HUMAN CAPITAL MANAGEMENT PRACTICES
ADOPTED BY SLB-D YPAC BANDUNG

Dani Junianto and Yuni Ros Bangun
School of Business and Management
Institut Teknologi Bandung, Indonesia
dani.junianto@sbm-itb.ac.id

Abstract- The objective of the study was to determine the extent to which the SLB-D YPAC BANDUNG had adopted the Human Capital Management (HCM) practices. The HCM practices that were explored include: resourcing, strategies, talent management, learning and development, and performance and reward management strategies. The study used the case study design that was based on a target population of 30 people in the school. A sample of twenty nine (29) staff, just excluding the headmaster was selected. Data collection instruments used by the study were an interview guide and a questionnaire. However, a substantial amount of data was collected through documentary analysis. A response rate of 100% was achieved by the questionnaire technique, while one of the four interviewee sampled were interviewed. Both content and quantitative analysis were used to analyze data which was then presented in frequency tables, percentages, rank ordering, and mean scores and standard deviation. Overall, the findings of the study indicate that the organization has implemented HCM practices, but to a negligible extent. Some of the HCM practices adopted by the organization include: : effective communication channel, equipping them with competencies required to achieve the organizational goal, and Explaining organization mission, vision, and value to the staff. However, the rest of the practices have either not been adopted or are adopted to a negligible extent. The study also suggests that there is need for further research, particularly in the area of human capital measurement, since the organization didn't use any tool available and the continued applied research for when the organization had implemented a clear human capital measurement.

Keywords: Human capital management, competitive advantage, human capital advantage, intangible assets and human capital planning.
Category: Performance Management, Human Resource Management

Introduction

Background of Study
Human resource management (HRM) has already emerged as a separate discipline to personnel. In personnel management, people management strategy is developed through a process that is separate to the development of the business strategy and in which the primary focus of attention and effort is within the HR function and on the current state. In HRM, people management strategy links to and cascades from the business strategy. The term "human capital" was originated by Schultz (1961) who elaborated the concept in 1981 by regarding all human abilities to be either innate or acquired. He further states that attributes which are valued and can be augmented by appropriate investment are human capital. As it perceive the HCM can also be used in any kind of business to gain advantage of it. The writer here will be focusing on a SLB (Sekolah Luar Biasa) that generally focus on mentally or physically challenge children that have to be taken care of with extra caution. People minds are something that has been an unknown for more than a millennium. We as human have a brain cell that

can transmit emotion as well as receive a sense of touch, smell, hearing, taste and sight. We also have been granted the ability that we call "thinking" and with that ability, we are able to make choice in life. But the brain is not as simple as all we human have thought. The mind can also block this ability of emotion when the brain is aware that the person is incapable of handling things that the brain has received. This incident has also been recognized in medical world as a pervasive disorder, or a disease that specifically happen in the brain. This occurrence is known as PDD, or in public word it would be known wide as autism or Asperger syndrome. This disorder is now already something that happen in common and it has been acknowledge by CDC that 1 in 68 children in the world is infected with autism. Autism is characterized by severe and pervasive impairments in several important areas of development: reciprocal social interaction and communication as well as behavior, and imagination.

Their difficulties and inability to understand how others think and feel lead to children with autism finding it difficult to play with others of the same age and make friends. Adults find it difficult to establish relationships with other adults mix with others and be sociable. Those who have these symptoms can sometime find it hard to blend into social life and become "lost" in their own mind without the usual reasoning.

In Indonesia, especially in Bandung City, the spread of autism has also been known but most people somehow ignore this condition. The theory for this is because there aren't that many people that have been known to have autism symptoms. There are not a definite number of people that has shown autism symptom, but from the source that the writer gets from the Ministry of Education, which surrounds SLB (sekolah luar biasa) in Jawa Barat, there are 752 people that have the symptom of autism, in which 328 are from Bandung area. With the total of 998,612 people in Bandung in age range of 0-14, the percentage of people that have autism symptom is less than 0.0004%.

