feedback from employees?

Source: United States General Accounting Office, 2000

Table 3.2 disclosed the interview key questions which were focusing on three major elements, which are strategic planning, organizational alignment, and leadership as the guidelines.

3.1.3 The Research Strategy

For this case study, the research is using descriptive method. Gummesson (2000) explained the descriptive case study is an attempt to describe. The description is largely a matter of mere observation and reporting, or reading other people's reports and summarizing – at best, systematizing.

Marshall & Rossman (2006) proposed descriptive research “to document and describe the phenomenon of interest” by inquiring about “the salient actions, events, beliefs, attitudes, and social structures and processes occurring in this phenomenon” (Jackson, 2010, p. 51). To examine the certain situation as it is, the descriptive research is the most appropriate strategy that researcher can determine (Jackson, 2010).

3.1.4 Strategy of Inquiry

Operating at a more applied level are strategies of inquiry that provide specific direction for procedures in research design (Creswell, 2003). Yin (2003) submitted three conditions to consider when selecting a research strategy “(a) the type of research questions, (b) the control an investigator has over actual behavioral events, and (c) the focus on contemporary as opposed to historical phenomena” and Yin further suggested that the case study strategy was appropriate when “a ‘how’ or ‘why’ question is being asked about a contemporary set of events over which the investigator has little or no control” (Jackson, 2010, p. 55). T

The case study concept explores in depth a program, an event, an activity, a process, or one or more individuals. The case(s) are bounded by time and activity, and researchers collect detailed information using a variety of data collection procedures over a sustained period of time (Creswell, 2003). For this human capital research, the data collection through interview is utilizing “how” questions, therefore the researcher doesn't control the respondent statement.

3.2 PT. XYZ (Medical and Hospital Equipment Investor)

PT.XYZ is a small medium enterprise where they serve out their business as a distributor agent for medical and hospital equipment. They have experience in this business for almost 30 years, and their majority business partner is related with the Indonesia government. As time pass by, the business environment is changing simultantly, PT. XYZ management decided to change their business strategy but still related to the medical and hospital equipment.

In 2006, PT. XYZ has determined to change business direction from a distributor to become investor property in medical and hospital equipment. In 2009, PT. XYZ already succeeds to make business agreement for investing advance laboratory in one of the government hospital in Jakarta. Through this business agreement, PT. XYZ will generate income from the profit sharing of the laboratory utilization in the respective hospital.

PT. XYZ was built and developed by professionals who experienced in its field and is supported by the Board of Commissioners who are experienced in planning and implementing a plan to develop the health system in Indonesia. As a company who committed to promoting health in Indonesia and always strives to provide the best services, PT. XYZ always has the principle of 3B; Best Quality, Best Price, and Best Services.

3.2.1 Vision and Mission.

The vision from PT. XYZ is:

“Become a leading medical and hospital equipment company, Professional, Realistic and Objective.”

The mission from PT. XYZ is:

“Build strategy of togetherness among suppliers, manufacturers and the use of medical and hospital equipment so the products and services produced high value, economical, efficient and effective in advancing the business of health. PT.

XYZ also always tries to improve the human resources that are reliable and dedicated to world health in Indonesia.”

3.2.2 Organizational Structure

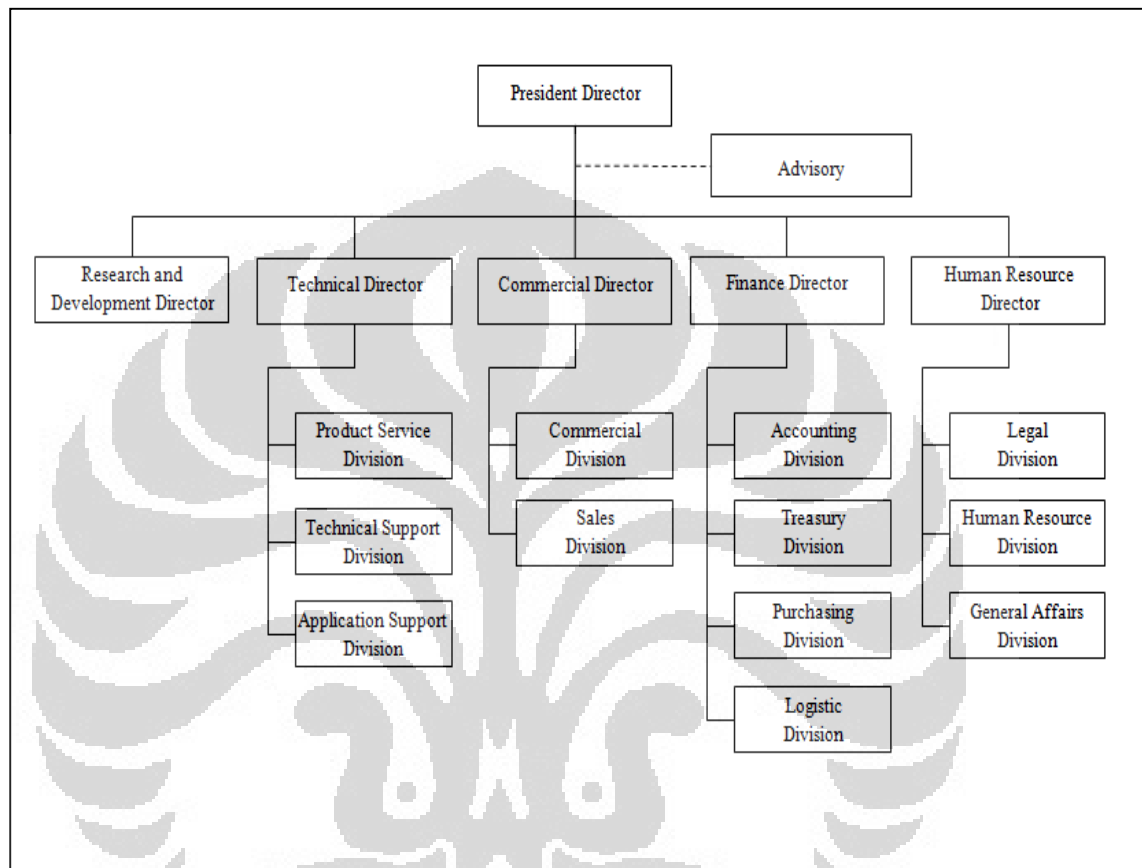


Figure 3.1 The Organizational Structure of PT. XYZ.

Source: PT. XYZ

3.2.3 The Composition of Employees

As we can see from the table, the number of employees is 18 people with the composition of gender between male and female is equal which is 50% respectively. Meanwhile in the level of education, 67% of the employees have the title of bachelor degree and the rest (33%) graduates from diploma and high school.

The following is information about the statistics of employees in PT. XYZ.

Table 3.3 The Employees Statistic.

No	Gender	Job Title	Working Period	Level Education
1	Female	Shareholder	2 years	S1
2	Male	President Director	21 years	S1
3	Male	Human Resource Director	30 years	D3
4	Male	Finance Director	20 years	S1
5	Male	Product Development Director	21 years	S1
6	Male	Marketing Director	19 years	S1
7	Female	Technical Director	20 years	S1
8	Male	Logistic Staff	1 year	S1
9	Female	Purchasing Staff	17 years	S1
10	Male	Purchasing Staff	20 years	D3
11	Female	Accounting Staff	6 years	S1
12	Female	Treasury Staff	22 years	S1
13	Female	Accounting Staff	1 year	D3
14	Female	Accounting Staff	2 months	D3
15	Male	Technical Application Support	1 year	S1
16	Male	Technical Application Support	8 months	SMAK
17	Female	Marketing Staff	6 months	S1
18	Female	Marketing Staff	6 months	D3

Source: PT. XYZ.

CHAPTER 4

RESULT OF ANALYSIS

4.1 The Framework Analysis

Human resources is continuously developed and considered to be a competitive advantage for the organization. Many studies started to give attention to human capital and analyzed it in deeper context. For improving human capital, first the organization must know the existing condition of its organization through the self-assessment.

From pre-interview with one of the shareholder in PT. XYZ, the organization made a decision to change their orientation of its business strategy and wanted to develop the business into higher level. However before starting to take further step, the shareholder wants to assess and analyze the current condition of their human capital. From the result of this self-assessment, it is expected that organization can improve their performance in the future.

The study findings in this analysis were collected from PT. XYZ via interviews, observations, and internal documents. According to Miles & Huberman (1984), the analysis of collected textual data flows concurrently through phases of data reduction, data display, and verification. Data reduction is the process of “selecting, focusing, simplifying, abstracting, and transforming raw data” collected earlier.

Data display is the “organized assembly of information that permits conclusion drawing” (Jackson, 2010). It was fundamental to discover the employee’s perception of the existing policy regarding human capital in their companies. In order to discover this, the interview questions were conducted to exploring their perception in the organization.

Table 4.1 Background of Interview Subjects

No	Date of Interview	Job Title	Age	Gender	Working Period	Educational Level
1	March 2, 2011	Shareholder/ Owner	29	Female	2 years	Bachelors
2	March 4, 2011	President Director	54	Male	21 years	Bachelors
3	March 7, 2011	Human Resource Director	56	Male	30 years	Diploma
4	March 9, 2011	Finance Director	48	Male	20 years	Bachelors
5	March 9, 2011	Product Development Director	55	Male	21 years	Bachelors
6	March 9, 2011	Marketing Director	47	Male	19 years	Bachelors
7	March 10, 2011	Technical Director	47	Female	20 years	Bachelors
8	March 4, 2011	Logistic Staff	33	Male	1 year	Bachelors
9	March 7, 2011	Purchasing Staff (a)	41	Female	17 years	Bachelors
10	March 7, 2011	Purchasing Staff (b)	43	Male	20 years	Diploma
11	March 8, 2011	Accounting Staff (a)	48	Female	6 years	Bachelors
12	March 8, 2011	Treasury Staff	50	Female	22 years	Bachelors
13	March 8, 2011	Accounting Staff (b)	31	Female	1 year	Diploma
14	March 17, 2011	Accounting Staff (c)	24	Female	2 months	Diploma
15	March 17, 2011	Technical Application Support (a)	28	Male	1 year	Bachelors
16	March 17, 2011	Technical Application Support (b)	30	Male	8 months	Diploma
17	March 17, 2011	Marketing Staff (a)	27	Female	6 months	Bachelors
18	March 17, 2011	Marketing Staff (b)	22	Female	6 months	Diploma

Source: PT. XYZ.

The conceptual framework from this research was based on the human capital self-assessment United States General Accounting Office (2000) which focused on three dimensions:

- a) Strategic planning.
- b) Organizational alignment.
- c) Leadership.

Information regarding of these three dimensions was generated from the six-question interviews conducted from 18 respondents. From each of three dimensions of human capital, the interview results were categorized based on the level position in the company. Therefore the key point statements were divided into three categories, which were from:

- a) Shareholder.
- b) Top management.
- c) Staff.

4.2 Human Capital Self-Assessment: Strategic Planning

Research Question 1:

To what extent PT. XYZ has developed their strategic planning to achieve company's goals?

In this dimension, key information has to comprise in two areas:

- a) Shared vision.
- b) Human capital focus.

4.2.1 Analysis of shared vision.

Shared vision is a clearly defined and well-communicated “shared vision” (mission, vision, core values, goals and objectives) in its strategic plan, where the organization has defined its direction and its expectations for itself and its employees (United States General Accounting Office, 2000).

Table 4.2 The perception from the interviewed participants – Shared Vision

Shareholder	Top Management	Staff
<p>Shareholder had shared company's vision however doubt top management's capability.</p> <ul style="list-style-type: none"> • Short term vision: invest in new technology for medical equipment. • Long term vision: plan to have its own hospital. • No alignment between departments in current condition. 	<p>Top management knew company's vision however they did not know future business program.</p> <p>The perception as followed:</p> <ul style="list-style-type: none"> • Expect to become successful investor property in medical equipment. (All directors) • The business is focusing on the investment of medical equipment. (R&D, Marketing, HR, Finance and Technical Director) • We still in learning process to determine the right step to reach the objectives. (Marketing Director) • It was very rare the organization communicates its vision and mission to the company (R&D and Finance Director) • Company does not have clarity on future programs. (Technical Director) 	<p>Staff know the vision but unclear about future strategy and its program.</p> <p>The perception as followed:</p> <ul style="list-style-type: none"> • Understand the changing business orientation into the investment of medical equipment. (All staffs) • Only mentioned vision statement in job interview four years ago. (Logistic Staff, Accounting Staff(b), Technical Support(a)) • Employees never been informed about the program or target company for the year ahead. (Purchasing Staffs, Marketing Staff) • Company never defined future vision. (Accounting Staff(a), Marketing Staff, Treasurer)

(Refer to appendix 1, page: A1-A61)

As we divided into three categories of level position, the information gathered indicated there were different kinds of perception regarding the shared vision in PT. XYZ. The different perspectives were quite large between those three levels.

- **The shareholder**

Shareholders believed she had clear vision and mission for the future of the company and had communicated it to all top management. However, shareholder perceived top management never composed strategic business plan, marketing program, or finance budget plan that can be used as underlying tools to improve the company's performance.

- **Top Management**

Most of directors knew the changing orientation of business strategy. However several directors felt that shareholder and president director very rare communicate its strategy and future program to the management and employees.

- **Staff**

According to the staff, they knew the company decided to change its main business. However top management never made socialization regarding of company's program (goals) for future ahead.

In strategic planning, the communication becomes important issue to reach company's goal. Unfortunately top management did not fully aware of this communication issue, in which staffs need guidelines to support their task in the company. They were facing confusing condition regarding to the way top management runs the company. They did not know the future business plan of the company.

The main issue that emerges from strategic planning area was the company never generates clear communication to the employees regarding of their vision and mission for the future. Strategic plan in marketing, finance, and research development also has never been composed by top management.

Referring theory from chapter two, Yukl (2002) found that charismatic and transformational leadership indicates that a clear and compelling vision is very useful to guide change in an organization. Through a clear communication of organization's vision between leader and employees, it

will improve strong alignment. Furthermore successful performance of the companies is started from defining what they want to achieve and what type of companies they want to become.

PT. XYZ as family owned company, have not see strategic planning as important point to achieve company's goal. Strategic planning provides sense of direction and sets priorities that affect what is done and the focus of work.

