

Human Capital Management Strategy And Human Resources Changing Nature

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Abstract— *The success of an organization unites the commitments and consequences of human resource management, which is capable of changing employee building in the character of additional individual value of human capital (human capital) as an investment in company assets in a superior labor market. The purpose of this paper is to study literature review to review human capital management strategies changes in the nature of human resources. In discussing HR governance, strategy, management and human capital, leadership and factors of human capital income. The findings of the study show that there are still many irregularities in organizations with poor governance due to the lack of an unclear policy, process, and procedure. Improving the management of employees, who are not only employees, to increase the productivity of the investment company "employees", preparation for the development of skills, knowledge and competencies, education to create superior human capital.*

Keywords: Strategy, Human Capital, Human Resources.

1. INTRODUCTION

Currently the economic growth of industrial companies has collapsed, as a result of which the economic balance is unstable. To be able to survive, the management of the company turned its brains to formulate its strategic steps in an effort to demand to increase the productivity of its human resources in order to be able to face the challenge of reaching the market. Extreme changes in the internal and external environmental climate automatically change the pattern of Human Capital management (HCR) governance for the Employee Building nature of its internal human resources. The importance of Building human capital theories on the basis of changing the world economy dynamically, is among the most important human factors and management factors. On the factor of contribution productivity; Physical factors, monetary factors, machines and humans, are most identical to human factors (Noorbakhsh, Paloni, & Youssef, 2001). Managing Human Factor Resources (HR) as the main capital that must be considered to be well equipped with maintenance, development, training so that they can contribute properly to increasing productivity and company economic growth. In the knowledge economy, intellectual capital (Human Capital) not only has a driving force and an important source of value creation and sustainable corporate development but also innovation and the key to profit growth (Cohen & Soto, 2007; Noorbakhsh et al., 2001). The working climate gives the market change a competitive advantage the business strategy is developing.

Many organizations are increasingly aware of the value of their Human Capital in improving organizational performance (Lajili, 2015). Human capital (Human Capital) refers to the knowledge, skills, and abilities to produce a certain set of results (Hitt,

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Bierman, Shimizu, & Kochhar, 2001). Human capital investment decisions are related to business success and ultimately to the possibility of survival (Wyatt & Frick, 2010). Slow investment in human capital can affect sustainable development in these countries (Pelinescu, 2015). The suitability between personal and organizational is included in research that aims to analyze elements of human capital in organizations, such as training, competence, expertise, experience, creativity, and innovation (Zlate & Enache, 2015).

As Martin and McGoldrick (2009) stated, the Human Resources governance system is lagging behind saying that:

“found that surprisingly little has been written about HR and governance in the recent past. Through their review of the major academic databases, only a small number of HR articles cite corporate governance in their keywords, although prominent HR theorists have called for ways of conceptualizing HRM from a governance perspective”.

Christensen (1987, as cited in Supangco 2006) argues that the failure of companies depends on governance, there are obstacles in the Human system that cannot determine the goals of corporate plans and governance to achieve them, so they cannot implement the implementation of their benchmarks. Roodt, Robbins (2011) argue that many of these organizations are misguided by poor governance due to the lack of clear policies, processes and procedures. Various things have caused the rule-breaking scandal to take root in the end. Therefore, Human Resources (HR), needs to improve and expand the role of their “swewads” (consequences of compliance and labor administration) to strategic (every problem affects governance, risk, fulfillment of the human element) (Meyer et al. 2011).

An organization is a collection of resources, which can be grouped into several categories, namely financial resources, physical resources, human resources, organizational knowledge and learning, and general organization resources. A successful organization is a vision and mission organization in the long term that is effectively able to provide, develop, and manage its resources and capabilities as a competitive advantage. An organization with great output needs great input. Currently, a “knowledge economy” is developing, namely that the key factor in production is human beings, and humans are the only success factor of an organization that is not traded as an organization's trading commodity. In the UK, the link between good human management practices and organizational success has been factored into the management cycle. So far, the measurement of organizational performance is only measured through financial achievement even though these measurements do not reflect the actual competitiveness of the organization and have not been able to predict future organizational performance (Holbeche 2005).

