Human Resource Scorecard (HRSC) as Performance Measurement Method to Optimize Organization Performance

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Dwi Ermayanti [a]
Amirotul Ro'ifah [b]

Abstract

Human Resources Scorecard (HRSC) is a human resource performance measurement system that links between people, strategy, and performance to produce an excellent company. HRSC describes the vision, mission, and strategy into human resources activities that can be measured the contribution. This human resources performance measurement is looking at business units from four perspectives: financial perspective (F), the customer (C), internal business process (I), and learning and growth (L). Each perspective in HRSC method HRSC weighted by Analytical Hierarchy process method. This measurement concept is important to be developed because the competition between companies is getting tougher. Therefore, the purpose of this study is to answer the question "how to conduct human resource performance measurement using the HRSC and what is the benefit of using it on KSP Sejahtera East Java?" this research uses the descriptive quantitative method and uses AHP and consistency test. The research resulted in perspective measurement that L with a score of 0.899 as the first priority. Secondly I with a score of 0,893. The third C with a score of 0.883 and the fourth is F with a score of 0.492. So that the performance assessment of human resources, about good, bad, quality and so forth, can be measured with this method, for the sake of improving the human resources quality of a company or organization.

Author correspondence:
Dwi Ermayanti S,
UNMER Malang Student and
Lecturer of STIE PGRI Dewantara Jombang, Indonesia
Email address: dwi_ermayanti@yahoo.co.id

[a] UNMER Malang Student and Lecturer of STIE PGRI Dewantara Jombang, Indonesia
[b] Lecturer of UNHASY Jombang, Indonesia

1. Introduction

Nowadays, the competition between companies is very strict need of the company's ability to improve the overall performance. Each company is required to improve the overall performance in facing competition and using resources effectively and efficiently and ultimately the vision, mission, and strategy can be achieved.

This KSP Sejahtera East Java is one of saving and loan cooperative that did not have a performance measurement system which is standard and comprehensive, at that day the human resource performance measurement more focus only on the administrative side or the employee working is in accordance with the Job Description. The head of the company considers the employee has worked well without any mistakes and in accordance with the procedures applicable to the company. This may cause the company made no attempt to improve the employee performance and remain in the same condition continuously. Based on that company condition, the problem should be answer is "how does we do human resource performance using Human Resources Scorecard (HRSC) method and what the benefit of using this method on this KSP Sejahtera Jatim?" those, the future actions that must be done are to measure human resource performance, and here the researchers consider that the right performance measurement appropriate is by using the concepts of Human Resources Scorecard concept (HRSC) to improve and enhance the human resources performance in a company. This measurement concept is essential for cooperatives or companies to effectively grow strategic responsibility to face future competition, in order to achieve the company vision and mission.

Research by this method is very important to be discussed and developed because the use of employee performance measurement by HRSC concept is still rarely used and did not develop. In fact, this measurement concept is essential for development so the cooperation or company is growing especially in solving customer complaints. Thus, this concept is not only important to be developed by KSP Sejahtera East Java, but also other cooperatives or companies to be able to achieve the better target. Here, we as researcher take and in this research, take KSP Sejahtera Jatim as the sample to trials HRSC application. This HRSC method also different with balance scorecards or another method that usually used by other organization. Because not only consider the financial aspect, but also a customer, internal business process, learning and growing.

This discussion is divided into four main points. The first is an introduction, provides a brief overview of some important points and the conceptual framework. The second is the research method and the third is research finding and discussion. Then the last is conclusion and suggestion.

As described above that at this point includes several important points to be understood first and the conceptual framework. Those are explained as follows:

a) Human Resources

In general, the definition of Human Resources (HR) can be divided into two, micro HR and macro HR (Koko, 2015). HR in micro meaning are people working in an agency or an organization, while in macro Meaning is the number of productive age population in a country. And Majid (2008) grouping of HR in two aspects, that are quality and quantity. In quantity regarding the amount of HR (population) is less important the contribution in development, compared to the quality aspect. Here, the quantity of human resources is not accompanied by good quality will burden the development of a nation. While in quality regarding the quality of HR, which involves non-physical ability (mental and intelligence). Therefore, if an organization wants to achieve the maximum results, the quality of HR must be increased.

