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PERFORMANCE MEASUREMENT USING HUMAN RESOURCE SCORECARD AT PT. JAYA FARM 7

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Abstract

Performance measurement that is not comprehensive will result in performance measurement that is not optimal, resulting in a lack of awareness in evaluating the performance of human resources. The performance measurement carried out by the company is still not optimal in determining the part of employee performance that needs to be evaluated with the aim that employee performance in the long term will achieve the company's targets. Performance measurement is carried out using the Human Resource Scorecard based on 4 perspectives, namely the Financial Perspective, Customer Perspective, Internal Business Process Perspective, and Learning and Growth Perspective. The measurement also uses the Analytical Hierarchy Process (AHP) 6 method to determine the weight of importance for each Key Performance Indicator (KPI). In the results of research using the Human Resource Scorecard, there are 10 strategic targets consisting of 2 strategic targets from a financial perspective, 2 strategic targets from a customer perspective, 4 strategic targets from a business process perspective and 2 strategic targets from a growth and learning perspective. The research results after weighting show that the financial perspective has the highest priority weight. Based on the strategic target of producing 10 KPIs, of which there are 5 KPIs that have not reached the company target consisting of production income levels, employee satisfaction, turnover rates, work accident rates and DOC depletion rates - and 5 KPIs that have reached the company targets consist of operational costs, meeting implementation. /evaluation, employees who meet the company's needs, employees' ability to innovate and the amount of employee training.

Keywords: ***Performance Measurement, Human Resource Scorecard, AHP***

1. INTRODUCTION

Performance is a function of motivation and ability. To complete a task or job, a person must have a certain degree of willingness and level of ability. Performance is the real behavior displayed by each person as a work achievement produced by employees in accordance with their role in the company (Rivai, 2004). Good employee performance is a dream for the entire company. thus, companies permanently seek to increase their competitive advantage primarily through human resources. Measuring the performance of an institution is a stage of work evaluation that can improve the quality of work for the continuity of company activities within it (Kusuma, et al, 2023). Performance measurement is also very important for company management to determine the level of the company's capabilities, whether the company is running well or is experiencing a decline. Because performance measurement does not only prioritize profits in the short term but also in the long term (Susetyo, 2013).

In various contexts, performance measurement is a crucial factor for understanding and correcting existing problems. Performance measurement refers to the process of collecting and analyzing data related to the successful achievement of a task, project, or organization as a whole. However, there are situations where the problem at hand does not have adequate performance measurements. PT. Charoen Pokphand Jaya Farm is a subsidiary company engaged in the production of chick farming. PT Charoen Pokphand Jaya Farm 7 has been established since 2011 and is a subsidiary sub unit, and the output produced by the company is chicken eggs. The chicken breeds raised by PT Charoen Pokphand Jaya Farm 9 are broiler chickens with breeding carried out and managed by the company, namely the Ross Strain and Cobb Strain chicken types. Both types of child strains are broiler chickens with superior types of seeds.

Table 1.1 Salable Chick Production of Cobb Strain

	Target	Realization
	Salable Chick Strain Cobb/tail	Salable Chick Strain Cobb/tail
Cycle I	148	129
Cycle II	148	126
Cycle III	148	148

Table 1.2 Salable Chick Production of the Ross Strain

	Target	Realization
	Salable Chick Strain Ross/tail	Salable Chick Strain Ross/tail
Cycle I	150	134
Cycle II	150	126
Cycle III	150	147

The performance measurement implemented by the company is not comprehensive because it focuses on Salable Chick results. Salable Chick is a measure/result that determines success in hatching. The more DOC produced for sale, the more profits will be achieved. In the table data above, it can be seen that the achievements in Salable Chick have not met the company's targets. The research uses company data from cycle 1 in 2019 to cycle 3 in 2023.

Table 1.3 Percentage of DOC Depletion Rate

	Target Depletion (%)	Actual Death (%)
Cycle I	11%	14%
Cycle II	11%	19%
Cycle III	11%	18%

The Salable Chick production target not being achieved is also influential because the DOC mortality rate still exceeds the maximum target. The death rate of hens is also calculated from the initial process called the Growing Phase for 23 weeks then the Laying Phase for 40 weeks. Based on the problem of performance targets not being achieved and high mortality rates, this research was conducted with the aim of measuring performance by identifying the company's strategic targets and identifying performance indicators with the aim of evaluating ongoing performance.