Kingsmill (2003) describes how an organization should measure its human capital and take into account the value of its people in annual reports and evaluations, to improve the status of human assets in the labor market. For Kingsmill, "Human Capital Management", or the way an organization manages, recruits, retains, trains and develops its employees is related to seeing people as a valuable business asset, not just a low cost expense. This requires a deeper study of the belief that organizations have the people capital skills and experience to carry out business strategies, in the short and long term. In addition, Intellectual Capital (intellectual capital) as the backbone of human resources that has the potential for innovation as the caretaker for the long-term organization, that human "human capital" is the main source of both organizational assets. Collegal intellectual capital has knowledge capital that is embedded in personnel, the organizational routine of an organization's relationships (Stewart (Hidayat & Azzahra) et al., 2010). The success of an organization is added value to the capability of the organization to transform internal and external environmental changes, act quickly and remain oriented towards stakeholders, continue to innovate while maintaining efficiency, and optimize the talents of its employees.

Intellectual Capital category values individual recommendations as employees creating the company's core, the main capital being skills, abilities, appropriate knowledge (Salicru (Soetrisno & Lina, 2014) et.al. 2007). Ulrich (1998) Intellectual Capital in the concept of focussing competence and commitment of multi productive quantity and quality of work.

The human capital (HC) theory approach is extended to philosophers, the concept of human capital (HC) from various scientific literatures such as Psacharopoulos, (2006), Bontis & Fitz-Enz, (2002), Piazza-Georgi, (2002), Roos, Pike & Fernstrom. , (2006), Baron, & Armstrong, (2007) emphasize knowledge, skills, competency qualifications, education, job training, innate abilities, health, motivation, investment in education, informal learning, innovation, operational experience.

Theoretical Capital is based on skilled economists, and collaborative Human Capital theory has developed rapidly in the 1960s. In this research, in fact the understanding of human behavior at the individual and social level. Shaffer (1961) theory of "assessments of returns from investment" type human resources (human capital). Human resources are the most important in handling individuals in the analysis of the growth and development of a nation. As for the theory of human capital is also widely applied to other theories, for example, economic and social science has shown an impressive demonstration of growth as a contribution premise to continuing research and approaches in reality (Bowman, 1980),

T.O.'s book Davenport, "Human Capital and Human Resource" Ernst & Young Davenport (1999), argues that employees are the greatest asset that has long been abandoned and misdirected. On the contrary, employees are human capital investments in themselves. If an organization has human capital to find and seek external recruiting. Therefore, human capital is very unfortunate if the company management ignores them an employee who is resigned from the company.

To prevent this from being avoided, the Human capital management (HCM) management focuses more on a strategic approach regarding intangible personal governance (intangible) that is able to survive global issues to become a benefit for the organization it produces. Improving HCM performance, implementing human resource strategies as assets and activities continues to be developed.

From this conclusion that human capital expressions have an impact on companies, the essence refers to the priority of human capital (HC), "the total development of human potential express as organizational value" creates human capital values for organizations and their companies.

Previous research findings by Žiedūna Liepēja evaluation of human capital (HC), a three-criterion evaluation system: features of the scoring system; appraisal function; and the assessment process. The level of individual skills, knowledge, and competences is ready if one time is taken from the HR "supply" representative. The amount of this supply in a country can affect its prosperity and international competitiveness (OECD, 1998).

The contribution of reliable knowledge and skills is made important to social participation and access to jobs. The values of human capital (HC), the company must prepare a stock of human capital through distribution skills and competencies. To identify and measure the different attributes of individual human capital characteristics towards work and economic activities.

2. THEORETICAL REVIEW

2.1 Manage

Manage means that the process and practice are carried out together to support the interests of the organization through achieving employee goals ethically, in the best interests of the forum (Moore 2011). Manage (governance) is fundamentally about people

and how they behave that is necessary at all levels of the organization. Corporate governance describes how modern companies manage their relationships with stakeholders. As such, it usually relates to how the interests of the company board and senior managers are brought in line with those of the stakeholders.

There are two key elements associated with this alignment: "ensuring that these managers are responsible for minimizing the risk to the interests of the main stakeholders or the founders of the organization (wealth protection function), and enabling them to take risks to pursue corporate innovation (the source of financial capital function)" Filotochev (2005) as cited in Martin & McGoldrick, (2002). Thus, considering it in this way, corporate governance has major implications for employees and how HR is practiced (Konzelmann, Conway, Trenberth & Wilkinson 2006).

Beatty, Ewing, Tharp (2003) HR managers have the responsibility for certainty (law) the rules that must be followed and are responsible can be functionally complex, not like the usual bribes / gifts system will endanger the organization itself

2.2 Human Capital Management (HCL)

HCL is a view (picture) as a paradigm shift from a traditional model approach to human resources. HCL innovation paradigm changes the nature of conventional human resources, into human capital that has professional reliability (Kearns, 2006). Nalbantiah Et Al. (2004) emphasizes that the measurement aspect of human capital management is the stock of accumulated knowledge, skills, experience, creativity and other relevant workfaces attributes. explained that the provision of human capital has a value plus talents (talents) in terms of its various competencies.