The reason why strategic planning is very important, Sibson (1992) explained that "strategic planning avoids costly and disruptive surprises that can prevent achieving goals and also avoids costly emergencies". According to "reference for business article", in order to succeed, a family business must keep lines of communication open, make use of strategic planning tools, and engage the assistance of outside advisors as needed.

4.2.2 Analysis of human capital focus.

Human capital focus is a coherent human capital strategy to steer the organization on the way to achieving its shared vision and integrate that strategy with the organization's overall strategic planning (United States General Accounting Office, 2000).

Nobel Prize-winning economist Gary S. Becker, who coined the term "**human capital**," says that "the basic resource in any company is the people. The most successful companies and the most successful countries will be those that manage human capital in the most effective and efficient manner". Whether you are in a *small business* or in a *family owned business*, the competition is so vicious and change so fast, that any competitive edge gained by the introduction of new processes or technology can be short-lived if competitors adopt the same technology. But to implement change, their people must have the same or better skills and abilities. (Knol, 2009).

Table 4.3 The perception from the interviewed participants – Human Capital Focus

Shareholder	Top Management	Staff
<p>Shareholder realized the important quality of human resource.</p> <ul style="list-style-type: none"> • With top management, compose three major plans which clarify organizational structure, compile job description, and setting performance appraisal. • Obstacles: the existing top management is lack of competency, no desire to make positive changes. • Planning to replace some of top management 	<p>Has the same perception with the shareholder that human resource department is important.</p> <p>The perception as followed:</p> <ul style="list-style-type: none"> • Three main agenda to be conducted: reevaluate organization structure, compose job description and performance appraisal system. (President Director and HR Director) • The most important agenda is conducting performance appraisal. (President Director) • Several employees are facing difficulties to manage this new business strategy. (President Director) • Employees are required to learn about this new business. Needs training and development. (President Director) • Working culture and policy still being influenced by old practices. Has to changes it. (President Director, R&D Director and Technical Director) • Changes in business strategy are not followed by policy change on its employees. (R&D Director) 	<p>Perceived no clear SOP, job description, and performance appraisal for employees.</p> <p>The perception as followed:</p> <ul style="list-style-type: none"> • Employees have the competencies. Performance management is quite good. (Logistic Staff) • Passion starting to wear off because no clear standard regarding employees' welfare. (Logistic Staff) • Company doesn't have SOP as employees' guideline. (Logistic Staff and, Purchasing Staffs, Technical Support and Marketing Staff) • Our performance is not being measured (performance appraisal) and has no written and clear job description. (Accounting Staff(a) and Treasurer) • There is no clear flow process to support the employees' performance. (Accounting Staff(b)) • There is no employees' program to increase the motivation (training, outbound). (Treasurer)

(Refer to appendix 1, page: A1-A61)

Table 4.3 The perception from the interviewed participants – Human Capital Focus (continued)

Shareholder	Top Management	Staff
	<ul style="list-style-type: none"> • Need to compose policy and procedures for employees to implement disciplined. (Finance Director and Technical Director) • Current human resources are not adequate for future needs. (President Director, Marketing Director and Technical Director) • Employees are facing low enforcement, need more debriefing in their respective field. (Marketing Director) 	

(Refer to appendix 1, page: A1-A61).

As we divided into three categories of level position, different perspectives regarding of human capital were gathered:

- **Shareholder**

To improve their human capital performance, together with the president director, the shareholder arranges three important agenda. Followings agenda are (1) clarifying the organizational structure, (2) composing job description for each job position, and (3) setting performance appraisal program. The expectation from these three main agenda, the employees can conduct their task and level performance of employees can increase. Regarding other human capital issue, shareholder aware that top management did not have the quality and competencies which company is required. To resolve this condition, shareholder plan to make significant changes by replacing several directors in the management level.

- **Top management**

Previous working culture created issue in employees' performance. It is reflected in their existing performance where certain employees cannot fully support the company's expectation.

- **Staff**

Employees' motivation can be increased if it's being notice and acknowledged by company. Staff perceived performance appraisal, job description and training development will improve the competency of employees.

The idea to improve human capital management is to develop the values of its employee and can perform at their highest potential capacity in skill and knowledge. Fitz-enz (2000:23) stated, "As staff groups utilize human capital more effectively, they increase their contribution to the goals of the enterprise".

Human capital is a crucial thing for all companies. PT. XYZ should start to realize their human resource is not just usual supporting factor, but also they have to see their human resource as an important asset to the company. The successful family owned business sees their human capital as a major important player. Many small family-owned companies become giant successful company for example Bakrie & Brothers, PT. Sido muncul, Ford, and Wal Mart. Therefore if PT. XYZ can manage its human capital in the right way, it will become a great company for the future.

4.3 Human Capital Self-Assessment: Organizational Alignment

Research Question 2:

To what extent organizational alignment has operationalized in PT. XYZ?

In this dimension, key information has to comprise in two areas:

- a) Workforce planning.
- b) Integrating the "HR" Function.

4.3.1 Analysis of workforce planning.

An explicit workforce planning strategy is to identify current and future human capital needs, including the size of the workforce; its deployment across the organization; and the knowledge, skills, and abilities needed for the organization to pursue its shared vision (United States General Accounting Office, 2000).

Table 4.4 The perception from the interviewed participants – Workforce Planning

Shareholder	Top Management	Staff
<p>Replacement planning in management level.</p> <ul style="list-style-type: none"> Recruitment of human resource based on the business project. Plan to downsize employees and recruit professional. Plan to recruit new human resource director. Currently human Resource director position was filled by previous commissioner. 	<p>Perceived workforce planning depends on upcoming business project.</p> <p>The perception as followed:</p> <ul style="list-style-type: none"> The need of human resource depends on business project. (All Directors) Competency of the employee has to be evaluated. (President Director) Problem: assignment is not based on the employee's expertise, but the availability of employees. (President Director and Technical Director) For now, the size of human resource is adequate enough. (R&D Director) Need legal division to handle or analysis contract agreement. (Marketing Director) 	<p>Perceived that if there was new project, company should hire new employees.</p> <p>The perception as followed:</p> <ul style="list-style-type: none"> If there is another project, we need to add employees. (All staff) Need to recruit employee who have skill or knowledge in human resource management. (Purchasing Staff) Assigned existing employee for human resource department position was not a solution. (Purchasing Staff)

(Refer to appendix 1, page: A1-A61)

Table 4.4 The perception from the interviewed participants – Workforce planning (continued)

Shareholder	Top Management	Staff
	<ul style="list-style-type: none"> • Recruitment is based on information from Technical Director. (HR Director) • Need to add another employee for position of technician staff. President Director and (HR Director) 	

(Refer to appendix 1, page: A1-A61)

In conducting the right human capital management, companies must always do evaluation of their human capital and compose or justify the policy to support the company's commitment to its workforce.

In PT. XYZ, employee's appointment in certain job position is not based on the employee's expertise and competency, but based on the availability of employees. For instance like the case in human resource director. The human resource director doesn't have knowledge regarding of how to manage human capital of the company. The current HR director was appointed just to fill the vacant position. Eventhough this is temporary, the company will never get any value added because of this assignment strategy.

Different perspective regarding of workforce planning:

- **Shareholder**

Shareholder is planning to make replacement in management level. She needs employee who has competency to run the operational company. Currently, she only depends on the technical director for supervising the business project. Meanwhile the other directors are not accountable to fulfill the company's goal. Currently the technical director felt she cannot handle this project alone. Therefore shareholder had to postpone all kinds

of business proposals from other hospital, until they have a good foundation of management.

- **Top Management**

Top management felt the competency of existing employees have to be evaluated, it is for knowing whether the employees' skill are in accordance with the needs. Because the human capital problem won't stop occurred if the assignment of certain position is not based on employee's expertise rather it is based on the availability of employees.

- **Staff**

Related to the size of the workforce, staff sees the requirement of human capital depends on the business project that they acquired.

All level from shareholder, top management and staffs has certain similar perspective regarding the workforce planning. The need for employees' recruitment was based on the number business project that company was going to manage. They never had workforce planning which was related to company's strategy.

Meanwhile referring to theory from previous chapter, Sibson (1992) stated that if the human resource management department is not doing human resource planning, and then is probably not doing its work correctly. Even when there are unexpected events that require immediate attention, planning helps the organization get back on the track quickly and without wasted activity.

4.3.2 Analysis of integrating the "HR" function.

Integrating the "HR" function is reliance on human resource professionals to provide integrated mission support, participate as partners with line managers, and reach out to other organizational functions through facilitation, coordination and counseling (United States General Accounting Office, 2000).

Table 4.5 The perception from the interviewed participants – Integrating the “HR” Function

Shareholder	Top Management	Staff
<p>Human Resource department has not worked optimally.</p> <ul style="list-style-type: none"> • Human Resource Department only handles contracts of new employee. • Human resource director has no competency in managing human resource. • Planning to recruit HR professional. 	<p>Unsatisfied with HR director because HR department was not run optimally. Expectation from HR department: manage employee’s policy, HR strategy, monitoring job description and authority</p> <p>The perception as followed:</p> <ul style="list-style-type: none"> • The assignment position director, based on the employees who are available and not based on his competency in human resource. (President Director) • The role of human resource department only focus on recruitment. (R&D Director) • Expect HR department handle employee's policy. (Marketing Director) • In the future, integrate with other department to manage job description and performance appraisal. (HR Director) • In the future, the function will make strategy related to human resource. (Finance Director) • Human resource director has no competency. (Technical Director) 	<p>Perceived HR department only handling recruitment of new employee</p> <p>The perception as followed:</p> <ul style="list-style-type: none"> • Human resources department has not worked optimally. (All Staff) • Human resource department is only handling recruitment process. (Treasurer) • The director that handles human resource is not adequate enough. He has no knowledge about human resources. (Purchasing Staffs) • The role of human resource department is not that significant. (All staff) • Human resource department should handling policy for insurance, performance appraisal. (Logistic Staff and Accounting Staff (b)) • The role of human resource department is really needed to managing personnel administration. (Accounting Staff(a))

(Refer to appendix 1, page: A1-A61)

According to United States General Accounting Office (2000), effective human capital professionals must have the appropriate preparation and experience not just to provide effective mission support, but to participate as partners with line managers and staff in developing, implementing, and assessing the agency's human capital approaches. Therefore it is very important for the company to assign people in human resource department who are really have knowledge in managing human capital.

Human resource department has to become strategic partner for the company. However in PT. XYZ, the role of human resource department has not worked optimally. Human Resource Department only handles recruitment and contracts of new employee. This function has not been able to run as expected because of the employee in the position was based on the employee who was available and the assignment was not based on his knowledge in human resource.

Different perspective regarding of integrating the "HR" Function:

- **Shareholder**

Shareholder felt the human resource department has not yet worked optimally because human resource director has no knowledge in managing human resource.

- **Top management and staff**

Both top management and staff agreed the human resource department was very important in handling human resource of the company. However the existing human resource director cannot make an alignment between human capital strategies with the company's objective.

Human resource department is vital to this company's success. It will drive communication among the employees, offer employees clear expectations of their responsibilities, ensure of offering training to employees, ensure bonus when growth increase, and also create policy to support achieving the company's goals.

4.4 Human Capital Self-Assessment: Leadership

Research Question 3:

To what extent PT. XYZ has improved their leadership?

In this dimension, key information has to comprise in two areas:

- a) Defining leadership.
- b) Teamwork and communications.

4.4.1 Analysis of defining leadership.

The purpose of defining leadership is to explain the kind of leaders that the organization wants (i.e., their roles, responsibilities, attributes, and competencies) and the broad performance expectations it has for them in light of the organization's shared vision (United States General Accounting Office, 2000).

Table 4.6 The perception from the interviewed participants – Defining Leadership

Shareholder	Top Management	Staff
<p>Perceived that top management was too dependable on shareholder.</p> <ul style="list-style-type: none"> • Shareholder had informed their expectation regarding the management roles. • Lack of leadership. 	<p>Perceived that shareholder never stated clearly to what extent accountability of directors because shareholder was still interfere in the management.</p> <p>The perception as followed:</p> <ul style="list-style-type: none"> • The shareholder had defined their expectation regarding the leadership. (President Director) 	<p>Perceived that top management had lack of leadership.</p> <p>The perception as followed:</p> <ul style="list-style-type: none"> • The organization never defined explicitly the role of the directors. (Logistic Staff)

(Refer to appendix 1, page: A1-A61)

Table 4.6 The perception from the interviewed participants – Defining leadership (continued)

Shareholder	Top Management	Staff
<ul style="list-style-type: none"> • Top management performance never took initiative decision. • Top management is too dependent to the owner. (old culture from previous company: “One man show”) 	<ul style="list-style-type: none"> • No clear boundaries between the role of shareholders and directors. (R&D Director and HR Director) • There is no trust from the shareholder. (Technical Director) • Management position and responsibility are already assigned by the owner. (All Directors) • Shareholder still plays a major role in reaching a decision in the company. (All Directors) • The involvement of owner in the operational process makes the directors have no full control and cannot work optimally. (All Director) 	<ul style="list-style-type: none"> • The authority from each department director is not clear defined. (Logistic Staff and Technical Support) • The management doesn't know how to manage the organization with the new business strategy. (Purchasing Staff) • The shareholder doesn't give the management a chance to develop themselves. (Purchasing Staff) • Most of the directors here are not acting like a leader. (Accounting Staff(a)) • President Director doesn't understand anything about the business project and also managing the employees. (Treasurer) • President Director does not have a clear vision for the future. (Treasurer) • There is no clarity of the person who in charge as the supervisor. (Marketing Staff and Technical Support)

(Refer to appendix 1, page: A1-A61)

According to Yukl (2002), leadership effectiveness is occasionally measured in terms of the leader's contribution to the quality of group processes, as perceived by followers or by outside observers. In PT. XYZ, leadership was

the most critical issue that company has to deal with. It reflected through the performance of shareholder and top management in running their own responsibility.

Different perspective regarding of leadership:

- **Shareholder**

The owner wanted the senior employees continue to work and develop their knowledge and skills and lead the company to fulfill the goals. Eventhough the shareholder has mentioned his expectation to the senior employees, however since 2006 the shareholder felt they did not have capabilities in leadership. The old culture of “one man show” from previous company was still carried out until this day. Top management was too depending on the shareholder and did not want to make initiative to take decision. Therefore there was no other option where the shareholder to fill the responsibility of the president director in making the business and policy decision.

