Analysis of Human Capital in Talent Management Program, Training and Development to Improve Employee Competence Case Study in BSG Group

Prastiyo Diatmono
1) Magister Management of Universitas Trisakti, Indonesia

Siti Mariam
2) Institute STIAMI, Indonesia

Abdul Haeba Ramli
3) Magister Management of Universitas Trisakti, Indonesia

prastiyodiatmono@gmail.com

ABSTRACT

The purpose of this research was to understand human capital analysis to the talent management program, training, and development to improve employee’s competency. It was qualitative research within a case study method conduct at BSG Group (6 companies) in 2019. The data were collected through participant observation using interviews, observation, a document study, and recording. The data analysis to understand management program was run with the company to make strategic changes to improve employee’s competency approach to human capital, including: (1) talent management, (2) training and development, using balance score card as measurement quality. The findings lead to the recommendation to make change talent management program, training and development to enhancement employee’s competency in linking the company’s business strategy that can create increased job productivity and company profits in accordance with the intended purpose the support and commitment to top management and empower to all employee’s synergistically.

Keywords: Human capital, talent management, training, and development competency.

INTRODUCTION

Human capital management is a system to improve company performance in a critical role with the greatest impact on the company's core competency (Hall, 2008; Ramli and Yudhistira, 2018; Armanda, Basri, Kusnadi and Ramli, 2020; Ramli and Mariam, 2020; Takaya, Ramli and Lukito, 2019). In order to increase human resources, some companies
design an innovative talent management, stated in the section on changes in human resources to keep having value (Dave Ulrich, Justin Allen, Wayne, Jon Younger and Mark Nyman, 2009; Ramli, 2019a; Chandra, Takaya and Ramli, 2019).

Programs that are implemented to improve employee competency can be achieved with the support and commitment of top management in the implementation and achievement of human capital programs to achieve company business outcomes that have been determined (Phillips, 2005; Ramli, 2019b; Mariam and Ramli, 2019b; Priarso, Diatmono and Mariam, 2019).

Analysis of the problems in the talent management process and training and development which were analyzed using a balanced scorecard in the BSG Group which consists of 6 (six) companies in the coal mining business unit using four perspectives namely, learning and growth perspective, internal process perspective, customer perspective, and financial perspective, where the whole perspective is interrelated with one another in realizing the goals to be achieved by the company.

The basis of the results of the analysis using the balanced scorecard to be able to improve employee competence, in general, there are fundamental problems including talent management and training development are as follows: (1) the system of handling human resources operationally has been able to support the implementation of production activities, in supporting the achievement of company targets, not just running as they are, especially matters relating to improving human resources programs in the management of training and development and training, (2) replacing the use of equipment or heavy equipment that is better in business has a profit margin and limited opportunities to get targets achieved, (3) completion of production targets not according to the time specified in the agreement with the government through an activity plan and cost budget (RKAB).

From the above problems, the implementation of continuous improvement process in making changes and improving employee competence there is a gap (gap) of the existing theories in planning, implementation, and evaluation in the development of talent management and training and development programs that occur in company groups, so it is needed the process of improvement through the human capital approach by using a balanced scorecard analysis so that the company gets added value and gets the right
change strategy in order to improve company performance and increase company profits, the results of which can be enjoyed by all parties.

LITERATURE REVIEW

Human Capital

The definition of Human Capital Management (HCM) is a system for improving performance in critical roles that has a large impact on the core competencies of the company (Hall, 2008; Ramli, 2018a; Mariam and Ramli, 2019a; Imran, 2018). The objectives of the HCM are four basic objectives, including (1) determining the impact of people on the business and their contribution to shareholder value, (2) showing that human resource (HR) practices generate monetary value in terms of, for example, return on investment (ROI), (3) provides guidance on the future of HR and business strategies, (4) provides diagnostic and predictive data that will inform strategies and practices designed to improve the effectiveness of the management of people (employees) in the organization (Angela Baron and Michael Armstrong, 2007).

Talent Management

Talent management is used to refer to people or employees. Company organizations see management as potential talent development and place in the approach to leadership development (Jon Ingham, 2007). Transformation or change in talent management practices can be divided into four parts, namely: (1) selective recruitment and intensive retention through clarity of organizational goals and designation of certain people who are responsible during the recruitment process, (2) equal distribution of employment through justice, (3) contributions based on performance and progress criteria by obtaining fairness to the result so effort that have been made, (4) orientation of professional development in human capital can be done through rotation which all ows for better growth with or without promotion of employment (Sandra Burudand Marie Tumolo, 2004).
Training and Development

One HCM approach is to focus on the individual learning that is needed in the learning process. There are three methods in measuring training to see the impact and effectiveness are as follows, according to Angela Baron and Michael Armstrong, 2007:

**Evaluate training**

There are four levels of training evaluation that can be done through:

a. Level 1, the reaction at this level is evaluation measuring the number of employees who participate and participate in training; this will be as a measure of direct customer satisfaction

b. Level 2 is the evaluation of learning, at this level by obtaining information about the extent of guidance learning has been achieved

c. Level 3 is evaluating behavior; this level evaluates as far as the behavior has changed as needed when employees take a training program and have returned to their jobs

d. Level 4 is the outcome, this is the final level of evaluation and has provided the basis for assessing the benefits of training programs and having returned to their jobs

e. Level 4 is the result of success, this is the final level of evaluation and has provided the basis for assessing the benefits of training

**Return of Investment (ROI)**

Some ROI calculation techniques are the best way to assess the impact on all training on organizational performance that is calculated through the ROI it produces. ROI is calculated with the following formula:

\[
\text{ROI} = \frac{\text{Benefits from training (£)} - \text{costs of training (£)} \times 100}{\text{Costs of training (£)}}
\]

This measure is useful in evaluating the overall impact of training. Another formula that can be used to calculate human capital investment for profit can be made through human capital return of investment with the following formula: (Jack FitzEnz, 2009)

\[
\text{HC ROI} = \frac{\text{Revenue} - (\text{expenses} - \text{pay and benefit})}{\text{pay and benefit}}
\]
Revenue = Total profit of the company
Expenses = training cost
Pay and benefit = Salaries and allowance.

**Competency Measurement**

Other evaluation methods to measure competency improvement through qualitative data include activity levels for additional data only, including:

a. Employee development according to plan as a percentage of employees
b. Hours of training per employee
c. Percentage of managers in taking in development programs formal

In general, HR measurements in terms of training and development that are often used or prominent are as follows:

1. The satisfaction of training participants
2. Total training costs
3. A number of employees taking part in training each year.

For HC measurement in terms of training and development that are used but not prominent are as follows:

1. The impact of training experience on performance,
2. Managers take notes for employee development.
3. Calculation of training ROI

To see the quality of the programs that have been implemented, the company can implement a balanced scorecard that is expected to provide value creation and added value for the expected goals. Below is a simple illustration of value creation, as follows below (Robert S. Kaplan and David P. Norton, 1996).

**Figure 1:** Simple Illustration of Value Creation
Basically, the analysis using the Balanced Scorecard provides a system for companies to invest in the long term for (1) customers, (2) learning and employee growth, including management (learning and growth), (3) internal business processes (systems) to obtain results financial results that enable the development of business organizations rather than just managing bottom lines to spur short-term income (results). (Vincent Gasparsz, 2011)

**Employee Competency**

Employee competency improvement can be made by conducting interrelated and continuous program management that focuses on improving the qualityof the program (Ramli and Maniagasi, 2018), especially those related to human resource development programs (Ramli, 2018b), one of which is through talent management, training, and development processes through control mechanisms and trying to improve the quality of the program- the program implemented to improve employee competency can be achieved with the support and commitment of top management in the implementation and
achievement of the HC program to achieve the stated business results of the company (Phillips, 2005; Ghazmahadi, Basri, Kusnadi and Ramli, 2020; Imran and Ramli, 2019).

The basis in seeing company competence is one of them with renewal, so this is important in the research to be taken and discussed that will be carried out, namely in terms of (1) connecting selection of companies and decision-makers to validate competency models, (2) developing strategies that provide the support that can be taken and is effective for selecting choices that make choices demanded towards the implementation of the company's strategy, (3) providing compensation and attractive performance management policies, maintaining and motivating employee's high performance (Angela Baron and Michael Armstrong, 2007).

**RESEARCH METHODS**

To find out the implementation of strategies for changing human capital, a qualitative approach with the case study method is used. The case study method was chosen because it refers to Yin’s opinion that a case study is a more suitable strategy when the research question concerns "how or why" and the researcher has little opportunity to control the events to be investigated, and when the focus of the research lies on contemporary phenomena (in the present) in the context of real-life (Robert K. Yin, 2013).

Sample data using purposive sampling with snowball techniques, using the main instrument is the researcher him self. The required data covering six companies in one group includes company organization data, strategies, procedures, profit and loss accounts, predetermined RKAB targets, tender documents, and requirements, while data sources are obtained from employees and data in the HRD Department, Marketing, IT, Asset, Purchasing, Finance, and accounting and operations.

Data collection can be carried out by participatory observation, focused observation, selected observation, assessment of selected documents, and in-depth interviews. The case study method is carried out through several steps or stages of systematic and planned activities; these steps are case selection, data collection, data analysis, refinement, and report writing.
The selection of cases that have been identified is based on a decline in the level of profitability or profitability of the group of companies in the last three years, on average, around 6-8%. Data collection can be carried out by way of interviews (interviews), observation (observation), study documentation, and archival records (archives). The data analysis of this study used three activities simultaneously, namely, data reduction, data presentation, and data inference and verification. Refinement of all data collected by researchers to make improvement or reinforcement of new data on the categories that have been found.