To obtain the maximum results, it is necessary to be done human resource management. According to Dessler (2006:4), human resource management is the process of acquiring, training, valuing and providing compensation to employees, pay attention to their labor relations, health, and safety, and also the justice problem.

b) The Strategic Human Resource Management

The term Human Resources Management (HRM) according to Marwanto (2011) and Mangkunegara (2002:2) is one of the areas of general management that include aspects of planning, organizing, implementing, and controlling, and this process is contained in the field or the function of production, marketing, finance, or staffing.

Brian E. Becker in his book 'The Human Resources Scorecard, Linking People, Strategy, and Performance' proposed four perspectives about the evolution of human resources as a strategic asset. The evolution of HR as a strategic asset is a) the personal perspective, it is the company recruits the best employer and develop them, b)The compensation perspectives, it is the company uses bonuses, incentives payment, and significant differences in payments to give rewards to employees who are excellent and low. c) The alignment perspectives are that the senior managers see employees as a strategic asset, but they do not invest in improving human resource capability. d) The

high-performance perspective, it is human resources executives and others regard resources as a system that is inherent in a system that is bigger from the corporate strategy implementation.

c) Performance

According to Moeheriono (2012:95), the definition of performance is the description about the achievement implementation level of activity program or policies in realizing the goals, the objectives, the vision and mission of the organization that stated through an organizational strategic planning. According to Rivai et al (2009:604), performance is a term generally used for part or all of the actions or activities of an organization in a period with the reference to a number of standards. And Riadi (2012) stated that performance is the result of the quality and the quantity of work accomplished by an employee in performing its functions in accordance with the responsibilities given to him. It can be concluded that performance is the working result or quality of someone in achieving the objective as a target.

d) Employee Performance Indicators

To determine the employee performance in a company or organization needs to be established indicators to measure it. Performance Indicators according to Moeheriono (2012:113) includes an Effective, Efficient, Quality, Timeliness, Productivity and Safety. This indicator measures the overall health of the organization and the working environment of the employees in terms of safety. Meanwhile, according to Robbins (2006), there are five indicators to determine the performance of an employee, they are quality, quantity, timeliness, effectiveness, and independence.

e) Human Resource Scorecard (HRSC) Method

According to Gary Dessler (2006:16) human resource scorecard to measure the effectiveness and efficiency of human resource function in shaping the behavior of employees needed to achieve company strategic objectives. According to Becker et al., (2001), the basis of the strategic human resources role consists of the three-dimensional value chain that was developed by the architecture of the company human resources, i.e. functions, systems, and employee behavior.

Human Resources Scorecard method is very helpful in understanding the differences between Doubles Human Resources (Human Resource performance that does not affect the implementation of corporate strategy) with Human Resources Deliverable (Human Resource performance influence the company strategy implementation). The measuring rod by Rivai et al., (2009:612) explains the perspective that must be considered in performance measurement beside financial perspective, at least there are three other perspectives that should also get attention, those are a customer, internal business process, and learning and growth.

f) Conceptual framework

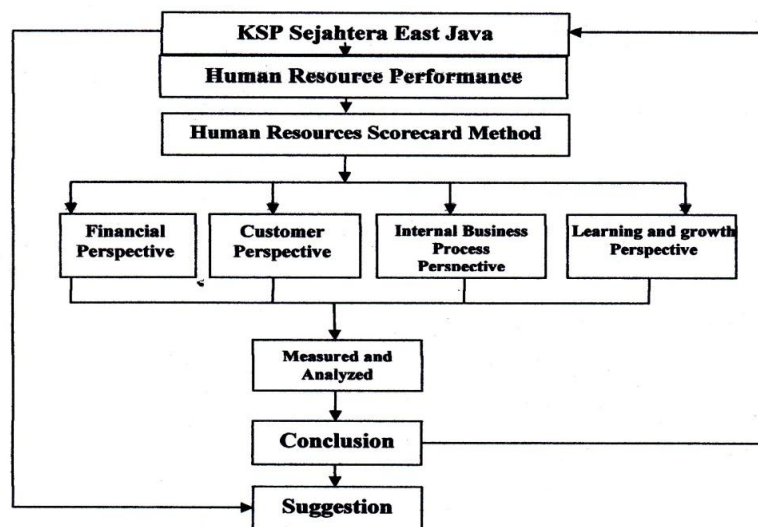The conceptual framework of this research is as below:

Figure 1. Conceptual Framework

2. Materials and Methods

The type of this research is quantitative descriptive. This research conducted in three steps: a preliminary survey, data collection, and analysis.