Statement of Problem
According to current research, autism is to a great extent hereditary. Around two in every thousand children have the severe form of autism known as autistic syndrome. As per now, there are no viable cures to autism. Autism is a life-long disability. Although the degree of autism can be said to be variable, the consequences of having autism are always serious. The person can be helped to the most favorable development possible by early, intensive and adapted educational efforts in a specially arranged setting. One of the principal aims of treatment is to help the person to develop functioning communication. Information for and training of parents and others affected is an important part of the treatment. Those in the person's environment need to receive training and guidance over a long period, perhaps for life, on the right way to deal with the person. The truth remain that these people need medical care and need to keep pursue education so that's why the government build SLB.

The reason for selecting this school is that the school has stumbled to some problem. This complaint come to the writer attention from a teacher staff from the school that sharing his story. The complaints are as follows: the pay grade for the school is unsatisfactory and the facility given to the staff is inadequate. There is also less staff to handle the students that are enrolled in the school since the staff is low on hand. A staff can have two or three job desk and the pay grade for doing other job don't have that big of a difference.

With this information, the writer will conduct a research on how to improve the quality of the work that the staff has done and increase their livelihood, if possible, by conducting a research in the school. The method will be using questionnaire that will determine how much the approximately differences of the school salary and satisfaction. In which after those data will be used in a table that determine the average and the recommended salary and improvement for SLB-D YPAC BANDUNG School.

Objective of study
The objective of this study is generally to determine the extent of human capital practice in the organization in hoping that this paper will contribute to make a better SLB-D YPAC BANDUNG School which can make a better impact in the service of the children that will need this extra care attention.

Research and Design Methodology

Introduction
This part of the research report covers the research design used in conducting the study, population of the study, sample size and the sampling procedure, data collection instruments and procedures, and data analysis techniques.

Research Design
An applied research design is used in this paper study of HCM application into the HR of SLB-D YPAC BANDUNG School. This design is chosen because it feels the most contributing to the school based on the writer decision.

Population of Study
The target population of interest to the study consisted of 30 staff from SLB-D YPAC BANDUNG School which will be shown in Table 1.

Table 1. *Population of Study of SLB-D YPAC BANDUNG School*

Job	SLB School	Percentage
Headmaster	1	3.33%
Administration Staff	4	13.33%
Teacher Staff	22	73.33%
Supporting Staff (such as Psychiatry and doctor)	3	10.00%
Total	30	100.00%

Sample Size
In the study, 29 staff will be selected to fill a questionnaire which consists of stratified sampling technique. The technique was used because of the heterogeneous and, therefore, needed to be divided into relatively homogeneous groups (strata). The sample size will be shown on table 2.

Table 2.*Sample of Study in SLB-D YPAC BANDUNG School*

Population Size	Sample Size 1(SLB School)	Percentage
1	0	0.00%
4	4	13.33%
22	22	73.33%
3	3	10.00%
30	29	96.67%

Characteristic of Sample

Response Rate
Questionnaires were administered to 29 respondents and a response rate of 100% (29 respondents) was achieved, which is considered to be adequate. In addition, only 1 out of 4 who was sampled for interview availed them and was interviewed. The cause is the time of interview had been taken and the headmaster disagreement for the staff to be interviewed.