Performance

Performance is the result of work that has a strong relationship with the organization's strategic goals, customer satisfaction, and contributes to the economy. According to Hamali (2018), performance is about doing work and the results achieved from that work.

Performance Measurement

Performance measurement is a process of identifying, collecting, analyzing and evaluating data or information related to the results and achievements of an organization, project or individual in achieving predetermined goals and objectives.

Human Resource Scorecard

Human Resource Scorecard (HRSC) is a measurement of human resource performance in companies and universities, namely by determining how the company selects and determines the vision, mission and strategies used by the company. Human Resource Scorecard (HRSC) is a method developed to align HR management strategies with company strategy as well as to measure performance with the contribution of HR in supporting the achievement of company strategy.

2. IMPLEMENTATION METHOD

Location and Place of Research

This research is located at PT Charoen Pokphand Jaya Farm 7, Kutalimbaru, North Sumatra from July 2023 to October 2023

Types of research

The type of research used is descriptive quantitative which aims to describe systematically, factually and accurately the facts and characteristics of a particular object or population (Sinulingga, 2020)

Population and Sample

The population in this study were all employees of PT Charoen Pokphand Jaya Farm 7, totaling 96 employees.

The sample used in research to measure employee performance uses the Purpusive Sampling technique, namely by determining the sample based on the researcher's considerations using certain people/individuals as sources of data and information. The research sample consisted of 8 employees.

Data analysis technique

Data analysis techniques in this research are as follows:

1. Clearly Defining Business Strategy
   Determine the business strategy using HRSC, then the strategy is derived based on the company's vision and mission
2. Building the Business Case for HR as a strategic asset
   After formulating strategic goals, companies need to build good business arguments regarding how human resources can support and contribute to these strategic goals.
3. Designing an HR Scorecard Strategy Map
   Strategic mapping is a process of visualizing with the aim of helping an organization achieve long-term success and ensuring that all parts of the organization are working. Strategic mapping aims to help organizations understand, design and communicate their strategic goals in a clear and measurable way so that stakeholders can understand the relationships between the various elements of the strategic goals.

4. Identify HR Deliverables in the strategy map
   HR Deliverable is an important contribution in human capital to implement company strategy. Human Resource Deliverable has 2 categories, namely:
   a. Performance Drivers are core abilities related to relationships with people/individuals
   b. Performance Support (Enabler) is an effort that can be made to strengthen or shape a performance driver.
5. Designing a Strategic Human Resources Measurement System
   In the analysis technique, it is necessary to identify the KPI (Key Performance Indicator) for each strategic target.
6. Determining the Importance Weight Score with the Help of AHP
   The analysis technique is carried out using the help of Expert Choice 11 Software by determining the importance of each element with the aim of improving employee performance so that evaluation activities can be carried out better.

3. RESULTS AND DISCUSSION

Vision and mission of the company

Vision:

Providing food for a developing world

Mission:

Producing, selling feed, broiler chickens and day old chicks and processed foods of high quality and innovation

Measurement stages with the Human Resource Scorecard

1. Clearly Defining Business Strategy
    - Financial Perspective: Increase Revenue, Increase Cost Efficiency
    - Customer Perspective: Increasing Employee Satisfaction, Increasing Employee Loyalty
    - Internal Business Process Perspective: Improving Communication, Increasing Recruitment Standards, Implementing an K3 System, and Improving Innovative Work Behavior
    - Learning & Growth Perspective: Improving Employee Skills, Increasing Employee Knowledge

2. Building a Business Case for HR

Table 3.1 Contribution of Human Resources to Support Strategy

Strategy	HR contribution
Financial Perspective	
Increase Revenue	Carrying out works very well in accordance with the directions given by superiors
Increase Cost Efficiency	Providing optimal results by trying to reduce costs to achieve optimal results
Customer Perspective	
Increase Employee Satisfaction	Do work according to your abilities and do the job as best as possible
Increasing Employee Loyalty	Have responsibility and commitment in carrying out work to provide the best results
Internal Business Process Perspective	
Improve Communication	Attend meetings or evaluations carried out
Improving Recruitment Standards	Analyze qualification standards in accordance with company needs
Implementation of the K3 System	Provide clear instructions regarding producers in their work
Improving Innovative Behavior	Think innovatively in overcoming problems at work
Learning and Growth Perspective	
Improving Employee Skills	Follow the training carried out
Increase Job Knowledge	Attend seminars and follow the work procedure instructions given