- **Top management**

Top management felt their roles that make strategic decision cannot perform optimally. This was because the involvement of shareholder in the operational process was too significant. This condition makes the directors have no full control in running their responsibility.

- **Staff**

Meanwhile from the staff perspective, top management never mentioned the clear responsibility of the person who in charge as their legitimate supervisor. Staffs did not satisfy with the management performance. They felt the president director did not have a clear vision for the future ahead. The management didn't know how to manage the organization with the new changing business strategy.

Because of the family owned business, the working environment in PT. XYZ was different with other private companies (listed or non listed). The working process in PT. XYZ was more informal and the policy was not quite strict like other private companies. For example eventhough the family position only as

shareholder and not in the management level, still the level involvement of shareholder in decision making in the management was still high.

According to the law of the Republic of Indonesia number 40 of 2007, only board of directors who have full authority of decision making in company's management. The statement from the regulation, make the shareholder had not fully complied in carrying out their responsibility. However when viewed from the leadership competency in top management, the shareholder had no other option except to step in to the management.

Informal authority and responsibility from each side (shareholder and top management) created conflicts that give negative impact to all the staff. The making process of job description and policy will become important stepping stone for both of them to clarify their own responsibility. And the communication is also become an important point for all employees and shareholder. By creating a good communication between shareholder and top management on regularly, it will reduce the conflict between them.

4.4.2 Analysis of Teamwork and communications.

In teamwork and communication, the senior leaders pursue an explicit strategy to promote teamwork, communicate the organization's shared vision in clear and consistent terms to all levels of the organization, and receive feedback from employees (United States General Accounting Office, 2000).

Table 4.7 The perception from the interviewed participants – Teamwork and communications

Shareholder	Top Management	Staff
Perceived that there was lack of communication with top management.	Perceived that there was lack of communication with the shareholder.	Perceived that there was lack of communication between shareholder and top management.

(Refer to appendix 1, page: A1 – A61)

Table 4.7 The perception from the interviewed participants – Teamwork and communications (continued)

Shareholder	Top Management	Staff
<ul style="list-style-type: none"> • The shareholder tried to communicate with the management. But they rarely got feedback from top management. • The teamwork between departments is not very well organized. • Expect each department involved directly in project construction. 	<p>The perception as followed:</p> <ul style="list-style-type: none"> • Lack of open communication between shareholder and top management. There was no two-way communication. (All Directors) • Shareholder never gives feedback regarding our proposal or recommendation. (Technical Director) • Never jointly discuss the issues raised in this company. (Technical Director) 	<p>The perception as followed:</p> <ul style="list-style-type: none"> • The most critical issue that has to be fixed immediately is communication between management and the staff. (All staff) • There is no good teamwork and communication between the shareholder and the management. (Purchasing Staff) • The directors do not communicate responsibilities of each position. Treasurer and (Accounting Staff(b)) • Never gives clear direction and never gives solutions. (Marketing Staff)

(Refer to appendix 1, page: A1 – A61)

According to Bennis & Goldsmith, (1994), communication creates meaning for people. Or it should. It is the only way any group, small, large, can become aligned behind the overarching goals of an organization. Getting the message across unequivocally at every level is an absolute key. Basically it is what the creative process is all about.

The leaders from each department have to implement an effort to create teamwork and communicate a clear and consistent vision and mission throughout the organization. In PT. XYZ, different perspectives are gathered

from each level of position. It reflected that the leaders cannot create a good teamwork and communication between employees.

Different perspective regarding of teamwork and communications:

- **Shareholder**

Shareholder saw the teamwork cannot be realized in handling the business project. Because only the Technical director who really perform in running the business project. The shareholder also felt the alignment between them was not quite good, that makes the communication was not well executed.

- **Top management**

Top management believed there was lack of communication between them and the shareholder. According to the top management, they never received feedback regarding the report or recommendation that they submit to the shareholder. It makes the proposal of certain project has to be delayed caused of this condition. Meanwhile the issue also occurred from the president director. The capability of president director cannot be reliable. He never takes initiative to make strategic decision

- **Staff**

Staff perceived the teamwork and communication between the staff and management was very poor. The leaders did not know how to create a good teamwork between each department and it can be shown through their performance in business project. Communication was also become an important issue in creating a good leadership. The top management was rarely maintaining good communication with their staff. For example, for marketing staff, they rarely communicate with their marketing director to discuss marketing issue. Rather, the person who takes the responsibility of marketing director was the technical director. And because of that, the marketing staff did not understand the clear responsibility and the direction that they should do.

4.5 Analysis of Human capital management in PT. XYZ

The characteristic of small family owned enterprise with listed or non-listed company are quite different. However regarding the human capital

management, either small or large companies, they have the same guidelines. All companies should always see their human capital as an important factor. What makes the difference is the implementation of human capital management in small family owned enterprise with listed or non-listed company.

4.5.1 Relationship of Shareholder and Top Management.

The management in family-owned enterprises is different from the management of other companies as the family plays a fundamental role in the business. Shareholder can create different point of view that provide top management of complex situation. It can be said in PT. XYZ, the set of relationships is quite complex that it can significantly affect the well-being of the company's performance.

Fitz-enz (2000:23) stated, "As staff groups utilize human capital more effectively, they increase their contribution to the goals of the enterprise". Based on the result of human capital assessment in PT. XYZ that focusing on strategic planning, organizational alignment, and leadership, the core problem why human capital management was not well applied in the company was because the relationship between shareholder and top management was not in the same path. The gap relationship from those two level positions happened because of the lack communication that occurred.

To support the good implementation of human capital management, communication between shareholder and top management is an important issue that occurred in PT. XYZ. The defined vision and mission, future program, and task of responsibility will make all employees facing amenities in fulfill their responsibility. Therefore the important key for human capital management can be applied by the company depends on the cooperation between shareholder and top management in aligning their responsibility with company's objective.

Shareholder should discuss its role jointly with top management and this role should be declared within the company's internal regulations or procedure. The clarification of each responsibility should be done immediately. The discussion of its role should include feedback from both sides.

Meanwhile top management as the senior employees is entrusted by the shareholder to provide optimal guidance to the company and have the commitment to meet shareholder's expectation. Therefore, top management should define the company's objectives and strategy to all employees. This will provide ongoing oversight as the company strives to achieve those objectives. Meanwhile the culture of the company in terms of values and beliefs should be clearly outlined, both present and future. The shareholder's objectives must be identified before composing the business plan.

However regardless of their personal qualities and competencies, top management should consider them as representing the interests of shareholders and always act accordingly in the performance of their responsibilities. The understanding of this perspective will guide top management to compose human capital strategy that can support the achievement of company's objectives.

4.5.2 Gap experienced of Shareholder and Top Management

The gap experienced between the shareholder and top management can create communication issue for the company. The factors of the gap can be seen in their working period, age, and also their experienced in health equipment. The shareholder working period for only 2 years might create different point of view from the top management where they all have worked for decades in this business.

Issues that arise in PT. XYZ can be caused by the underestimate perception of top management to the shareholder. Because of the short working period in PT. XYZ, the current shareholder did not have enough knowledge regarding

the product of the company. Meanwhile, compare to shareholder, top management has long term experiences in health equipment.

To solve the company's issue, the trustiness and cooperation has to be built between shareholder and top management. To improve the quality of human capital, shareholder and top management, honesty and persistence have to be maintained. Therefore the mutual respect, cooperation, communication and teamwork can be easily achieved.

4.5.3 Working Culture in PT. XYZ

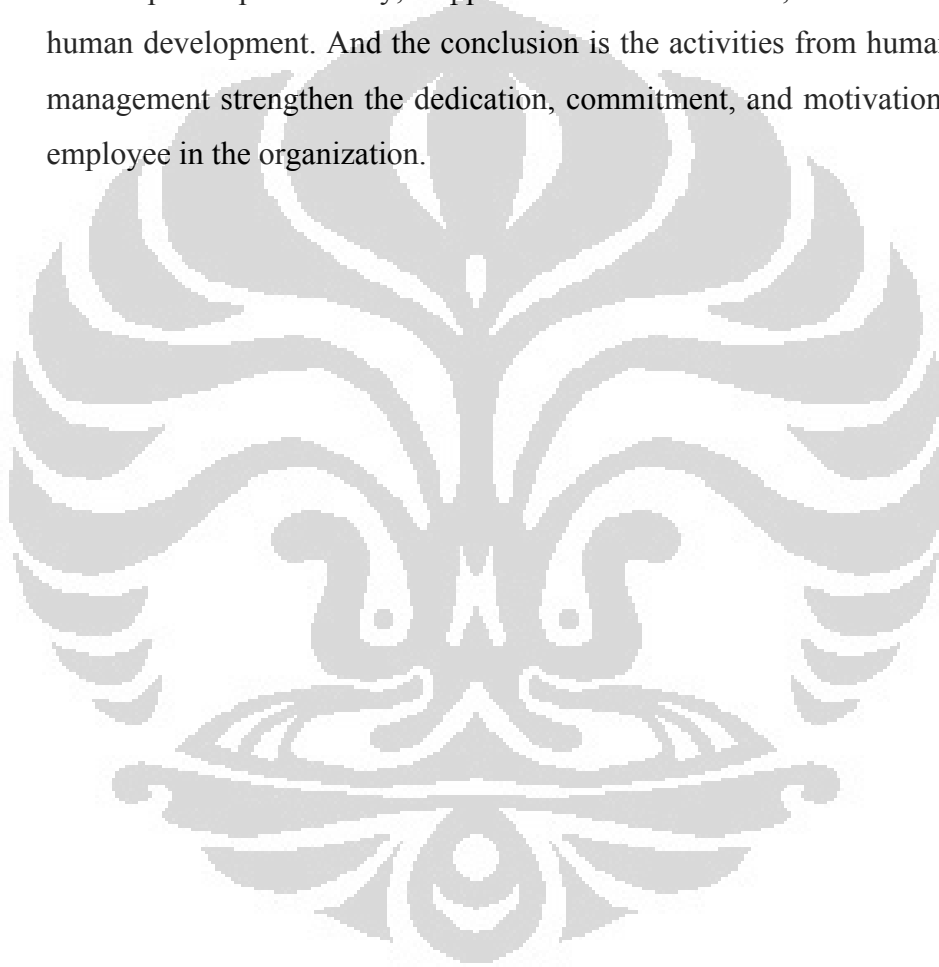
Before 2006, the working process in PT. XYZ was fully handled by the former president director (the owner of PT. XYZ). The company was governed by one direction only and it was from president director. Therefore it can be said the type of leadership that applied by former president director was "one man show behavior". This kind of leadership made the staff became dependable to his leader.

This working culture was still carried out by the top management in current environment. They have to be pushed by the shareholder in carrying out their responsibility, in which they should have be independent and have their own initiative in decision making. Therefore the leadership is the most important area that had to be improved immediately.

The complex work-situation demands that employees and organizations find a certain alignment in goals and responsibilities. The alignment with the employees (human capital) takes place in corporate identity and values (Marrewijk & Timmers, 2003). Human capital management aims at the proactive development and stimulation of the organization's identity and company's culture. The company's mission and supporting values greatly influence the corporate identity, policies, institutional structures and thus corporate behavior, also with respect to its employees

Through the understanding of the importance of human capital management, shareholder and top management can find their truly identity and values. If they both can successfully implement their values of culture, as the leaders, they can take initiative decision that can easily guide the employees to increase their performance and motivation.

Cooperative between individual alignment on corporate identity and values, will improve productivity, support work environment, and encourage of human development. And the conclusion is the activities from human capital management strengthen the dedication, commitment, and motivation of each employee in the organization.



CHAPTER 5

CONCLUSION AND RECOMMENDATION

5.1 Conclusion

Based on human capital analysis and discussion on previous chapter, herewith the conclusion from this research that categorizes into three frameworks of three human capital dimensions:

a) Strategic planning:

- Shared Vision.

The result of human capital assessment, PT. XYZ had not yet in the stages of developing and implementing shared vision. The company had not acknowledged the need and benefit derived from communicating their shared vision. The composing of program business plan (future goals) also never been executed by top management. If the company can clearly define the future vision, they can develop their strategies to enhance values of its employees that can support the company to achieve the company's objective.

- Human Capital Focus.

Several issues that PT. XYZ faced regarding of their human capital are the top management cannot align their performance with the company's vision. To assist the performance of their human capital, the shareholder compose three major plans that has to be done, which are (1) clarifying the organizational structure, (2) composing job description for each job position, and (3) setting performance appraisal program. However the company has not made human capital as high priority yet, where its values of employees to develop skill and knowledge have not being realized. The shareholder prefers to take another plan by make an replacement in management level.

b) Organizational alignment:

- Workforce planning.

The company can achieve successful performance if they can align their human capital with their strategy planning. Therefore the company has to measure the size of workforce that needed, and evaluate knowledge and skill of current employee. For the size of the workforce, the requirement of human capital in PT. XYZ was based on the business project that the company acquired. Therefore they will make plan or measure the needs of employees, if there are an addition of business project. The problem arise in this company was the low productivity of top management. To support company's objective, the shareholder will make a plan to replace certain employees at management level.

- Integrating the HR Function.

Human resource department has not been able to run optimally because of the employee in that position doesn't have knowledge in human resource. The person that assigned as the HR director was based on the availability of employees and not based on his competency in human resource. It can be said there was no human capital professional that can create an alignment between its human capital strategies with the company's objective.

c) Leadership:

- Defining Leadership.

A solid senior leadership team can develop continues improvement in its organization. However PT. XYZ has not yet accomplished this kind of situation. Leadership was the most critical issue that company has to deal with. There has been miscommunication between the shareholder and the top management. They never discuss a clear authority that defined each of their responsibility. The staff also felt the president director did not have a clear communication regarding the responsibility of each director.

- Teamwork and communications

The role of effective leaders can create solid teamwork. However senior leaders in PT. XYZ cannot create a good teamwork and communication between employees. The shareholder did not see the teamwork can be

realized in handling the business project. Most of the directors was too dependent to the shareholder. The leaders especially the president director has no efforts in creating a solid team work. Communication was also become important issue in creating a good leadership. Each level from shareholder, top management and also staffs were rarely maintaining good communication. Therefore staffs did not have clear directions of their responsibility.