Length of Service in the Organization
Respondents were asked to indicate their length of service in the organization. The findings are depicted in figure 1.
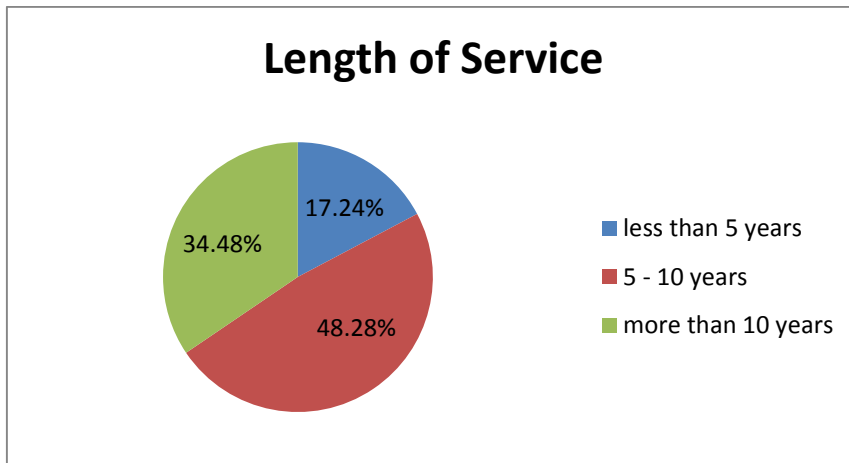

Figure 1.*Length of Service in SLB-D YPAC BANDUNG School*

Respondents' Highest Level of Education
Respondents were asked to indicate their highest level of education. The findings are presented in Table 3.

Table 3. *Level of Education in SLB-D YPAC BANDUNG School*

Level of Education	Frequency	Percentage
High School	3	10.34%
S1 and above	26	89.66%

Table 3 shows that 3 (10.34%) respondents had attained high school level of education while most of them (89.66%) had attained S1 and above level of education.

Data Collection
The study collected primary data using a semi-structured questionnaire. A substantial amount of data was also collected through documentary analysis. A Likert scale with both nominal and ordinal measurement values was used on the questionnaire. The questionnaires were administered by the writer.

Data Analysis and Finding

Introduction
This chapter presents data analysis and findings of the study. The analysis was guided by the research objective mentioned earlier on. This section comprises: the analysis, extent of implementation of human capital management practices, and the challenges of human capital management.

Extent of Implementation of Human Capital Management Practices
Respondents were required to indicate the extent to which the organization had adopted human capital management practices. This section presents the analysis and findings on the same as follows:-

Attracting Talented People to the Organization

Table 4.*Extent of Attracting Talented People*

Extent	Frequency	Percentage
Not at all	3	10.34%
Negligible Extent	1	3.45%
Moderate Extent	18	62.07%
Great Extent	5	17.24%
Very Great Extent	2	6.90%
Total	29	100.00%

According to Table 4, majority shows that the organization has attract people with moderate extent of talent into the school. From the data, the findings, shows that 18 people think that the organization have attract talented people to a moderate extent. The other findings are 3 people think the organization have not attract any talented people and 1 person think that the organization have attract talented people to negligible extent.

Recruiting the Right Number of Talented Workforce

Table 5. *Extent of Recruitment the Right Number of People in Workforce*

Extent	Frequency	Perccentage
Not at all	1	3.45%
Negligible Extent	1	3.45%
Moderate extent	22	75.86%
Great extent	2	6.90%
Very Great Extent	3	10.34%
Total	29	100.00%

According to Table 5 majority shows that the organization has recruited a right number of people to a moderate extent into the school. The data collected shows that 24 people have thought that the organization has recruited the right number of people. The findings also shown that 1 people think that

the organization has not recruit the right number of people at all and the 1 people think that the organization has recruited the right number of people.

Implementation of HCM Strategies
The study sought to establish the extent to which the organization had embraced retention strategies in human capital planning.

Table 6. *Extent of Retention Strategies*

Retention Strategies	Mean	Std. Deviation	Rank
Effective communication channel	3.57	0.63	1st
Equipping employees with competence	2.9	0.9	2nd
Explaining organization mission, vision, and value to staff	2.72	0.98	0.88
Reward and Recognition	2.24	0.69	4th
Clear performance standard	2.14	0.79	5th

According to Table 6, the organization had a great implementation for the employees have a clear communication. This practice ranked first with a mean score of 3.57. It was followed by the practice of equipping employees with competences required to achieve expected performance standards, which had a mean score of 2.90. Next is explaining organization mission, vision, and value to staff, which had been implemented to a moderate extent, with a mean score of 2.72. The rest of the practices, that is, clear performance standard and reward and recognition were all shown to have been implemented to a negligible extent. They had mean scores of 2.24 and 2.14, respectively

Practices that the Organization needed to implement to Retain Talented People
Respondents were asked to give their opinion on the practices the organization needed to implement, so as to be able to retain talented people. The findings show that some of the practices the organization should implement are to provide career opportunities to staff, recognize good performance and extra-ordinary achievements by employees, improve on group cohesion through teamwork, and implement performance related pay system.