Table 1
Variable, Indicator, and Organization Performance Measurement Scale

Perspective	Indicator	Sub Indicator	Measurement Scale	Instrument
Financial	F1. Improve Employee Productivity	F1a. *the revenue* each of employee	Ordinal	Questioner
	F2. Improve Efficiency in HR Side	F2a. The percentage decrease in human resource management cost	Ordinal	Questioner
Customer	C1. Improve Customer Satisfaction	C1a. The percentage of complaints resolved	Ordinal	Questioner
		C1b. The number of complaints comes in.	Ordinal	Questioner
	C2. Improve Customer Service	C2a. the percentage On time Service	Ordinal	Questioner
Internal Business Process	I1. *Employee Satisfaction*	I1a. Job satisfaction index	Ordinal	Questioner
	I2. Improve the velocity service for employee	I2a. The average time of the process to obtain permission letter for other official	Ordinal	Questioner
	I3. Providing the exact prosperity	I3a. the employee's percentage follows the retirement preparation	Ordinal	Questioner
	I4. Improve *quality relationship*	I4a. the average percentage of the coordination meeting time between the leadership and unit manager	Ordinal	Questioner
		I4b. the average percentage of the coordination meeting time between the manager/leader and staff.		
	I5. Improve the *skill* and competence of the employee	I5a the average number of training in each year.	Ordinal	Questioner
		I5b. the employee's percentage with the excellent performance value	Ordinal	Questioner
Learning and Growth	L1. Improve employee productivity	L1a. the percentage of workload resolved	Ordinal	Questioner
	L2. Improve the HR quality and quantity	L2a. the ratio number of employees attend the training	Ordinal	Questioner
		L2b. the number of new employees percentage recruited	Ordinal	Questioner
	L3. Improve the commitment or	L3a. The employee turnover amount	Ordinal	Questioner

employee loyalty	L3b the employee percentage is never late	Ordinal	Questioner
L4. Improve *reward* dan *career development* system	L4a. The employee percentage received a performance-based reward	Ordinal	Questioner
	L4b. The total percentage of hiring contracts into permanent employees	Ordinal	Questioner
L5. Improve the effective and efficient organization	L5a. the work plan percentage has been completed	Ordinal	Questioner

The population used in this study were all employees of KSP Sejahtera East Java by the total 50 employees, which are divided into five positions or parts, manager, accounting, sales, cashier, and the billing part. Then as a sample, the researchers took the employees of each position.

The data collection method in this study is by using an interview and questionnaire. The scoring scale is as follows:

Table 2
Scoring Scale

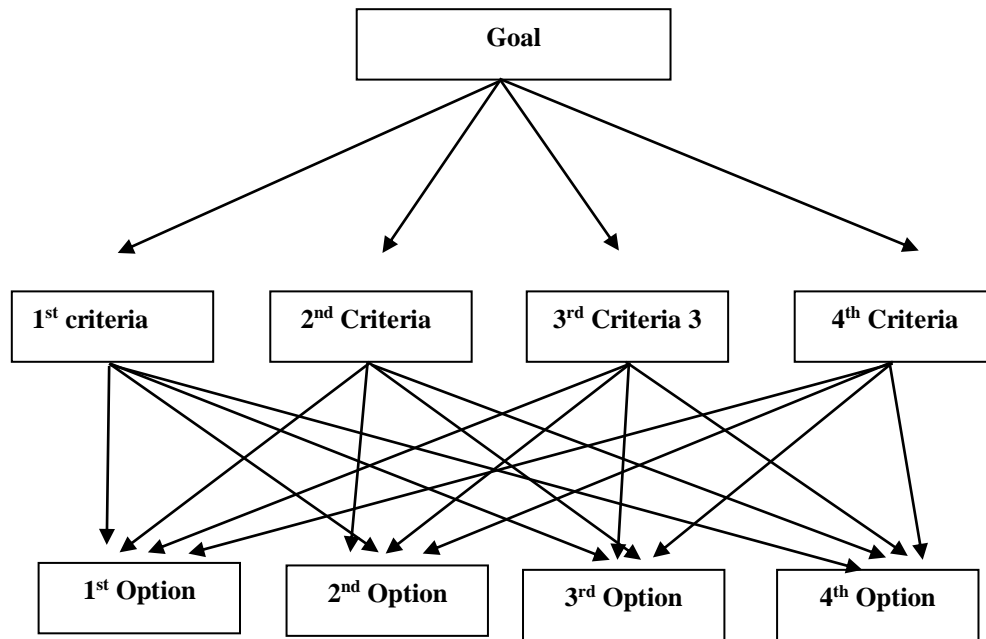| Score	Explanation
7	A further but liked more than B
6	A far but liked more than B
5	A little but liked more than B
4	A similar to B
3	A little liked less than B
2	A far liked less than B
1	A further but liked less than B