5.2 Recommendation

In relation to human capital issues that arise in PT. XYZ, there are several recommendations that are expected to be useful for the improvement of human capital management in PT XYZ and also improvements for future research.

For PT. XYZ, the recommendations are follows:

- The shareholder, together with the management, should improve their knowledge of human capital management. Through this simply step, they can create competitive advantage to their performance.
- Start to compose strategic planning to make an alignment with the company's human capital strategy.
- PT. XYZ should always communicate their strategic plan to the employees. The publication of vision and mission can be realized it by held regular meeting for all employees, or places it in the wall where employees can easily see.
- Designing, implementing, and maintaining effective human capital strategies have to include in company's priority. It is to enhancing the goals of maximizing the performance and ensuring the accountability of the organization.
- The company should create a special program to develop skills and knowledge of the employees.
- The company should consider recruiting human resource professional who knows how to make the human resource department as strategic partner of the company.

- The leaders must encourage the management from each department to work in partnership or teamwork between them, and effective human capital management will be accomplished.
- Held annual meeting for all employee. In this meeting, they can discuss every issue that company's facing, update new information for all employees.
- Creates program for employee's feedback. It will provide useful perspectives to improve the performance of each level in organization.

For future research, the recommendations are follows:

- The research can focus on five dimensions of human capital (1) strategic planning, (2) organizational alignment, (3) leadership, (4) talent, and (5) performance culture, refers to United States General Accounting Office, 2000.
- To gathered in-depth information, the next researcher can do analyzing human capital in multiple sites and compared the policy and the priority of their human capital.

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APPENDIX 1
RESEARCH INSTRUMENT:
INTERVIEW VERBATIM

***“ASSESSMENT OF HUMAN
CAPITAL MANAGEMENT
IN PT. XYZ”***

Lea Septia Resmi

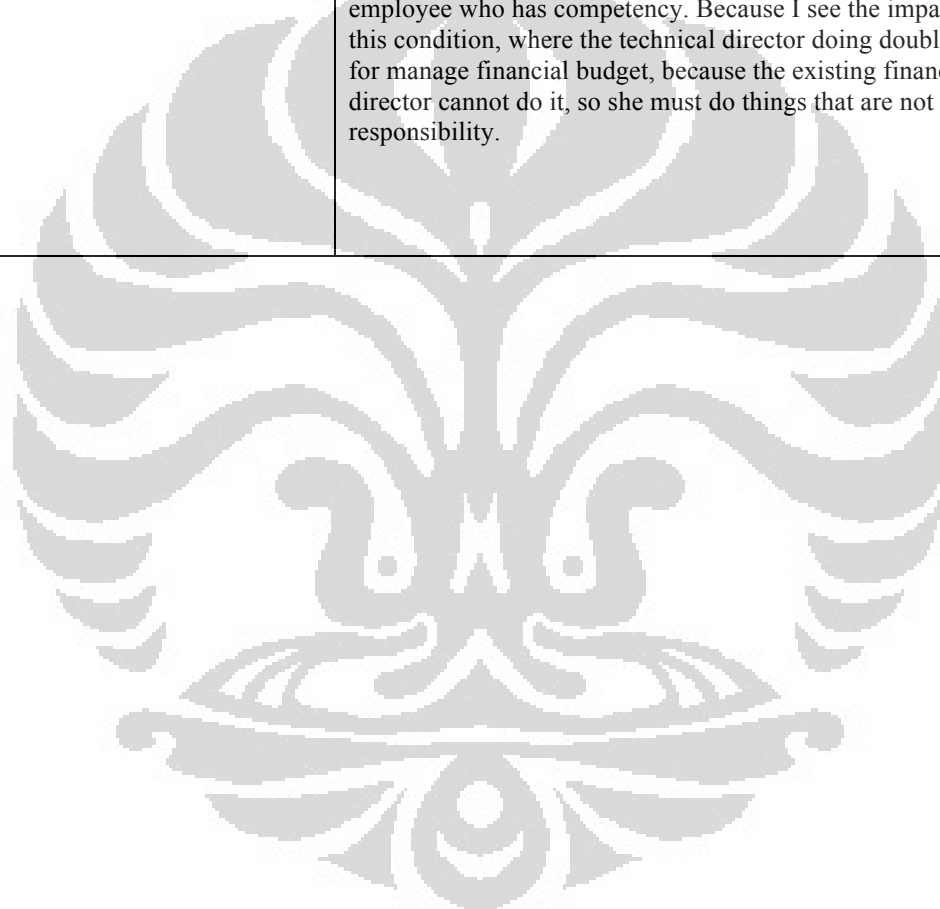
APPENDIX - 1

Employee: Shareholder/Owner

Date of Interview : 3 March
2011**Strategic Planning: To what extent PT. XYZ has developed their strategic planning to achieve company's goals?**

Key Questions	Statements
How the organizations make a clearly defined shared vision for the organization?	<p>Vision and mission of shareholder, purely to invest new technology for hospitals. Bottom line in the future, we want to improve health facilities in Indonesia. Also we want to have our own hospital. So besides become a medical equipment provider for Hospitals, we also plan to have its own hospitals that provide sustainable income for the company. We talked about our vision with the other directors and making sure they understand it.</p> <p>Because the company is currently only handling one project, so organization just focuses on that project. And now we have not done business development, and if there is a new business development in certain hospital, management will promote our organization, by showing the competence in marketing the medical equipment to the prospective client. And for finance, if there are a variety of projects, they will make arrangements budget (cash flow) for each of those projects. So that is my hope in the future organization in carrying out several projects.</p>
How the organization created a consistent human capital strategy and integrated it with the organization's overall strategic planning?	<p>Associated with changes in corporate strategy, the company wants to increase the productivity from their human resources. This will be achieved if the company can manage it well.</p> <p>It's expected that projects will continue to grow, and project managers can increased also, but judging by current conditions and only a few employees who actually work for the current projects, I'm not sure the upcoming projects can work successfully.</p> <p>To achieve those goals, I compose three major plans to increase the performance of the company:</p> <ol style="list-style-type: none"> 1. Clarify the organizational structure. 2. Clarify the Job Description of their respective positions. 3. Conducting the process of performance appraisal.

	<p>Actually the new organizational structure and draft job description already exist, but the performance appraisal has not been composing yet.</p> <p>I know the major obstacle that company faced is the lack of quality and competency that are owned by the existing management. I also still doubt whether the organizational structure is right. And I see the management already old and seem to have no desire to make changes. The skills owned by few directors do not suitable by what companies hope. But we don't have specific strategy to manage those problems.</p> <p>For me quality of employees is more important, my plan is replacing employees who are not competent, with the new employee who has competency. Because I see the impact of this condition, where the technical director doing double work for manage financial budget, because the existing financial director cannot do it, so she must do things that are not her responsibility.</p>
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Employee: Shareholder/Owner

Date of Interview : 3 March 2011

Organizational Alignment: To what extent organizational alignment has operationalized in PT. XYZ?

Key Questions	Statements
<p>What is the specific workforce planning that organization make which is linked to its strategic plan?</p>	<p>We are planning to downsize the employees and I actually intend to make several replacements in management level. But there I feel uncomfortable because they have been loyal for decades. And the process of change seems difficult because we seek the level of directors and will definitely ask for higher benefit. And we are also confused, where the seniors will be positioned if the replacement occurred.</p> <p>We do not need to add more employees, because the number of employees in the company is enough, but the most needed is to replace those employees who do not have the competence or skill. I have a moral to not lay off the employees. But the company is not a company that gives charity, so if they do not doing anything like do not bring profit to the company, I cannot give salaries that easy.</p>
<p>How the organization relies on its personnel, human resources, or human capital professionals that can: (1) contribute a human capital perspective to its broader strategic planning process through a “seat at the table? (2) provide integrated mission support and participate as partners with line managers? (3) lead or assist in the organization’s workforce planning efforts and in developing, implementing, and assessing human capital policies and practices that will help the organization achieve its shared vision?</p>	<p>Organizational structure in this company has been renewed, and we have added the Human Resource department, previously was not there. But the Human Resource department has not worked optimally. This Human Resource director position was filled by the commissioner in which he has no knowledge of human resource management, but it is still executed because we are small organization, so for temporary, the positions is concurrently.</p> <p>The Human Resource department has not worked optimally. Today, Human Resource Department only handles recruitment and contracts of new employee.</p>

Employee: Shareholder/Owner

Date of Interview : 3 March 2011

Leadership: To what extent PT. XYZ has improved their leadership?

Key Questions	Statements
<p>How the organization defined its leaders' roles, responsibilities, attributes and competencies and the performance expectations it has for them in its shared vision?</p>	<p>The owner had explained it to the management but now leadership became the critical issue in this company. I wanted the management have an initiative to make decision not depend on the owner.</p> <p>Previously in PT. ABC, President director used to have a dominant leadership style, you could say "one man show". If there is an issue, his senior employees always continue to ask the President directors, they do not have the initiative to do something, so it can be said is too dependent on the president director.</p> <p>The directors have experience in this business, but there is a problem in running this company. Despite their position as the director determines all corporate decisions, but in reality they do not run the company properly. It is also possible due Leadership conducted by previous President director of "One Man Show", which makes them dependence on superiors. So actually the role of the directors is almost the same as regular staff.</p>
<p>How high-level leaders pursue an explicit strategy to build teamwork, communicate the organization's shared vision in clear and consistent terms to all levels of the organization and receive feedback from employees?</p>	<p>I try to create a good communication with the management, by always ask the solution of issue, recommendation, and others but they all quite, less speak. There is no good feedback. Well through job description, which is in the making process, the responsibility will be defined.</p> <p>In this company each department has the task the already had been determined. For example the search for projects undertaken by the marketing department, and setting financial flows is designated by employee of the finance department. But in reality in the field the condition is become invalid. Where the person who really works is only the Technically Director. Where she concurrently Project Manager, which oversees the project operations in the hospital. And honestly if the business expanded, I don't know what to do on how to make an arrangement to handle the project from another hospital, so I had to withstand all kinds of business proposals from other hospital. Until we have a good foundation. Although we already had been invited from private hospitals and government hospitals outside the city of Jakarta.</p>

Because they had a habit always is in dictation by the former president, so until now they have no initiative or creativity if there is certain problem faced by the company. For example, if the company has a problem of funds, they do not have the initiative to do something or give some advice, but merely waiting for instructions from the owner.

And now one of them is appointed as president director, replacing the former president director, but the negative habits is still carried over. So now because no one has the initiative to make change and also there is no one to give work instructions, they do not do something significant for the company. They just wait instruction from the shareholder.

Because this situation, I have no other option but to replacing the responsibility of the former president director, even though I act as a shareholder which is should not allowed involved in operational process, and I also just served the position of this shareholder for only 1.5 years.

Because they still have the habit to wait of instruction, so you can see they really do not have the competence as a director. So in the end, shareholders who do not have a role as director, finally had to intervene.

The President Director does not seem too understand and master the technical ongoing project. He just did lobbying with counterparts. It seems President Director has no vision ahead and also does not have competency.

Owner (Ex President Director) wanted this company can continue to operate with the purpose that making the senior employees able to develop their skill by themselves, but the senior employee that appointed as president director by the owner does not provide performance that is expected. Owner saw its senior employees have decades of experience in this business, and hope they can develop themselves. But in reality, they cannot stand alone. Shareholder must step in to run the company's management.

Now as the main shareholder, I have to act as the president director who organized everything, make policy and provide instructions to the employees. When it should not allowed being like that.

I think the only director that competent is the technical director, she has a good performance in running her responsibility. Had it occurred for appoint her as President Director, but she did not have the expertise as organizers (management skills) to manage employee for carry out their responsibilities. Lack of leadership. But still I've offered the position of President Director to her, but she refused because she felt she still young if compared with the other directors. Because she has been in this business just for about several years, while the other directors have experienced for decades.

Employee: President Director

Date of Interview : 4 March 2011

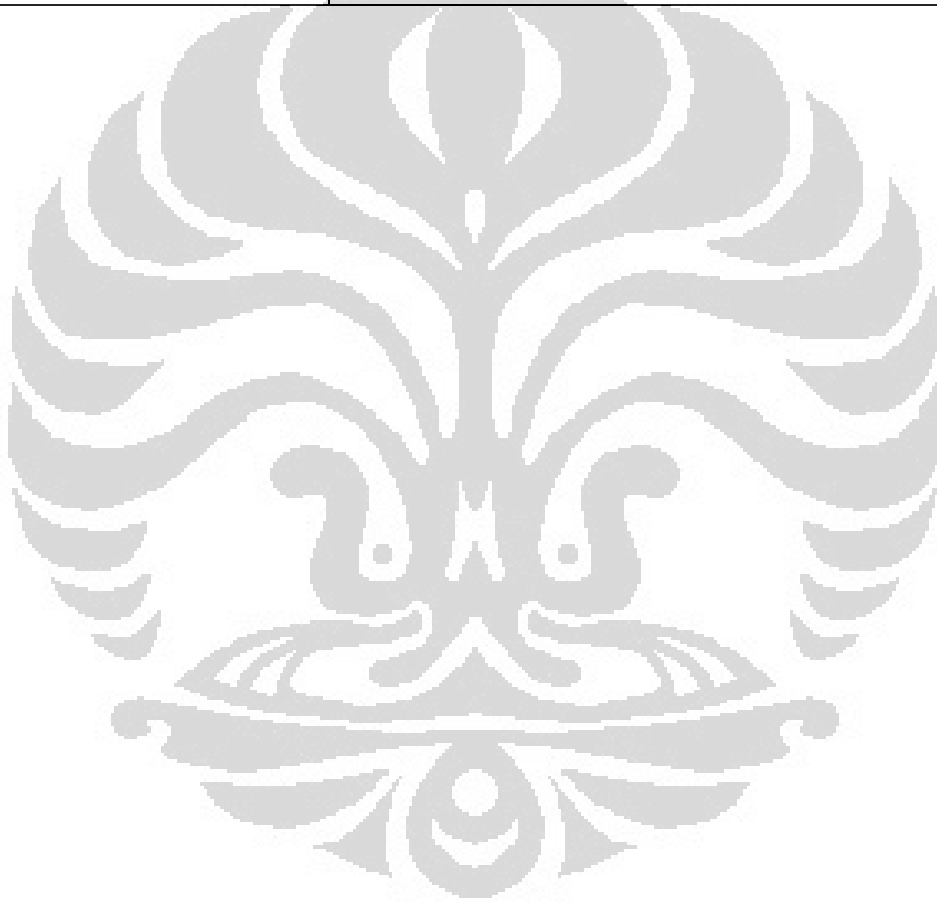
Strategic Planning: To what extent PT. XYZ has developed their strategic planning to achieve company's goals?