3. HR Scorecard Strategy Map Design

Table 3.2 Strategy Mapping Human Resource Scorecard

Financial	Increase Revenue	Cost Efficiency
Customers	Increase Employee Satisfaction	Increasing Employee Loyalty
Internal Business Processes	Improve communicatio Improve recruitment standards Increasing innovative behavior	Implementation of the K3
Continuous Learning and Growth	Improve employee skills	Increase Job knowledge

4. Identify HR Deliverables in the strategy map

Table 3.3 Identification of HR Deliverables

HR Performance Driver	*HR Enablers*
Financial Perspective	
Increase revenue	Producing according to company targets
Cost efficiency	Reduce costs and produce optimal results
Customer Perspective	
Increase employee satisfaction	Increase the comfort of the working environment; Provide appropriate salaries; Organize programs with fellow colleagues
Increase employee loyalty	Providing rewards/bonuses; Provide employee rights
Internal Business Process Perspective	
Improve communication	Hold regular meetings and evaluations; Coordinating with colleagues
Improve recruitment standards	Recruit employees according to employee needs
Implement K3 implementation	Creating a decent working environment; Give proper instructions with production activities
Increasing innovative behavior	Carrying out innovations that can be provided for the smooth running of work processes
Learning and Growth Perspective	
Improve employee skills	Provide the training that employees need
Improve job knowledge	Conduct performance evaluations; Holding seminars; Hold meetings

5. Designing an HR Measurement System by identifying KPIs

Table 3.4 Designing a KPI Measurement System

Strategy Goals	**Performance Indicators**
Financial Perspective	
Increase revenue	**F1:**Total income from products produced
Cost efficiency	**F2:**Maximizing Resource Use
Customer Perspective	
Increase employee satisfaction	**PB1:**Employee satisfaction index
Increase employee loyalty	**PB2 :**Level of length of service; turnover
Internal Business Process Perspective	
Improve communication	**PB1:**Carrying out regular meetings and evaluations
Improve recruitment standards	**PB2:**Employee recruitment based on work needs
Implement K3 implementation	**PB3:**Work Accident Rate
Increasing innovative behavior	**PB4:**Employee ability to innovate
Learning and Growth Perspective	
Improve employee skills	**PP1:**Depletion Rate
Improve job knowledge	**PP2:**The amount of training carried out on training

6. Weighting with AHP and Performance Achievement Measurement

Perspective	Weight	Strategic targets	Weight	KPIs	Target 2023	Realization 2023	% Target Achievement	Evaluation
Financial	0.311	Increase Revenue	0.764	Production Income Level	100 %	98%	98%	Performance has not reached the target
		Cost Efficiency	0.236	Operating costs	100 %	100%	100%	Performance has reached the target
Customers	0.262	Employee Satisfaction	0.797	Employee Satisfaction Index	≥4	4	90%	Performance has not reached the target
		Employee Loyalty	0.203	Turnover Rate	100 %	98%	98%	Performance has not reached the target
Internal Business Processes	0.237	Improve Communication	0.209	Carrying out meetings/evaluations	12 times	12 times	100%	Performance has reached the target
		Improving Recruitment Standards	0.180	The number of employees who meet the company's needs	100 %	100%	100%	Performance has reached the target
		Improving K3 Implementation	0.349	Work accident rate	≤1	1	100%	Performance has not reached the target
		Improving Innovative Work Behavior	0.262	Employee ability to innovate	100 %	100%	100%	Performance has reached the target
Learning & Growth	0.191	Improving Employee Skills	0.514	DOC Depletion Rate	≤11 %	18%	63%	Performance has not

								reached the target
		Increasing Employee Knowledge	0.486	Number of Training for Employees	100 %	100%	100%	Performance has reached the target

4. CONCLUSION

Based on the results of research that has been carried out using the Human Resource Scorecard method and with the help of AHP, it can be concluded that:

1. Human resource performance assessment indicators based on vision and mission are formed by 10 strategic targets with 10 performance assessment indicators which become references in measuring performance
2. The priority weight of performance assessment indicators using the AHP method with the help of Expert Choice 11 software produces the highest weight in the Financial perspective with a weight of 0.311 where in this perspective, the indicator that has the highest weight is the Increase Revenue indicator with a score of 0.764.
3. The results of measuring human resource performance which fall into the category of not having reached the target consist of revenue levels, employee satisfaction, implementation of occupational health and safety, and employee skills.

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