The data processing in this research includes Editing, Coding, tabulation, and scoring.

3. Results and Discussions

3.1 Test by using Analytical Hierarchy Process (AHP) Method

Broadly speaking there are three steps in arranging AHP priorities, those are:

a) Problem decomposition

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Picture 2. Decomposition problem picture

b) Scoring for comparing elements of decomposition result

Table 3
Scoring Scale

Scoring Result	A Score	B Score
A further but liked more than B	1,9	0,1
A far liked more than B	1,6	0,4
A little liked more than B	1,3	0,7
A similar to B	1,0	1,0
A little liked less than B	0,7	1,3
A far liked lest than B	0,4	1,6
A further liked lest than B	0,1	1,9

From the table it can be summarized as follows:
1) CR(i) is scoring result/comparison among criteria
2) C(n) is the total of criteria to (i)
3) C is the total of all Cn score
4) The weight of criteria to (i) obtained by dividing the score of C (i) with C

Table 4
Comparison of criteria

Criteria	CR1	CR2	CR3	CR4	Total	Weight
CR1	-	CR12	CR13	CR14	C1	bc1= C1/C
CR2	CR21	-	CR23	CR24	C2	bc1= C2/C
CR3	CR31	CR32	-	CR34	C3	bc1= C3/C
CR4	CR41	CR42	CR43	-	C4	bc1= C4/C

Total	C

By using the same procedure, then made a comparison among options (OP) for each criterion. The following table will illustrate the comparison among options (4 options) for 1st criteria (C1) as follows: O (n) is the result of assessment or comparison between options (i) with k for the criteria to j, O (i) is the total values possessed by option to (i), O is the total of all score and Bo (n) is the option score to (J) for the criteria to j.

Table 5
Comparison among options for criteria to C1

C1	OP1	OP2	OP3	OP4	Total	Weight
OP1	-	O12	O13	O14	O1	BO11= O1/O
OP2	O21	-	O23	O24	O2	BO21= O2/O
OP3	O31	O32	-	O34	O3	BO33= O3/O
OP4	O41	O42	O43	-	O4	BO44= O4/O
Total					O	

c) Scoring Synthesis

Synthesis of the scoring result is the last step of AHP. Basically, this synthesis is the total of the weights obtained each option on each criterion after being given a weighting of those criteria. Generally, the score of an option is as follows:

$bop\ i = \sum_{i=1}^{n} bo\ n * bc\ j$ ………………………………… (1)

Bop i = score /weight for (i) option

Table 6
Scoring Synthesis

	CR1	CR2	CR3	CR4	Priority
	bc1	bc2	bc3	bc4	Bopi
OP1	bo11	bo12	bo13	bo14	bop1
OP2	bo21	bo22	bo23	bo24	bop2
OP3	bo31	bo32	bo33	bo34	bop3
OP4	bo41	bo42	bo43	bo44	bop4

3.2 Consistency Test

The consistency measurement of a matrix itself is based on the maximum Eigenvalue. Thomas L Saaty (2005) has proved that the consistency index of *n* matrix can be obtained by the formula: $CI = \frac{(\partial max - \text{n})}{(\text{n}-1)}$

Results

Table 7
Validity Test Result

No	Variable / item	r calculation	r table	Validity
	Financial (F)			
1	1	0.813	0,279	Valid
2	2	0.786	0,279	Valid
	Customer (C)			
3	1	0.828	0,279	Valid
4	2	0.814	0,279	Valid
5	3	0.815	0,279	Valid