Key Questions	Statements
How the organizations make a clearly defined shared vision for the organization?	Our vision and expectation is to become successful investor property in medical and hospital equipment. We are the leader in implementing the advance laboratory in one of hospital in Indonesia. I think the employees know our business condition.
How the organization created a consistent human capital strategy and integrated it with the organization's overall strategic planning?	<p>There are three main agenda that we have to conduct and one of them is composing performance appraisal system. Employee performance needs to be assessed because it makes employees feel appreciated. Eventhough I'm satisfied working in here, but the culture in this company has to be changed. Usually, the promotion is based on the owner perspective. There is no clear regulation regarding to the performance appraisal and promotion. So that is why we need to implement performance appraisal.</p> <p>If viewed from external side, business is very promising. But we also must look on the internal side of the company. Because the transition of this business, employees are required to learn more about the business that they are running now. But there is obstacle that the company facing. Due to changes in business strategy, it is expected that all employees want to learn again to understand the business their run. Most employees do not mind to do that, but there are some employees who seem reluctant to do so, this is because they are very senior and was so difficult to prosecute them to start something new.</p> <p>Previously, the job of marketing director was to find the project by following the tender. Now in PT. XYZ he must also pursue the target to look for patients who want to check their blood in a laboratory at the hospital. This is a working agreement with the hospital where PT. XYZ also have to do marketing to find patients who are willing to use the service laboratories in the hospital. Not only patients from the hospital, but also should we have to search patients from other hospitals or clinics, it is intended for the capacity in the laboratory can be used optimally. Because of this, the director of marketing has difficulty to do the job because he did not have sufficient experience.</p>

Employees' performance is also has not met expectations of the company. The company is practically still in the learning process to grow. As examples the procurement that often late in sending the bills, now it has begun to improve, and other thing is staff technician, who has a good understanding of health equipment. There are still many things we have to practice or learn and we still continue to grow.

But also there are some people who no competency and skill have related to his or her field. Competency of the employee has to be evaluated and give training or development.

Also we want employees can be motivated in doing their jobs, one of which is to improve the welfare of employees.



Employee: President Director

Date of Interview : 4 March 2011

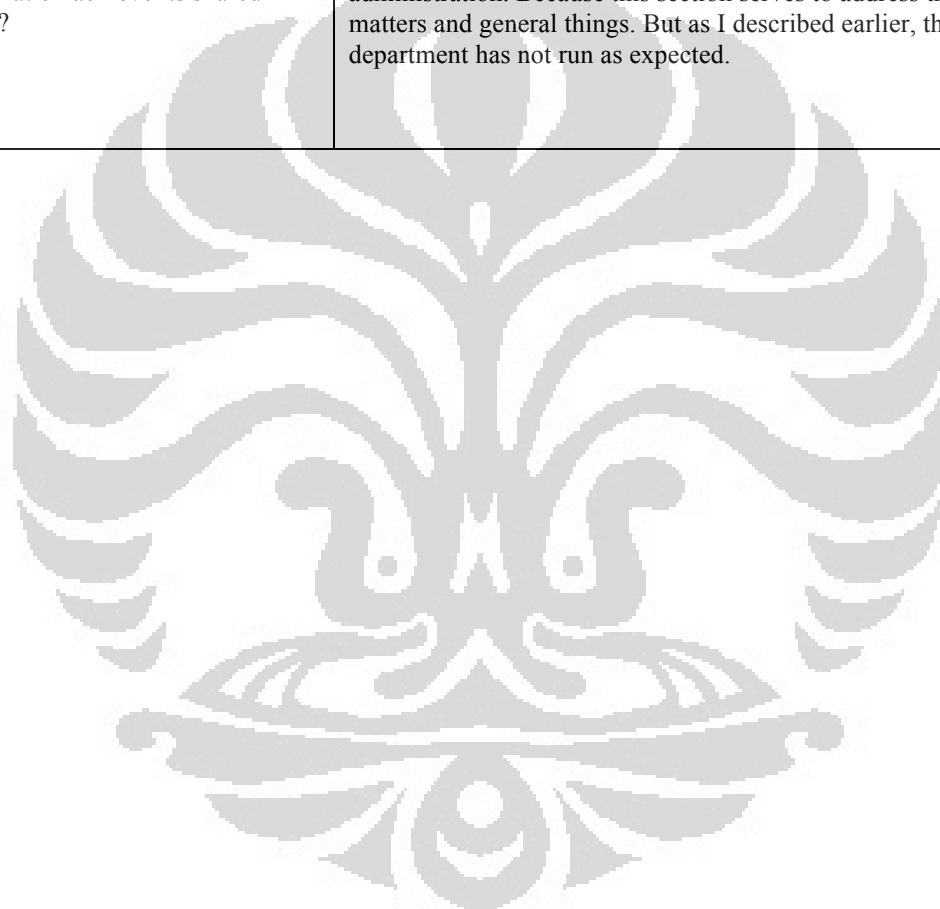
Organizational Alignment: To what extent organizational alignment has operationalized in PT. XYZ?

Key Questions	Statements
<p>What is the specific workforce planning that organization make which is linked to its strategic plan?</p>	<p>Due to the change in treatment strategy from the usual business, we need people who have the skill or knowledge of health equipment, so we need extra employees who have skills that we need. there are some people who no competency and skill so competency of the employee has to be evaluated</p> <p>In current condition, employees are not positioned according to their expertise. We put someone in the certain position that comes from the availability of employees in the company.</p> <p>We have plans to hire new employees who have the competencies that we need, but it depends to company's business target. For example we are targeting for a business project with particular hospital, from those business target, we also adjusted to the approximate number of employees that needed for these projects. For example now the marketing responsibility is intended only for hospital projects. So the marketing director is focusing the project of how to increase the patients who are willing to use the service laboratory. Now the numbers of staff in the marketing department are sufficient, but if we have another business project, we need to increase the marketing staff.</p> <p>However until now we do not need to add new employees, because we only handle one project, so some employees do not have a high working load. I personally think the number of employees now is too much for this organization. So there are some employees who can practically do not do anything, this is because the there is only one project that we handled, and so there is no work that need to be conducted by certain employees. The only position that need to be added is the technician because the equipment are very specific, so is very difficult to find people who really understand our equipment and has the skill and know the technique of product implementation. I've often advertise for the position, but I have not get the people who is suitable for the position.</p> <p>So if we have clearly business contract for a project, then we discuss how many employees we need for the project. So essentially we adjust the requirements. If we can use existing employees, we do not need to be adding another employee.</p>

How the organization relies on its personnel, human resources, or human capital professionals that can: (1) contribute a human capital perspective to its broader strategic planning process through a “seat at the table”? (2) provide integrated mission support and participate as partners with line managers? (3) lead or assist in the organization’s workforce planning efforts and in developing, implementing, and assessing human capital policies and practices that will help the organization achieve its shared vision?

To deal with problems or matters related to employees, we already have the human resources department. But this function has not been able to run optimally this is because we place the employee in that position based on the employee who is available and not based on the skill. So all decisions related to staffing, we discussed together. Because the human resource director does not have the required competence.

Formerly human resources department have not yet established, but we need these departments and then we formed it in our organizational structure. I strongly agree on the functions of the human resource department to handle the employee’s administration, building management and others general administration. Because this section serves to address the staffing matters and general things. But as I described earlier, the department has not run as expected.



Employee: President Director

Date of Interview : 4 March 2011

Leadership: To what extent PT. XYZ has improved their leadership?

Key Questions	Statements
<p>How the organization defined its leaders' roles, responsibilities, attributes and competencies and the performance expectations it has for them in its shared vision?</p>	<p>PT. ABC (before PT. XYZ change the name) brought revenue that could be considered quite large. And the assets continue growing. But for one thing and another, the management decided to rename the company and also doing strategy business transition. This is conducted so that employees can keep working but with different business strategies. The previous President Director appointed me as his successor.</p> <p>The shareholder defined their expectation regarding the leadership that they want from the management. And I try to fulfill their expectation. But as we know in general the important decision should be taken by the directors, but in reality the owner still plays a major role in reaching a decision in the company. So the role of leaders in level management has not performed optimally.</p>
<p>How high-level leaders pursue an explicit strategy to build teamwork, communicate the organization's shared vision in clear and consistent terms to all levels of the organization and receive feedback from employees?</p>	<p>Something that should be improved between management with the owner is the communication problem. Leadership issue that happens here is the lack of open communication between the owner and management. If open communication can be occurred it would be better for the company.</p>

Employee: Research and Development Director

Date of Interview : 9 March 2011

Strategic Planning: To what extent PT. XYZ has developed their strategic planning to achieve company's goals?

Key Questions	Statements
How the organizations make a clearly defined shared vision for the organization?	Our current business orientation is focused on medical equipment for hospital. However Company's vision and mission for year ahead are rarely discussed by the management.
How the organization created a consistent human capital strategy and integrated it with the organization's overall strategic planning?	Changes in business strategy are not followed by policy change on its employees. So the employees have not felt the positive change in employee's policy. The working culture and policy still being influenced by the old institution.

Employee: Research and Development Director

Date of Interview : 4 March 2011

Organizational Alignment: To what extent organizational alignment has operationalized in PT. XYZ?

Key Questions	Statements
<p>What is the specific workforce planning that organization make which is linked to its strategic plan?</p>	<p>I think for now the human resource is adequate enough.</p>
<p>How the organization relies on its personnel, human resources, or human capital professionals that can: (1) contribute a human capital perspective to its broader strategic planning process through a “seat at the table? (2) provide integrated mission support and participate as partners with line managers? (3) lead or assist in the organization’s workforce planning efforts and in developing, implementing, and assessing human capital policies and practices that will help the organization achieve its shared vision?</p>	<p>We need Human Resource Department to handle the portion of job description for each department. This is to prevent any overlapping of authority. But because job description is on the making process, the role of this department is not that big.</p>

Employee: Research and Development Director

Date of Interview : 4 March 2011

Leadership: To what extent PT. XYZ has improved their leadership?

Key Questions	Statements
<p>How the organization defined its leaders' roles, responsibilities, attributes and competencies and the performance expectations it has for them in its shared vision?</p>	<p>Although we know our role as director, there are no clear boundaries between the role of shareholders and directors. Directors are not given freedom by shareholders to make decisions. No autonomy. Needed the clear roles of responsibility between the owners and directors. The owner involve in the operational process, it makes the directors cannot take full control on doing their responsibility.</p>
<p>How high-level leaders pursue an explicit strategy to build teamwork, communicate the organization's shared vision in clear and consistent terms to all levels of the organization and receive feedback from employees?</p>	<p>President Director does not have ability to make decisions, he always asks the owner about what is the next step that company can make. As a leader, President director doesn't have courage to take some action, he has no initiative. The role of owners in managing the company's operations is too big. Owners should give the management a chance to take full control in managing company's operation. They should only give advice.</p>

Employee: Marketing Director

Date of Interview : 9 March 2011

Strategic Planning: To what extent PT. XYZ has developed their strategic planning to achieve company's goals?

Key Questions	Statements
How the organizations make a clearly defined shared vision for the organization?	The business project is handling in laboratory investment in hospital. Now the projects have been running for 2 years. Because we are in the transition period, we are still in learning process. We still wondering the right step that we can take to reach our goals.
How the organization created a consistent human capital strategy and integrated it with the organization's overall strategic planning?	<p>Current human resources have not adequate for future needs. The existing employees have to learn more knowledge maybe by providing training for employees will be a good step.</p> <p>The obstacle and challenges that company will facing through accomplishing those human resource strategy is low enforcement, need more debriefing in their respective field.</p>

Employee: Marketing Director

Date of Interview : 9 March 2011

Organizational Alignment: To what extent organizational alignment has operationalized in PT. XYZ?

Key Questions	Statements
<p>What is the specific workforce planning that organization make which is linked to its strategic plan?</p>	<p>For now the number of marketing staff is sufficient for this project. But if there is a project again, it would require additional employees.</p> <p>We don't have legal division to handle or analysis contract agreement. Recommend: recruitment or hired consultant.</p>
<p>How the organization relies on its personnel, human resources, or human capital professionals that can: (1) contribute a human capital perspective to its broader strategic planning process through a "seat at the table? (2) provide integrated mission support and participate as partners with line managers? (3) lead or assist in the organization's workforce planning efforts and in developing, implementing, and assessing human capital policies and practices that will help the organization achieve its shared vision?</p>	<p>The company has to have a firm foundation first to achieve a strong organization. That is why human resource department is important to manage employee's policy. But for now, human resource department only handling the recruitment.</p>

Employee: Marketing Director

Date of Interview : 9 March
2011

Leadership: To what extent PT. XYZ has improved their leadership?

Key Questions	Statements
How the organization defined its leaders' roles, responsibilities, attributes and competencies and the performance expectations it has for them in its shared vision?	I think the shareholder already defined it to the management on informal way.
How high-level leaders pursue an explicit strategy to build teamwork, communicate the organization's shared vision in clear and consistent terms to all levels of the organization and receive feedback from employees?	Leadership is needed to be revamping and improvements. The leader has to take control whenever urgency emerges.

Employee: Human Resource Director

Date of Interview : 7 March 2011

Strategic Planning: To what extent PT. XYZ has developed their strategic planning to achieve company's goals?

Key Questions	Statements
<p>How the organizations make a clearly defined shared vision for the organization?</p>	<p>The prospect of business in medical equipment investment carried on by this company is very promising, and we sometimes discuss our vision with the other employees.</p> <p>The progress of this organization is quite positive, there are view things that management has to fix and improve. Therefore we took a decision to postpone any kind of project, until we have a firm organization that has competency and then we can start to fulfill our objective.</p>
<p>How the organization created a consistent human capital strategy and integrated it with the organization's overall strategic planning?</p>	<p>There are several things we have done to improve employee motivation. One of them is our plan to provide insurance to employees. We have already submitted to the shareholders, and we are now waiting for the decision from shareholder regarding those submissions.</p> <p>The assessment of employees is important to know their capacity, which is why job description and performance appraisal is on the company's plan.</p>

Employee: Human Resource Director

Date of Interview : 7 March 2011

Organizational Alignment: To what extent organizational alignment has operationalized in PT. XYZ?