Table 7. *Practices that the Organization needed to implement to Retain Talented People*

Retention Strategies	Mean	Std. Deviation	Rank
Implement performance related pay system	3.55	0.62	1st
Provision of career opportunities to staffs	3.38	0.73	2nd
Recognition of good performance and extraordinary achievements by employees	3.07	0.6	3rd
Improve on group cohesion through team work	2.34	0.61	4th

According to Table 7, the organization needs to implement performance related pay system. This shown by the findings with a mean score of 3.55 (1st). Next implementation that the organization needed is provision for staff career opportunities with a mean score of 3.38 (2nd). Recognition of good performance and extraordinary achievement by employees is also feel needed by a mean score of 3.07 (3rd). The implementation of group teamwork with a mean score of 2.37 (4th) is considered not that important for the organization.

Action to improve Human Capital Planning
Respondents were asked to recommend actions which the organization needed to take to improve on human capital planning. Their responses were that the organization needed to align human capital planning with its overall corporate strategic goals and objectives, conduct periodic forecasting of demand and supply of human capital to avoid having deficits or surpluses of human capital, improve on the human resource management information system (HRMIS) or introduce a new one to enhance efficiency in human capital planning, outsource non-core activities, deploy/place employees in right jobs as per qualifications, practice competence based recruitment, reduce the length of time taken in the recruitment process, and increase flexibility practices especially multi-skilling to reduce costs associated with human capital planning

Learning and Development Programs
Respondents were asked to indicate the frequency at which the organization conducted learning and development programs. The findings are indicated below:-
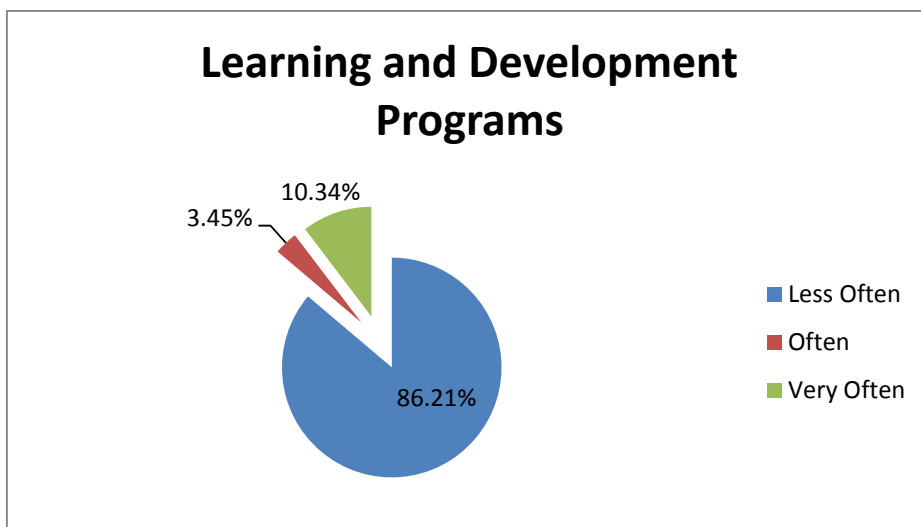

Learning and Development Programs

- 10.34%
- 3.45%
- 86.21%

Legend:
- Less Often
- Often
- Very Often

Figure 2.*Learning and Development Programs*

According to Figure 2, the employees indicates that the organizations training programs is very seldom (less often). Majority of the employees (86.21%) agrees that the organization give seldom (less often) learning and development program.