The total development of human potential which is expressed as organizational value in which human capital creates human value in it. Literally, the definition of human capital is the accumulation of knowledge, expertise, abilities and skills of humans (employees). That considers employees as owned capital. Mark L. Lengenick Hall (2003) human capital as follows:

- a. Human capital is "the knowledge, skills and capabilities of individual that have economic value to an organization" (Bohlander, Snell & Sherman, 2001)
- b. Human capital is "the collective value of an organization's know-how. Human capital refers to the value, usually not reflected in accounting system, which results from the investment an organization must make to recreate the knowledge in its employee" (Cortada & Woods, 1999)
- c. Human capital is "all individual capabilities, the knowledge, skills, and experience of the company's employee and managers" (Edvinson & Malone, 2002)

In the development of business organizations now humans are no longer used as an element of human resources (machines, money, material, or materials, information as a driving force for other resources. But human resources (HR) are replaced by human capital (HC) which has five components. first, individual capability (individual ability), second individual motivation (individual motivation), third leadership (leadership), fourth the organizational climate (organizational atmosphere) and finally workgroup effectiveness (work group effectiveness).

2.3 Human Capital Management Strategy

Strategy is the skilled work and coordination of various tactics and as forecasting management planning. Strategy is a process and approach to overcome competitive challenges facing an organization. It can be thought of as managing "a pattern or plan that brings together the goals, policies and main actions of the organization in sequence so that they become a whole." These strategies can take the form of a generic approach to competing or certain adjustments and actions taken to relate to a particular system.

The strategy places the parameters of an organization in terms of determining the setting of management goals and objectives and the allocation of ways to manage financial resource policies in the company in order to survive the competition. The target pattern is defined as strategies, goals and policies, as well as important plans to achieve goals in ways such as determining the business that the company will adopt or will adopt, and changing the external competitive forces (Kenneth R. Andrews, 1971).

HR management strategies can contribute to business improvement making implicit manage models explicit. Governance strategic objectives “a systematic approach to management that enables functions to achieve strategic and operational objectives” (Heslop et al. 2003). Shameem (2011) stated that "HRM has now become the center of the idea of corporate governance. This is because to create ideas there is trust from the central institutional idea of corporate governance".

Learning organizations and knowledge-based implementation of strategic human capital can increase the efficiency and effectiveness of the strategy itself. Both in the form of expertise, knowledge and talents as well as experience possessed by individuals. As for the experience of human capital being able to implement innovations that can make company strategy new (Bontis et al., 2000), strengthened by Abhayawansa and Abeysekera (2008), human capital, namely human capital at the company level, can have a positive impact because human capital is the driving force behind it. economy, competition and prosperity. The human ability to apply knowledge and expertise can improve behavioral abilities, self-development and is an important element in strategy implementation.

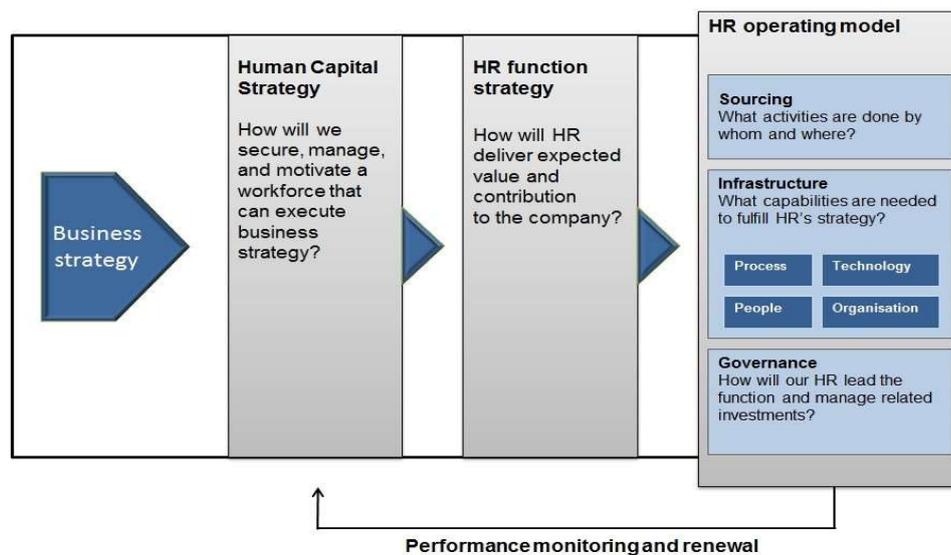


Figure 1. Strategic Alignment of HR

Simplicity process management, according to Moore (2011), there are four basic pillars, namely framework, governance, development of human resource policies, application of policy rules, if there is a problem it is necessary to review and update policies, and ensure the presence of an expert HR management consultant or represented by the board. directors. HR management strategies have a significant impact on the company's business by increasing productivity and helping drive organizational change (Sussman 2006).