Key Questions	Statements
<p>What is the specific workforce planning that organization make which is linked to its strategic plan?</p>	<p>We need to add another employee for position of technician, now there are two people that are in that position, but that can be relied just one person. So still need to conducted human resource recruitment for the position of technician. But for other position we don't need more employees. But, if the there is new projects, we do need more employees.</p> <p>For now, all the work is dedicated to the project hospital. And who knows clearly the condition and progress from the project is technical director. And if there are additional employees needed either marketing or a technician, will be informed by her.</p> <p>I am here concurrently as commissioner and director of human resources. Actually according to the rule this should not be conducted. But the company is in developing process and there are several things we still must study and addressed. So temporarily we took this decision.</p>
<p>How the organization relies on its personnel, human resources, or human capital professionals that can: (1) contribute a human capital perspective to its broader strategic planning process through a "seat at the table? (2) provide integrated mission support and participate as partners with line managers? (3) lead or assist in the organization's workforce planning efforts and in developing, implementing, and assessing human capital policies and practices that will help the organization achieve its shared vision?</p>	<p>Today my department only handling the employee's administration and the recruitment for new employee. But in the future, working together with the other department, we will start to manage job description and performance appraisal.</p>

Employee: Human Resource Director

Date of Interview : 7 March 2011

Leadership: To what extent PT. XYZ has improved their leadership?

Key Questions	Statements
<p>How the organization defined its leaders' roles, responsibilities, attributes and competencies and the performance expectations it has for them in its shared vision?</p>	<p>There are no clear boundaries of authority between the responsibilities of directors and shareholders. It is expected that shareholders only give advice or recommendations to management. And decisions on policy or program to remain the director's decision.</p>
<p>How high-level leaders pursue an explicit strategy to build teamwork, communicate the organization's shared vision in clear and consistent terms to all levels of the organization and receive feedback from employees?</p>	<p>The relation with the shareholder is not quite good. Management from PT. XYZ comes from senior employees of PT. ABC. They already have experience in running this business. They try to carry out the responsibility but they cannot work optimally because interference from shareholders. We want the responsibilities purely conducted by the directors without any interference from shareholders.</p>

Employee: Finance Director

Date of Interview : 9 March 2011

Strategic Planning: To what extent PT. XYZ has developed their strategic planning to achieve company's goals?

Key Questions	Statements
How the organizations make a clearly defined shared vision for the organization?	Our orientation now investing in medical equipment, for instance laboratory. But for the future ahead, very rare the organization communicates its vision and mission to the company, and I think is very important to make employees understand company's objective in the future.
How the organization created a consistent human capital strategy and integrated it with the organization's overall strategic planning?	The strategy that we trying to conduct is implementing the disciplined policy, for example the working hour from 8 to 5, and also improving policy and procedures for employees.

Employee: Finance Director

Date of Interview : 9 March 2011

Organizational Alignment: To what extent organizational alignment has operationalized in PT. XYZ?

Key Questions	Statements
<p>What is the specific workforce planning that organization make which is linked to its strategic plan?</p>	<p>For now, we don't need to add more people in this company, unless there is new project agreement that we have to handle.</p>
<p>How the organization relies on its personnel, human resources, or human capital professionals that can: (1) contribute a human capital perspective to its broader strategic planning process through a "seat at the table? (2) provide integrated mission support and participate as partners with line managers? (3) lead or assist in the organization's workforce planning efforts and in developing, implementing, and assessing human capital policies and practices that will help the organization achieve its shared vision?</p>	<p>The function of human resource department plays an important role in corporate management that is for the managing the staffing, administration, recruitment, overtime and others. Also Human Resource department is very important to make strategy related to human resource.</p>

Employee: Finance Director

Date of Interview : 9 March 2011

Leadership: To what extent PT. XYZ has improved their leadership?

Key Questions	Statements
<p>How the organization defined its leaders' roles, responsibilities, attributes and competencies and the performance expectations it has for them in its shared vision?</p>	<p>PT. XYZ is established by the Owner as a place for the senior employees to develop its own without depending anymore to him. And our position and responsibility are already assigned by the owner. But the shareholder is too interfering with operational policy process. It creates conflict between owner and the directors.</p>
<p>How high-level leaders pursue an explicit strategy to build teamwork, communicate the organization's shared vision in clear and consistent terms to all levels of the organization and receive feedback from employees?</p>	<p>Should a leader not only communicate in one direction, but the opinions from its employees also must be heard.</p> <p>The recommendation is by creating intense and open communication between the owner and the management director.</p>

Employee: Technical Director

Date of Interview : 10 March 2011

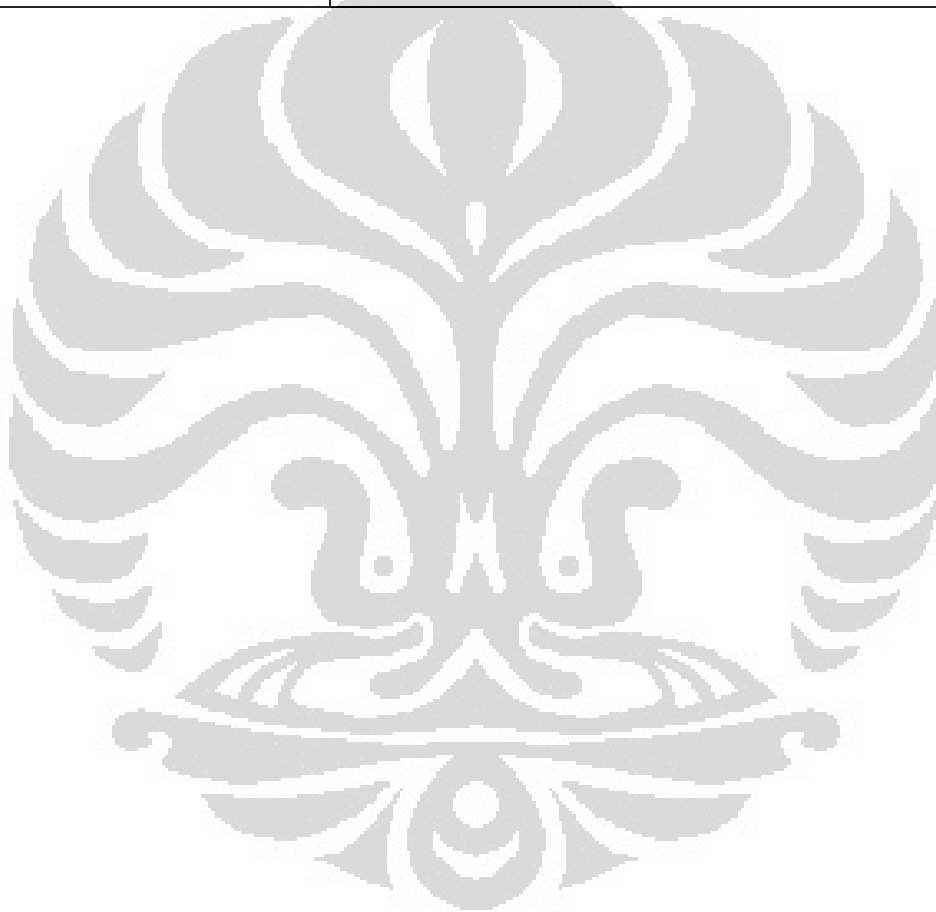
Strategic Planning: To what extent PT. XYZ has developed their strategic planning to achieve company's goals?

Key Questions	Statements
<p>How the organizations make a clearly defined shared vision for the organization?</p>	<p>There are still many things that need to be addressed. All this time this company does not have clarity on future programs. So I think each department should create programs plan or work plan for years ahead, such as planning for doing product research and development, planning product purchase, the determination of targets for business, and financial budget planning. From those programs planning, then we can discuss it with all departments. Creating marketing program plan (annually), discuss it together so we know the product that we will sell or offer.</p> <p>Company has appointed provider on doing system development for financial system. But the process of development is not going well and the target time of completion becomes delayed. This is due to the difficulty for establishing cooperation between the departments of finance and technical.</p>
<p>How the organization created a consistent human capital strategy and integrated it with the organization's overall strategic planning?</p>	<p>We must form a unity that will strengthen relationships among employees. We are not just limited to employment, but expected that we can form a family. The company should create its own budget for make employees feel good working here, so they are motivated for work? Make outbound program.</p> <p>There is no policy and procedure, as the guideline for the employee. Clear line of authority is needed for the escalation process.</p> <p>There are some employees that do not have competence which is expected. Actually they do not have skill but forced in handling the position of director. Competency of the employee has to be evaluated.</p> <p>Culture from PT. ABC is still carried on in PT. XYZ. Where a mental "one man show" is still happening today.</p>

The Company does not implement rewards and punishments. If this company wants to grow, this policy must be applied. There are parties who must supervise the policy. . Employee discipline also becomes an important issue in this company.

So far, every employee's responsibility is unclear, since no written job description. Also because there is no appraisal, the employee does not have discipline.

the desired positive outcomes or changes from the strategy plan in the company is by creating a stimulus, like benefit or compensation that based on a fair system. Because normally the employee's productivity is depend on the compensation.



Employee: Technical Director

Date of Interview : 10 March 2011

Organizational Alignment: To what extent organizational alignment has operationalized in PT. XYZ?

Key Questions	Statements
<p>What is the specific workforce planning that organization make which is linked to its strategic plan?</p>	<p>We don't make any plan for adding more employees, it depends on the business project that we achieved.</p>
<p>How the organization relies on its personnel, human resources, or human capital professionals that can: (1) contribute a human capital perspective to its broader strategic planning process through a "seat at the table? (2) provide integrated mission support and participate as partners with line managers? (3) lead or assist in the organization's workforce planning efforts and in developing, implementing, and assessing human capital policies and practices that will help the organization achieve its shared vision?</p>	<p>Although there are the human resources department but the department is not functioning maximally. I expect the task of human resource department is doing the evaluation and appraisal and also to supervise the policies implemented in this company. the person that supervise the human resource department should have competency. competency is something that can be learned, as long as the person have desire to expand</p>

Employee: Technical Director

Date of Interview : 10 March 2011

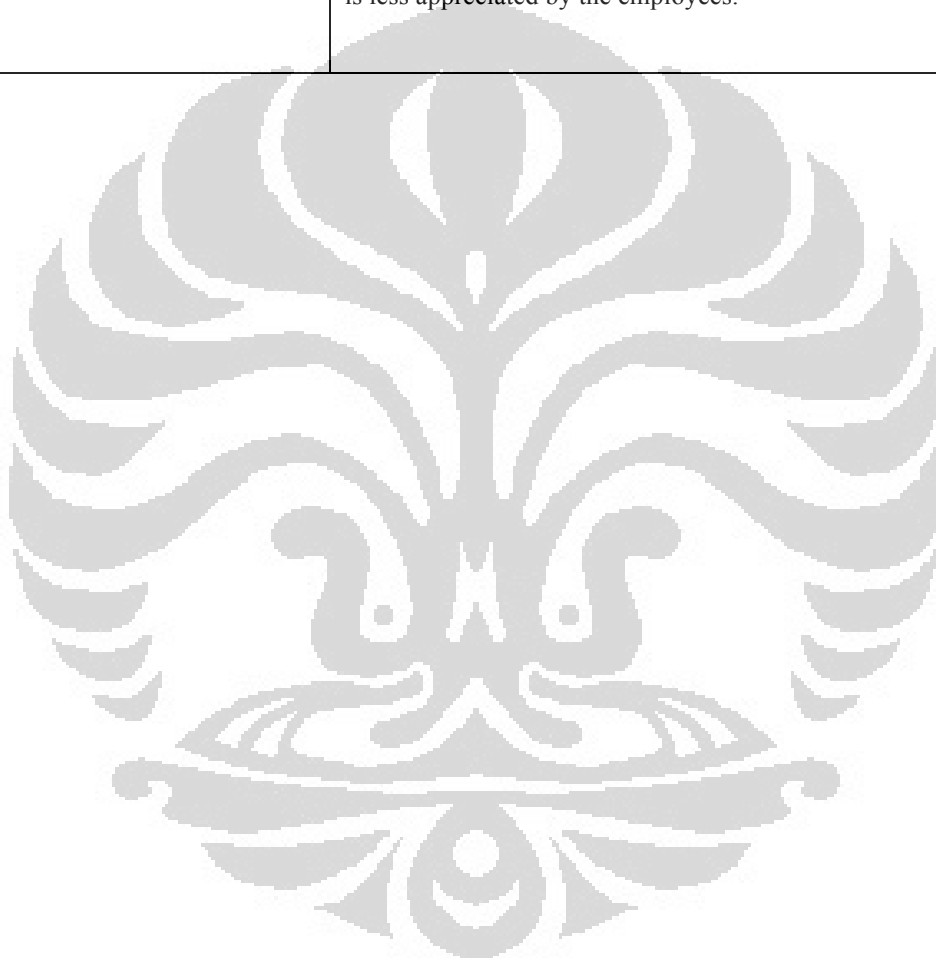
Leadership: To what extent PT. XYZ has improved their leadership?

Key Questions	Statements
<p>How the organization defined its leaders' roles, responsibilities, attributes and competencies and the performance expectations it has for them in its shared vision?</p>	<p>With the current conditions, I do not believe this company can grow. Many problems that occur here. With the shareholder that too involved in company operations. It seems Shareholder couldn't give confidence to the management in carrying out its duties. It is difficult for the management to running their duties, because there is no trust from the owner. But most importantly of all, the person must have power, if not, it is no use.</p> <p>President Director should brave to make Initiative and dare to take control.</p> <p>Shareholder shouldn't make a distance with the management (socialize), open communication.</p> <p>Shareholder wants every director should be responsible for getting a project. But there is no clear rule because when we get the project, there is no compensation given.</p>
<p>How high-level leaders pursue an explicit strategy to build teamwork, communicate the organization's shared vision in clear and consistent terms to all levels of the organization and receive feedback from employees?</p>	<p>In this project, my department work alone. Starting from planning, marketing, purchasing, until implementation. This is because the trust factor. The shareholder is not too entrusting to another director. President director cannot be reliable. If we've appointed to perform a task, we must show to subordinates that we are trying to run a given responsibility. What I see, he does not attempt to work right. He can't lead the organization, just following others, He does not want to make an initiative in making decisions, and he just wanted to seek safety. He does not perform a good alteration.</p> <p>The relationship between shareholders and management can be said not too close. There is a communication problem between shareholders and management. There is no transparency so that it becomes our obstacle to carry out our responsibilities.</p> <p>The core problem in this company is communication. If the shareholder asks us to perform an analysis report and recommendations to certain matter, she never gives feedback on</p>

the results of our analysis and recommendations report. And it makes the issue has to delayed. This makes us become do not eager to gives a recommendation because there was never any feedback from her. This is different of leadership style of previous owner. Back then, after we gives the report, he definitely provide answers or feedback either positive or negative evaluation. So two-way communication is very important.