Educational Support Facility Provided by the Organization
The writer visits the school to check the educational support facilities provided by the organization for the staff and for the students. The findings indicate that the organization provides library facility which contain achieve of the previous teacher of study, art room for teaching art for the student and music room in one room. There are also bathroom for teacher and bathroom for student, and also a lounge/break room for teacher. There are also teacher room and administration and computer room for teacher in one room. There are also therapy room and clinic room. Lastly, the organization provides a prayer room. The condition of all this facilities is 30%-40% damaged. There are cracks on the wall, a leak in the roof, broken bathroom, and so on.

Extent of Learning and Development Practices
Respondents were asked to indicate the extent to which learning and development practices were influenced by aspects such as employee's performance and their position (core/ support), need for teamwork, coaching needs, and the need for job rotation and mentoring. The findings are illustrated in Table 8.

Table 8. *Extent to which learning and development practices*

Aspect	Mean	Std. Deviation	Rank
Need for job rotation	3.98	0.63	1st
Coaching needs	2.66	0.67	2nd
Employee's performance	2.62	0.73	3rd
Need for teamwork	2.48	0.57	4th

According to Table viii, the employees think that the main reason for learning and development program is because of the organization need for the job rotation with mean score of 3.98. Then there are also other reason in which doesn't really applicable in the organization, which is when the employees need coaching or extra practice, when the employee's performance is great so giving training will increase their output, and also need for teamwork in the organization.

Extent to which Salary and Competencies Policies and Practices
Respondents were required to indicate the extent to which compensation policies and practices were based on employee's performance and their positions (core/ support), and grade. The findings are shown in Table 9.

Table 9. *Extent to which Salary and Competencies Policies and Practices*

Aspect	Mean	Std. Deviation	Rank
Length of service	3.93	0.65	1st
Employee Position	3.72	0.75	2nd
Employee Performance	2.79	0.62	3rd

According to Table 9, salary given to the employees is based highly upon of their length of service with mean score of 3.93. The following means that the employees with greater length of service even if their position is the same. The next factor that the salary is based upon is employees' position with mean score of 3.72 with employee performance being the lowest factor the salary base upon.

Performance Measurement
Respondents were asked to indicate whether the organization carries out performance measurement and the tools used. The findings show that 29 (100%) respondents indicated that the organization does not carries out performance measurement through any tools known. The performance measurement is usually done subjectively when the staffs have a meeting and they subjectively point out other performance.

Summary, Conclusion and Recommendation

Summary
This section summarizes the discussion of the findings. The objective of the study was to determine the extent to which SLB-D YPAC BANDUNG School had adopted Human Capital Management practices. The study had adequately established HCM practices implemented by SLB-D YPAC BANDUNG School, the extent to which the said practices were implemented, the challenges the organization faces in implementing them, and the strategies being put in place to address the challenges. Findings revealed that the organization has been able to attract, recruit and retain talented workforce to a moderate extent. Some of the retention strategies in which the organization scored highly include: effective communication channel, equipping them with competencies required to achieve the organizational goal, and explaining organization mission, vision, and value to the staff. However, the organization was rated lowly on retention strategies such as reward and recognition, and clear performance standard which implementation was minimal.

The data findings further indicate that the organization conducted training and development programs less often, not really have a view to enhance its staff capabilities and future potencies. There was lack of training and development of staff, as these programs are neither based on employees' performance. They were instead driven by the organizational needs to fill in the blank job vacancy. According to Marshall and Tucker (1992), training and development programs should be targeted at employees in strategic positions such as core positions and those who perform well, owing to their ability to enhance the organization's competitive advantage.