2.4 Management team leadership abilities

Leadership involves the existence of a vision and priorities, to involve managers, to manage decision making. Technology makes use of all aspects of the capabilities of the HR function, including service delivery, knowledge transfer, employee communication,

information gathering, compliance and performance monitoring. Engaging stakeholders in accelerated change in managerial activity takes rare fast consideration of external competition. Employee communication, the priority of HR activities as a supporter of the success of employees and the organization. Observing all information collected through monitoring HR performance, so that a clear line of sight determines a decision between employee, HR and organizational goals. Deloitte (2008) states that HR professionals ensure performance results and responsibilities in terms of compliance by communicating clearly to each employee

Process management and control, to optimize how to design a framework to support the achievement of goals. The success of HR managers in supervising employee activity processes, as well as compiling accurate continuous records of Education, HR matrices and frameworks (Education in the framework and HR metrics), declaring needs fully in accordance with the management process control system and performance management.

2.5 Factors of Income and Human capital income

Jimmy L. Gaol (2014) The first stage in looking at human capital in the financial aspect is to improve or change the results of traditional measures per employee. However, this equation is no longer used (using). In an organizational climate, changing according to market demands, organizations employ human resources in several ways, namely the result of work per working time (including full time, part time and unitary working hours), with full-time work being a substitute for the total working hours invested (Djarwanto , 2011)

The quality of human capital is influenced by various factors, including recruitment policies to attract new talents, competency development, and how companies align strategies, motivate workers, and reward performance (Sartono 2001).

The success factor for human capital in individuals, namely

- a. Have the ability (self-capability)
- b. Skill (skills), experience (experiences), innovation and broad insight
- c. Having talent, strategies and methods of managing good performance
- d. Training (training) as the application of the principles of Human capital management, a method of business strategy and performance

Apart from that, the HCM factors applied at Praxair. The main emphasis of Praxair's HRM infrastructure includes (1) competency development and performance management processes and (2) team-based performance systems, covering four levels of measurement: company-wide, business units, cross-functional teams within business units, and special initiative project teams. Key challenges for the future include (1) prioritizing options to support the company's global growth initiatives, (2) employee development and new talent acquisition, (3) designing more effective methods to anticipate business needs and providing strong and proactive leadership, (4)) accelerate leadership development and influence adequate investment in education and development programs, and (5) design and implement effective methods of acquiring new talent to support business strategy. (Barbara R Harris, Mark A Huselid, Brian E Becker, 1999).

The conclusion of the sentence is that several factors influence the impetus for major change through beneficial human capital and administration, both labor relations, policy implementation and new practice designs. The level of HR involvement in development, cultural change and processes, however, varies widely from region to region reflecting Praxair's approach to regional self-management business management.

3. RESEARCH METHODS

Reviewing literature, literature study models and perceptions of theories to stimulate writing discourse on Human capital strategies change the nature of HR. Writing the paper

article is an objective theoretical study of literature and broadens the knowledge and knowledge according to the topic raised. The author also explains from the point of view of the author's quotes that books / journals have exposed publishers and publications, as well as explores and explains the reasons behind the theme of Human capital strategy, HR governance is very important.

Three methodologies were used: (1) a literature review was used to identify the main principles of corporate governance and HR governance; (2) Based on the literature review, different HR governance frameworks / models are reported; and (3) information from the literature review.

4. RESULTS AND DISCUSSION

The paradigm shift in managing human beings (Human Capital) in organizational governance is owned by several factors, namely humans, production, and strategic assets of the organization. These three factors are an intangible and tangible form of a productivity value in measuring the level of knowledge resulting in effectiveness and efficiency, focusing on the following aspects:

- a. The final result (real product) achieved: quality and quantity
- b. Time to reach the final result
- c. Use resources optimally
- d. Ability to adapt to market demand. A successful organization is an organization that in the long run plans strategic programs to prepare capabilities, develop and manage resources as well as an orientation to "knowledge economy".

Superior leadership is able to lead to human resource governance in organizational transformation

- a. Strengths and facilitators of change,
- b. Leadership approaches,
- c. Leadership behavior,
- d. Characteristics of individual leaders, and organizational culture.

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