Also we never jointly discuss the issues raised in this company.

Shareholder is still young and she still a lot that she needs to learn and this information obtained if she diligent in communicating with the management or staffs. But sometimes she seemed to keep a distance from employees here. Because she still young, she is less appreciated by the employees.



Employee: Logistic Staff

Date of Interview : 4 March 2011

Strategic Planning: To what extent PT. XYZ has developed their strategic planning to achieve company's goals?

Key Questions	Statements
<p>How the organizations make a clearly defined shared vision for the organization?</p>	<p>I understand the changes condition in business strategy that is taken by management. Previously the business was focus on procurement of health equipment, but now cause of changes, the business course is focus on investment in health equipment.</p> <p>The company only mentioned the goal or mission statement or organizational goals when I was interviewed. After that they never mentioned again. I recommended maybe they can hang the vision and mission statement on the wall.</p>
<p>How the organization created a consistent human capital strategy and integrated it with the organization's overall strategic planning?</p>	<p>I think we are here still in the learning stage to determined strategies. So far I see it, The working condition is comfortable. As a team, we have a good relationship with each other. The employees have the competencies required by the company. In general, the performance of management is quite good.</p> <p>I had passion when I was starting to work here, but now the feeling is starting to wear off, because there is no clear standard regarding to the employee's welfare. Companies should pay more attention to employees' benefits like health insurance or annual bonus.</p> <p>The policy and procedure is also important for the employees. But this company doesn't have the policy and procedure and the employees need it as their guideline for doing the responsibility. And the other thing, regulations for implementing employee's disciplined should be reviewed. For example if we late come to the office, the company will cut our salaries, but if our performance is good, no company rewards given to the employees. This treatment is very unfair.</p>

Employee: Logistic Staff

Date of Interview : 4 March 2011

Organizational Alignment: To what extent organizational alignment has operationalized in PT. XYZ?

Key Questions	Statements
<p>What is the specific workforce planning that organization make which is linked to its strategic plan?</p>	<p>Currently the people in the logistic unit are already ideal. No need to add more employees. The addition of employees may be required, but not at the present time. This is because we only handling one project, if in future there is addition of another project, maybe we will add employees to a certain positions. But for now, I can do the task by itself without the need for any more staff. From administration to logistics stocks I can handle alone.</p>
<p>How the organization relies on its personnel, human resources, or human capital professionals that can: (1) contribute a human capital perspective to its broader strategic planning process through a "seat at the table? (2) provide integrated mission support and participate as partners with line managers? (3) lead or assist in the organization's workforce planning efforts and in developing, implementing, and assessing human capital policies and practices that will help the organization achieve its shared vision?</p>	<p>As I see it, human resources department has not worked optimally. Whereas we need human resources department as a party that can handle the problem that employee is facing, Also they should handling policy for insurance, performance appraisal of employees.</p>

Employee: Logistic Staff

Date of Interview : 4 March 2011

Leadership: To what extent PT. XYZ has improved their leadership?

Key Questions	Statements
<p>How the organization defined its leaders' roles, responsibilities, attributes and competencies and the performance expectations it has for them in its shared vision?</p>	<p>The organization never defined explicitly the role of the directors. And also I'd rather confused regarding who is actually my supervisor. The authority is not clear; the logistic unit is under the Finance department. But most of the time I report to the technical director where she also signed as Project Manager.</p>
<p>How high-level leaders pursue an explicit strategy to build teamwork, communicate the organization's shared vision in clear and consistent terms to all levels of the organization and receive feedback from employees?</p>	<p>Well I rarely communicate with the finance director. Current condition, if I feel there are things that have to discussed, I'll tell the Technical director. Why to her because she seems to have more power than other directors. And she can fight the aspirations of the employees.</p>

Employee: Purchasing Staff (a)

Date of Interview : 7 March 2011

Strategic Planning: To what extent PT. XYZ has developed their strategic planning to achieve company's goals?

Key Questions	Statements
How the organizations make a clearly defined shared vision for the organization?	Employees never been informed about the program or the target company for the year ahead. There was never any socialization by management regarding of this.
How the organization created a consistent human capital strategy and integrated it with the organization's overall strategic planning?	<p>The performance from management in managing human resource has not yet optimal. The company should create a special program to develop skills and knowledge of each employee, so they are motivated in carrying out their duties. The program could be informed of training or outbound. All this time, employees have never been attending to any training exhibition.</p> <p>Perhaps through outbound event, employees can strengthen the mutual relations and also able to give criticism and suggestions to improve the performance of the company. Indeed, this is a small company, but its is not impossible in the future if this company will grow, therefore the management should be able to create a program for the employee that can motivate them.</p>

Employee: Purchasing Staff (a)

Date of Interview : 7 March 2011

Organizational Alignment: To what extent organizational alignment has operationalized in PT. XYZ?

Key Questions	Statements
<p>What is the specific workforce planning that organization make which is linked to its strategic plan?</p>	<p>Current human resources not adequate for future needs we need to recruit employee who have skill or knowledge in human resource management. Utilize existing employee for human resource department position is not a solution.</p>
<p>How the organization relies on its personnel, human resources, or human capital professionals that can: (1) contribute a human capital perspective to its broader strategic planning process through a "seat at the table? (2) provide integrated mission support and participate as partners with line managers? (3) lead or assist in the organization's workforce planning efforts and in developing, implementing, and assessing human capital policies and practices that will help the organization achieve its shared vision?</p>	<p>Actually human resource director have no competency that we are expected. Maybe he wants to embrace "learning by doing" because he did not have the background to manage human resource. But he should take training on managing human resource. From my point of view, the PIC that handles the human resource is not adequate enough. I suggest that the PIC who will handle it, has to take some human resource management training.</p> <p>Human resource directors should create an employee program for the next year. But in reality he has no knowledge about human resources, and I wonder why companies do not recruit new employees that competent to fill the position of human resources director.</p>

Employee: Purchasing Staff (a)

Date of Interview : 7 March 2011

Leadership: To what extent PT. XYZ has improved their leadership?

Key Questions	Statements
<p>How the organization defined its leaders' roles, responsibilities, attributes and competencies and the performance expectations it has for them in its shared vision?</p>	<p>The directors have the nature of followers where this habit is formed when they were still in PT. ABC. And with the growing business today, a leader must be dynamic and have the initiative. I think the management doesn't know how to manage the organization with the new business strategy. It is because back then they usually did the job based on the owner's instruction (One Man Show). A leader must to be dynamic, and not static.</p> <p>Now the shareholders who directly supervise the company's performance are the daughter from former President Director. Where her age is still young. Young people usually have the mindset more advanced and more dynamic to develop this company.</p>
<p>How high-level leaders pursue an explicit strategy to build teamwork, communicate the organization's shared vision in clear and consistent terms to all levels of the organization and receive feedback from employees?</p>	<p>I think the president director not really dedicate himself in his job. His performance as a leader could not serve as a role model. Very different with the former president Director. Current President Director is just waiting instruction from the owner. He has no initiative to take control or decision.</p> <p>For the company's future, it will require a team work and communication between the shareholder and the management. This condition sometimes makes a negative impact to their relationship. For example before making a suggestion to the shareholder, Management already apathetic if their advice would be rejected by the owner.</p>

Employee:Purchasing Staff (b)

Date of Interview : 7 March 2011

Strategic Planning: To what extent PT. XYZ has developed their strategic planning to achieve company's goals?

Key Questions	Statements
How the organizations make a clearly defined shared vision for the organization?	Employees never been informed about the program or the target company for the year ahead. I think we must make a regular meeting to discuss about issues, target business etc.
How the organization created a consistent human capital strategy and integrated it with the organization's overall strategic planning?	<p>Companies not paid much attention the interests of employee like for example they do not provide training or conduct outbound for their employees. The implementation of procedure or program for employees have not maximum yet.</p> <p>The company can focus to the employee's interests, like pension and insurance program.</p>

Employee: Purchasing Staff (b)

Date of Interview : 7 March
2011

Organizational Alignment: To what extent organizational alignment has operationalized in PT. XYZ?

Key Questions	Statements
<p>What is the specific workforce planning that organization make which is linked to its strategic plan?</p>	<p>(Employee didn't know the existing condition).</p>
<p>How the organization relies on its personnel, human resources, or human capital professionals that can: (1) contribute a human capital perspective to its broader strategic planning process through a "seat at the table? (2) provide integrated mission support and participate as partners with line managers? (3) lead or assist in the organization's workforce planning efforts and in developing, implementing, and assessing human capital policies and practices that will help the organization achieve its shared vision?</p>	<p>Human resource department is needed to manage the employee's contract, pension administration, and insurance. But I think on the current condition the role of HR department is not that much.</p>

Employee:Purchasing Staff (b)

Date of Interview : 7 March 2011

Leadership: To what extent PT. XYZ has improved their leadership?

Key Questions	Statements
<p>How the organization defined its leaders' roles, responsibilities, attributes and competencies and the performance expectations it has for them in its shared vision?</p>	<p>Owner should allow the management for grow by itself. They do not need to get involved in operational matters.</p>
<p>How high-level leaders pursue an explicit strategy to build teamwork, communicate the organization's shared vision in clear and consistent terms to all levels of the organization and receive feedback from employees?</p>	<p>In this case the owner plays an important role as decision maker. And from what I see, sometimes management does not feel any acknowledgment from the shareholder.</p> <p>The owner and the management don't have the same vision, and rarely communicates. Maybe because this is the family's company, the management doesn't have freedom to do what they think is right. Recommend: They should open with each other, is for the sake of the company's performance in the future.</p>

Employee: Accounting Staff (a)

Date of Interview : 8 March 2011

Strategic Planning: To what extent PT. XYZ has developed their strategic planning to achieve company's goals?

Key Questions	Statements
How the organization make a clearly defined shared vision for the organization?	They never defined the vision from this company.
How the organization created a consistent human capital strategy and integrated it with the organization's overall strategic planning?	<p>Management has not work optimally, there are many things that management must improve in implementing the policy in this company, like for example, defined the employee's career path in the company, insurance and also the company appreciation to the employees who have worked quite long in the company. Appreciation can be given in the form of increasing salaries, other benefits.</p> <p>Our performance is not being measured, so employees who perform with employee who is not perform, is treated equally by the company. And there was no award given.</p> <p>The company only focusing on the business income, they are not giving attention to its employee's interest.</p> <p>Sometimes conflicts between employees occurred. Because we do not have a written and clear job description, we blame to other parts about the problem that occurred. Or the jealousy to the other employee who receive higher salary, so that there are employees who do not want to have high working load because they felt their salary are less from the other.</p> <p>Also I am starting to lose my motivation, because there is no clear policy for bonus distribution. The decision whether employee can receive bonus depends on the owner's decision.</p>

Employee: Accounting Staff (a)

Date of Interview : 8 March 2011

Organizational Alignment: To what extent organizational alignment has operationalized in PT. XYZ?

Key Questions	Statements
<p>What is the specific workforce planning that organization make which is linked to its strategic plan?</p>	<p>For now, we don't need to recruit another staffs.</p>
<p>How the organization relies on its personnel, human resources, or human capital professionals that can: (1) contribute a human capital perspective to its broader strategic planning process through a "seat at the table? (2) provide integrated mission support and participate as partners with line managers? (3) lead or assist in the organization's workforce planning efforts and in developing, implementing, and assessing human capital policies and practices that will help the organization achieve its shared vision?</p>	<p>The role of human resource department is really needed here. This is to take responsible for handling the employees for example managing personnel administration.</p>

Employee: Accounting Staff (a)

Date of Interview : 8 March 2011

Leadership: To what extent PT. XYZ has improved their leadership?

Key Questions	Statements
<p>How the organization defined its leaders' roles, responsibilities, attributes and competencies and the performance expectations it has for them in its shared vision?</p>	<p>Leaders who have good leadership are the people we can make an example. For the president director, I do not see he has a good leadership. Most of the directors here are not acting like a leader.</p>
<p>How high-level leaders pursue an explicit strategy to build teamwork, communicate the organization's shared vision in clear and consistent terms to all levels of the organization and receive feedback from employees?</p>	<p>Problems in the company is quite complex. Problems could come from staffs or directors. The leaders here are old and they seemed to be lazy to work optimally.</p> <p>I'm not satisfied with the leadership style of the directors, cannot be seen as a role model. They are only playing safe.</p>

Employee: Accounting Staff (b)

Date of Interview : 8 March 2011

Strategic Planning: To what extent PT. XYZ has developed their strategic planning to achieve company's goals?

Key Questions	Statements
<p>How the organization make a clearly defined shared vision for the organization?</p>	<p>in here the procedure is not clear, and the program that carried on by the company also have never been disclosed by superiors. So if anyone asks how the business development at PT. XYZ is, I would have to answer that I do not know. Because the management has never do news socialization that happened in PT. XYZ. Maybe only certain people who know but not all employees are updated with its business development.</p> <p>I was never been disclosed about the vision and mission of PT. XYZ by the finance director. I was told the vision and mission and business strategy in this company only when I was doing my job interview.</p>
<p>How the organization created a consistent human capital strategy and integrated it with the organization's overall strategic planning?</p>	<p>The flow process has to be clear for everyone. Recommend: every employee has to discuss it together to compose the procedure.</p>

Employee: Accounting Staff (b)

Date of Interview : 8 March 2011

Organizational Alignment: To what extent organizational alignment has operationalized in PT. XYZ?