Findings further indicate that the organization's compensation policies and practices were neither based on employees' performance nor their positions (core/ support). They were to a large extent based on employees' length of service. Documentary analysis revealed that over 68% of the employees were unionized. Their terms and conditions of service were, therefore, agreed upon through collective bargaining between the union and the Management. Findings were contrary to literature that lays a lot of emphasis on differentiated compensation policy in HCM. Schuler (1992) asserts that there should be a link between levels of performance and pay; the pay should have clear business logic on how it drives performance and should vary with performance rather than job grade or tenure. The pay should focus on equity and not equality, as not all positions/ employees are equal in terms of their contribution towards the achievement of organizational goals. Some positions and some employees have more important influence in the execution of strategy than others. Therefore, some of the staffs need to be compensated more.

Conclusion
The study reached the conclusion that the organization had implemented HCM practices, but to a negligible extent. Although the organization had implemented some of the HCM practices such as: effective communication channel, equipping them with competencies required to achieve the organizational goal, and Explaining organization mission, vision, and value to the staff, to a moderate extent, quite a few of HCM practices had not been adopted.

Recommendation
The study makes the following recommendations for action by SLB-D YPAC BANDUNG Management: make and implement a basic tool for performance measurement and appraisal (such as balanced score card), then implement a differentiated compensation policy where pay is related to performance rather than length of service in the school. This will shape and link employees' behavior to performance by assisting them to know what is expected of them, and being able to assess their performance, so that

they can improve. It will also provide clear business logic on how pay drives performance. The organization should also improve on human capital measurement by considering other human capital elements such as investing on training, employee turnover, and employee understanding of the strategy for measurement. A balanced score card should be used as a tool to measure performance for the organization as a whole as opposed to the performance appraisal form. There is need for the organization to align human capital planning with the overall corporate goals and objectives. It should also practice forecasting of supply and demand of employees, to anticipate the potential problem of surpluses and deficits.

Reference

Alan Burton-Jones, J.-C. Spender (2011)The Oxford Handbook of Human capital

Armstrong, M (2006) A handbook of Human Resource Management Practice, 10th Edition, Gopsons Papers Ltd

Atkinson, J (1984) 'Manpower Strategies for flexible organizations', Personnel Management, pp 28 – 31

Barney, J (1991) 'Firm Resources and sustained competitive advantage', Journal of Management, 17, pp 99 - 120.

Beer, M (1984) Reward Systems, in M Beer, B Spector, P R Lawrence and D Quinn Mills, Managing Human Assets, New York, The Free Press

Boudreau, J. W and Ramstad P. M (2007) Beyond HR, a new science of human capital, Harvard Business School

Baron, Angela and Armstrong, Michael (2007) Human Capital Management: Achieving Added Value Through People

Davenport, T. O (1999) Human Capital, Jossey Bass, San Francisco, CA.

Ingham, Jon (2006) Strategic Human Capital Management, Creating Value through People

Ingham, Jon (2007)Strategic Human Capital Management

Mayo, Andrew (2007)Human Resources or Human Capital: Managing People as Assets

Mayo, Andrew (2001) The Human value of the Enterprise: Valuing people as assets

de Pablos, Patricia Ordonez and Tennyson, Robert D. (2013) Strategic Approaches for Human Capital Management and Development in a Turbulent Economy

Torrington, D, Hall, L and Taylor, S (2005), Human Resource Management, 6th Edition

Hartley, V (2005) Open for Business: HR and human capital reporting

Jackson S. E and Schuler R. S (2000) Managing Human Resources: A Partnership Perspective

Lawson, P (1995) 'Performance Management: an overview', in The Performance Management Handbook

Meritt, L (2007) 'Human Capital Management: More than HR with a new name'. Journal of Human Resource Planning Vol. 30 No. 2 pp 14 – 16

Schuler, Randall S (1992) Managing Human Resources

http://www.cdc.gov/ncbddd/autism/facts.html

http://www.bandungkab.go.id/arsip/2358/aspek-demografi

http://en.wikipedia.org/wiki/humancapital

http://ezinearticle.com/human_capital_management_challenges

http://www.humancapitalinstitute.org/hci

http://www.traverseconsulting.com/human-capital