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Internal Business Process (I)				
6	1	0.367	0,279	Valid
7	2	0.615	0,279	Valid
8	3	0.650	0,279	Valid
9	4	0.664	0,279	Valid
10	5	0.787	0,279	Valid
11	6	0.673	0,279	Valid
Learning and Growth (L)				
12	1	0.308	0,279	Valid
13	2	0.782	0,279	Valid
14	3	0.620	0,279	Valid
15	4	0.675	0,279	Valid
16	5	0.727	0,279	Valid
17	6	0.757	0,279	Valid
18	7	0.587	0,279	Valid
19	8	0.586	0,279	Valid

Reliability Test

Table 8
Reliability test results

Variable	Calculation Score Alpha Cronbach	Reliability
Employee Performance Measurement (X)	0,875	Reliable
Employee Performance Optimization Value (Y)	0,837	Reliable

Table 9
The result of comparing among criterion

Criteria	F	C	I	L	Total
F	0	0,153	0,713	0,154	0,492
C	0,153	0	0,69	0,842	0,883
I	0,713	0,69	0	0,623	0,893
L	0,154	0,842	0,623	0	0,899
Total	1,02	1,685	2,026	1,619	3,167

4. Conclusion

Based on the analysis and the discussion done in the previous chapter, the human resources performance measurement by using the Human Resources Scorecard it can be concluded as follows:
   a) Learning and Growth Perspective (L) with score 0,899, this perspective should be the first priority. To improve this perspective is done by the following way: increase employee productivity and improve the quality and the number of human resources, Improve commitment/ employee loyalty, repair the reward system and the career development, developing an effective and efficient organization.
   b) Internal Business Process Perspective (I) with a score 0,893. This priority gets the second position. The way done to improve that perspective are as follow: improvements the Employee Satisfaction, Improve the speed of service for employees, granting the proper welfare, Improve the quality relationship and the skills and employees.
   c) *Internal Business Process (I)* perspective with score 0,893. This priority gets the second option. The way to improve this perspective is Improve *Employee Satisfaction,* improve the service speed for the employee, the giving prosperity, improve the *quality relationship* and *kill* the employee competency. Customer Perspective

with a score of 0.883 was ranked third. How that is done to optimize through Improving Customer Satisfaction and Improves Customer Service and Priority.

d) The Financial Perspective with score of 0.492. Ways in which to optimize are: Improve and enhance employee productivity and Improving the Efficiency in the side of Human resource.

We have done the research in KSP Sejahtera East Java and from the discussion and analysis we can suggest that:

a) Learning and Growth Perspective (L), to improve this perspective is done by these ways: improve employee productivity, HR quality, and quantity, the commitment/employee loyalty, the system of rewards and career development, and develop an effective and efficient organization.

b) Internal Business Process Perspective (I), the way to improve this perspective are: make an improvement on the Employee Satisfaction, Improve the service speed for employees, granting the proper welfare, Improve the quality relationship and Improve skills and employee competencies.

c) Customer Perspective. The way to optimize is: by improving Customer Satisfaction, and Improves Customer Service and Priority

The Financial Perspective. The way to optimize is: Improve and enhance employee productivity and Increasing Efficiency in Human Resource line.

Statement of authorship
The author(s) have a responsibility for the conception and design of the study. The author(s) have approved the final article.

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Biography of Authors

Bachelor   : STIE Malangkucecwara Malang, Accounting Departement
Master   : Universitas Brawijaya Malang, Management Department.
Publication: International Journal of BBR Journal on the title: Intellectual Capital (IC) Analysis and The Effect To Financial Performance In PT. Kalasuba Indonesia (KSI), Pengungkapan Social, Diversifikasi Perusahaan, Dan Kompensasi Bonus Terhadap Manajemen Laba Pada Perusahaan Manufaktur Di BEI
Email: dwi_ermayanti@yahoo.co.id

Bachelor   : UIN Malang, on Language and Literature Department.
Master   : UGM Yogyakarta on General Linguistics Department.
Publication : International Journal of BBR Journal on the title: Intellectual Capital (IC) Analysis and The Effect To Financial Performance In PT. Kalasuba Indonesia (KSI)
Email: amir.roifah6@gmail.com

Ermayanti, D., & Ro'ifah, A. (2016). Human resource scorecard (HRSC) as performance measurement method to optimize organization performance. International Research Journal of Engineering, IT & Scientific Research, 2(11), 11-21. https://sloap.org/journals/index.php/irjeis/article/view/517