Key Questions	Statements
<p>What is the specific workforce planning that organization make which is linked to its strategic plan?</p>	<p>I think with the existing employees, we can handle our job. So no need to make recruitment.</p>
<p>How the organization relies on its personnel, human resources, or human capital professionals that can: (1) contribute a human capital perspective to its broader strategic planning process through a “seat at the table? (2) provide integrated mission support and participate as partners with line managers? (3) lead or assist in the organization’s workforce planning efforts and in developing, implementing, and assessing human capital policies and practices that will help the organization achieve its shared vision?</p>	<p>Human resource department is important to handling the policy of performance appraisal.</p>

Employee: Accounting Staff (b)

Date of Interview : 8 March 2011

Leadership: To what extent PT. XYZ has improved their leadership?

Key Questions	Statements
<p>How the organization defined its leaders' roles, responsibilities, attributes and competencies and the performance expectations it has for them in its shared vision?</p>	<p>Because I'm new, so I don't quite know his leadership style. The expectation regarding to the leadership is to Make a routine/regular discussion with his or her staff.</p>
<p>How high-level leaders pursue an explicit strategy to build teamwork, communicate the organization's shared vision in clear and consistent terms to all levels of the organization and receive feedback from employees?</p>	<p>I was in the finance department and usually communicate my work with the senior accounting staff, I am not very often communicate with the finance director.</p> <p>I do not really feel the leadership from finance director and other directors, because they never asked their subordinates to make a discussion.</p> <p>I think the obstacle is coming from the management. Because they are seniors, so it is kind of hard to change their behavior.</p>

Employee: Treasurer

Date of Interview : 8 March 2011

Strategic Planning: To what extent PT. XYZ has developed their strategic planning to achieve company's goals?

Key Questions	Statements
<p>How the organization make a clearly defined shared vision for the organization?</p>	<p>President Director does not have a clear vision for the future. He cannot make plans about what should be done in the future.</p> <p>Some of our staff doesn't know the product that we sell it to the customer.</p>
<p>How the organization created a consistent human capital strategy and integrated it with the organization's overall strategic planning?</p>	<p>Other director is not very helpful because they do not understand correctly regarding the project that are now underway. Only a few people that actually involved in those project. I also don't want to know about the conditions that occur there. What important is that I have done my work.</p> <p>So if there are things that I need to ask in relation to the finance of the project, I did not ask the finance director, but I asked directly to the technical director. Because she knows the logistics, and other issues that happened in the project.</p> <p>This condition occurs because the job description is unclear. Because there is unclear and no legitimate job description, sometimes there is misunderstanding between fellow employees and their throwing the responsibilities on each other.</p> <p>I want the employee's welfare is being improved. For example they provide insurance for the employees. It is to raise loyalty from the employee, because for all I know, employees starting to have low motivation.</p>

Employee: Treasurer

Date of Interview : 8 March 2011

Organizational Alignment: To what extent organizational alignment has operationalized in PT. XYZ?

Key Questions	Statements
<p>What is the specific workforce planning that organization make which is linked to its strategic plan?</p>	<p>The existing number of employees is already good enough.</p>
<p>How the organization relies on its personnel, human resources, or human capital professionals that can: (1) contribute a human capital perspective to its broader strategic planning process through a “seat at the table? (2) provide integrated mission support and participate as partners with line managers? (3) lead or assist in the organization’s workforce planning efforts and in developing, implementing, and assessing human capital policies and practices that will help the organization achieve its shared vision?</p>	<p>Today, HR department is only handling the recruitment process, nothing else.</p>

Employee: Treasurer

Date of Interview : 8 March 2011

Leadership: To what extent PT. XYZ has improved their leadership?

Key Questions	Statements
<p>How the organization defined its leaders' roles, responsibilities, attributes and competencies and the performance expectations it has for them in its shared vision?</p>	<p>I'm not satisfied with the leadership style of the directors especially the president director. He has not give positive output to the company. Honestly President director who is now in charge do not understand anything either about the project or managing the employees. He does not have a clear vision for the future. He cannot make plans about what should be done in the future.</p> <p>I hope the leader here have good leadership characteristics. Have dignity and can be assertive in taking decisions.</p>
<p>How high-level leaders pursue an explicit strategy to build teamwork, communicate the organization's shared vision in clear and consistent terms to all levels of the organization and receive feedback from employees?</p>	<p>The directors do not give explanation of responsibilities of each section.</p> <p>For shareholders who now supervise the company, her performance quite good, she can lead and gives solutions if there are problems.</p>

Employee: Technical Support (a)

Date of Interview : 17 March 2011

Strategic Planning: To what extent PT. XYZ has developed their strategic planning to achieve company's goals?

Key Questions	Statements
How the organization make a clearly defined shared vision for the organization?	<p>The vision and mission only mentioned when I was interviewed by the directors.</p> <p>the most critical issue that has to be fixed immediately is improve the good communication between management and the staff.</p>
How the organization created a consistent human capital strategy and integrated it with the organization's overall strategic planning?	<p>There are still many things that needs to be improved to its management. And the bottom line is they must improve communication among employees.</p> <p>I do not know the company's policy. The management never socialize it to their employees.</p>

Employee: Technical Support (a)

Date of Interview : 17 March 2011

Organizational Alignment: To what extent organizational alignment has operationalized in PT. XYZ?

Key Questions	Statements
What is the specific workforce planning that organization make which is linked to its strategic plan?	Now the number of employees in technical is enough. But the facility cannot fully support the marketing/analysis's activity.
How the organization relies on its personnel, human resources, or human capital professionals that can: (1) contribute a human capital perspective to its broader strategic planning process through a "seat at the table? (2) provide integrated mission support and participate as partners with line managers? (3) lead or assist in the organization's workforce planning efforts and in developing, implementing, and assessing human capital policies and practices that will help the organization achieve its shared vision?	Human Resource department is needed to Monitoring policy and procedure that follows government regulation. Helping employees to increase their productivity.

Employee: Technical Support (a)

Date of Interview : 17 March 2011

Leadership: To what extent PT. XYZ has improved their leadership?

Key Questions	Statements
How the organization defined its leaders' roles, responsibilities, attributes and competencies and the performance expectations it has for them in its shared vision?	(Employee didn't know the existing condition).
How high-level leaders pursue an explicit strategy to build teamwork, communicate the organization's shared vision in clear and consistent terms to all levels of the organization and receive feedback from employees?	The leader is not performing very well, honestly I still don't know to whom should I give my report. And we need clarification for job description and our direct report.

Employee: Technical Support (b)

Date of Interview : 17 March 2011

Strategic Planning: To what extent PT. XYZ has developed their strategic planning to achieve company's goals?

Key Questions	Statements
How the organization make a clearly defined shared vision for the organization?	The vision and mission only mentioned when I was interviewed by the directors.
How the organization created a consistent human capital strategy and integrated it with the organization's overall strategic planning?	On the Technical division, the work system is based on time, sometimes on weekend I could be called to work. And it makes me confused about the policy of working hours. So the rules that applied to the employees are not yet clear.

Employee: Technical Support (b)

Date of Interview : 17 March 2011

Organizational Alignment: To what extent organizational alignment has operationalized in PT. XYZ?

Key Questions	Statements
What is the specific workforce planning that organization make which is linked to its strategic plan?	Now the number of employees in technical is enough. But the facility cannot fully support the marketing/analysis's activity.
How the organization relies on its personnel, human resources, or human capital professionals that can: (1) contribute a human capital perspective to its broader strategic planning process through a "seat at the table? (2) provide integrated mission support and participate as partners with line managers? (3) lead or assist in the organization's workforce planning efforts and in developing, implementing, and assessing human capital policies and practices that will help the organization achieve its shared vision?	(Employee didn't know the existing condition).

Employee: Technical Support (b)

Date of Interview : 17 March 2011

Leadership: To what extent PT. XYZ has improved their leadership?

Key Questions	Statements
How the organization defined its leaders' roles, responsibilities, attributes and competencies and the performance expectations it has for them in its shared vision?	(Employee didn't know the existing condition).
How high-level leaders pursue an explicit strategy to build teamwork, communicate the organization's shared vision in clear and consistent terms to all levels of the organization and receive feedback from employees?	My superior is Technical Director, and I think She has been able to manage their subordinates very well.

Employee: Marketing Staff (a)

Date of Interview : 17 March 2011

Strategic Planning: To what extent PT. XYZ has developed their strategic planning to achieve company's goals?

Key Questions	Statements
How the organization make a clearly defined shared vision for the organization?	There is no clarity about the vision and mission of the company. We were never being explained by the director about the next work program that must be done by marketing.
How the organization created a consistent human capital strategy and integrated it with the organization's overall strategic planning?	The company's policy was not perfect. Examples are no written job description to employees. The company must make clear rules for the employees.

Employee: Marketing Staff (a)

Date of Interview : 17 March 2011

Organizational Alignment: To what extent organizational alignment has operationalized in PT. XYZ?

Key Questions	Statements
<p>What is the specific workforce planning that organization make which is linked to its strategic plan?</p>	<p>So far for marketing we do not need to add people, because we also work together with marketing from the hospital.</p>
<p>How the organization relies on its personnel, human resources, or human capital professionals that can: (1) contribute a human capital perspective to its broader strategic planning process through a “seat at the table? (2) provide integrated mission support and participate as partners with line managers? (3) lead or assist in the organization’s workforce planning efforts and in developing, implementing, and assessing human capital policies and practices that will help the organization achieve its shared vision?</p>	<p>As I know the human resource department handling the employee's administration.</p>

Employee: Marketing Staff (a)

Date of Interview : 17 March 2011

Leadership: To what extent PT. XYZ has improved their leadership?

Key Questions	Statements
<p>How the organization defined its leaders' roles, responsibilities, attributes and competencies and the performance expectations it has for them in its shared vision?</p>	<p>There is no clarity of the person who in charge as our supervisor. Eventhough my superior is Marketing Director, but I think He has not been able to act as a leader.</p>
<p>How high-level leaders pursue an explicit strategy to build teamwork, communicate the organization's shared vision in clear and consistent terms to all levels of the organization and receive feedback from employees?</p>	<p>He never gives me clear direction regarding to marketing activity, and never gives recommendation.</p> <p>I personally feel it is not clear who is my supervisors. Based on structural, director of marketing is my supervisor. However he rarely comes to the project site. So here we are working without supervision from superiors.</p> <p>The role of marketing director has not been influential on the work that I do. The way I see it, he has not acted as leader.</p> <p>Most of the work instructions for marketing staff come from The technical director. There is no clarity of the person who in charge as our supervisor. Eventhough my superior is Marketing Director, but in the field, my direct report is the Technical Director.</p>

Employee: Marketing Staff (b)

Date of Interview : 17 March 2011

Strategic Planning: To what extent PT. XYZ has developed their strategic planning to achieve company's goals?

Key Questions	Statements
How the organization make a clearly defined shared vision for the organization?	There is no clarity of vision and mission from the leader about the target work that must be conduct. Supervisor does not give the knowledge needed by the marketing staff.
How the organization created a consistent human capital strategy and integrated it with the organization's overall strategic planning?	(Employee didn't know the existing condition).

Employee: Marketing Staff (b)

Date of Interview : 17 March
2011

Organizational Alignment: To what extent organizational alignment has operationalized in PT. XYZ?

Key Questions	Statements
What is the specific workforce planning that organization make which is linked to its strategic plan?	(Employee didn't know the existing condition).
How the organization relies on its personnel, human resources, or human capital professionals that can: (1) contribute a human capital perspective to its broader strategic planning process through a "seat at the table? (2) provide integrated mission support and participate as partners with line managers? (3) lead or assist in the organization's workforce planning efforts and in developing, implementing, and assessing human capital policies and practices that will help the organization achieve its shared vision?	(Employee didn't know the existing condition).

Employee: Marketing Staff (b)

Date of Interview : 17 March 2011

Leadership: To what extent PT. XYZ has improved their leadership?

Key Questions	Statements
<p>How the organization defined its leaders' roles, responsibilities, attributes and competencies and the performance expectations it has for them in its shared vision?</p>	<p>(Employee didn't know the existing condition).</p>
<p>How high-level leaders pursue an explicit strategy to build teamwork, communicate the organization's shared vision in clear and consistent terms to all levels of the organization and receive feedback from employees?</p>	<p>There is no clarity of the person who in charge as our supervisor. Eventhough my superior is Marketing Director, but in the field, my direct report is to Technical Director.</p> <p>There is no clarity of the person who in charge as our supervisor (Leader). Eventhough my superior is Marketing Director, but I think He has not been able to act as a leader. He never gives me clear direction regarding to marketing activity, never gives recommendation.</p>

Employee: Accounting Staff (c)

Date of Interview : 17 March 2011

Strategic Planning: To what extent PT. XYZ has developed their strategic planning to achieve company's goals?

Key Questions	Statements
How the organization make a clearly defined shared vision for the organization?	I was only given a verbal instruction and never explained the work program for the future ahead.
How the organization created a consistent human capital strategy and integrated it with the organization's overall strategic planning?	(Employee didn't know the existing condition).

Employee: Accounting Staff (c)

Date of Interview : 17 March 2011

Organizational Alignment: To what extent organizational alignment has operationalized in PT. XYZ?

Key Questions	Statements
What is the specific workforce planning that organization make which is linked to its strategic plan?	(Employee didn't know the existing condition).
How the organization relies on its personnel, human resources, or human capital professionals that can: (1) contribute a human capital perspective to its broader strategic planning process through a "seat at the table? (2) provide integrated mission support and participate as partners with line managers? (3) lead or assist in the organization's workforce planning efforts and in developing, implementing, and assessing human capital policies and practices that will help the organization achieve its shared vision?	(Employee didn't know the existing condition).

Employee: Accounting Staff (c)

Date of Interview : 17 March 2011

Leadership: To what extent PT. XYZ has improved their leadership?

Key Questions	Statements
<p>How the organization defined its leaders' roles, responsibilities, attributes and competencies and the performance expectations it has for them in its shared vision?</p>	<p>(Employee didn't know the existing condition).</p>
<p>How high-level leaders pursue an explicit strategy to build teamwork, communicate the organization's shared vision in clear and consistent terms to all levels of the organization and receive feedback from employees?</p>	<p>I only met once with the director of finance. I interviewed at that time by the director of human resources, not with the financial director. In this project site the person who gives job instructions is the technical director. So I rarely communicate with my supervisor (Finance Director), only with Technical Director.</p>