New data collection requires researchers to return to the field by creating new categories, and new data obtained cannot be grouped into existing categories. Report writing After all research activities have been carried out, the researcher compiles the research report in a qualitative form that is written communicatively and clearly so that the reader can understand all the important information and is expected to bring the reader into the situation of the case. To obtain a level of trust in qualitative research, a researcher must hold on the criteria of credibility, transferability, dependability, and conformability. (Lexy J. Moleong, 2000).

RESULTS AND DISCUSSION

Based on information from the interviews that have been analyzed as many as 60 samples in each company consisting of staff positions up to the position of General Manager in the departments of Accounting, HRD, General Affairs, Finance, Administration, Marketing and Legal, Asset and Logistics, operations, health safety, and environment, IT. The results of research on six companies in a group of companies on talent management that have been carried out by the company are an important part so that the talent development process is carried out by identifying employees since the recruitment process by placing them in the right position according to the needs and abilities of the results of tests conducted, but the follow-up after being accepted as an employee, it has not been implemented well even though the theoretical and procedural documentation has been prepared by the company, the obstacles that occur are related to the technical
implementation of the program and the lack of support from management and the lack of costs allocated or incurred in developing talent.

Talent management support is an important part in which the form of attention from management is to capture potential talents to be developed by empowering internal employees first so that talent management can function properly; this is done with the aim of making a positive contribution, reducing turnover which all cone towards achieving targets and company goals. The talent development strategy is carried out by conducting training to improve competence even though the implementation of the strategy is not well known by employees. The problems that occur related to obstacles and obstacles are not understanding the goals and benefits of talent management for the company; the methods used are not right, problems regarding costs, and lack of commitment from superiors and top management.

The results of research on training and development that have been carried out by company groups have not been maximized even though the program documents have been well structured, but the implementation of many discrepancies, especially the continuation program, can only be done within the internal scope of each department.

The training and development program aim to optimize performance, increase skills, increase competence for employee and company progress in achieving goals through the initial process by making training need analysis, reducing gaps to training needs, implementing according to organizational needs, and providing feedback from superiors. In the process of implementing training and development, there are obstacles and obstacles in setting priorities that are tailored to the company’s vision and mission, cost, or budget issues that are not implemented with commitment.

Determination of training and development objectives becomes a very important part of the implementation process so that mandatory training can be carried out for the needs of internal procedures, the determination based on inputs that link to vision and mission that are directly related also to improving employee competency and performance. The impact of the success of the training can be seen in the balanced scorecard measurement which refers to four perspectives with training evaluation that has not been done as a whole so that there are often gaps so the evaluation must involve superiors for further assessment in a time and manner that is consistent and ongoing both in-house
training, internal implementation and external training that is useful for improving employee competency.

In the application of talent management, management understands the importance of talent management, but in its implementation, it has not been arranged through the concepts and strategies well to support to advance the company's business and drive competitive advantage for the company's long-term survival for the company. At its core, the company knows talent management is important aspects in managing the company management and the things mentioned below verbally mentioned by employees have a positive impact in the organization or company include: (1) focusing investment, efforts, and efforts of the organization appropriately, namely on the high potentials or talents, (2) preparing mature, competent and reliable human resources/talents to execute business strategies, (3) as retention strategies for high potentials and organizational talents.

Things that have been done by the company are limited to: (1) in the selection and recruitment process psychological tests are conducted which include tests of candidates' intellectual abilities, personalities, and talents as a basis for the process of hiring, (2) in the training program included in soft skills and hard training skills, (3) in performance appraisal as a basis for employee development programs to see the strengths and weaknesses and the potential to be improved on the ability of employees they have.

The first step in a review is to identify goals in a process. Usually, the review process focuses on the design of talent management on an ongoing basis, following the image below in carrying out the review of Management Management (Andre's Hantum, 2010).
The objectives for the company’s talent review process are to: (1) assess the leader or potential leader in the company, (2) determine the success plan for the leader position, (3) develop talent pool, for example: create future leaders to find the business differences needed, (4) assess a critical position to ensure this can be filled by high-performing talent, (5) reviews talent development plans and opportunities for risk.

After identifying the talent goals for the review process, the company made a timetable for assessment involving CEOs, top management, and line managers, where the process is more directed at all employees by reviewing: critical talent, good performers, early career talent.

From the results of the assessment, mapping in 9 boxes to potential talent candidates should be done objectively based on performance, as shown below:
The talent development process is carried out to provide better benefits, with a strategic leadership program, a leadership development program, and a middle manager program. Things that can be influenced in the implementation of talent management in the company are as follows: (1) talent mindset, the most important in the process of implementing talent management is the level of understanding and the level of believing of the entire organization from the top management level to the lowest employees. All organizations must truly understand and believe that talent management is a critical aspect that is the key to organizational success, (2) top management commitment and leader's involvement,

Commitment from top management is also very influential in the involvement of all leaders in the implementation of talent management. Involvement becomes very important because the task and role in managing this talent for all leaders in the organization, in this case, require a high commitment from top management, (3) talent management strategy, clarity of talent management strategy at the talent management planning stage is also the
initial key to the successful implementation of this program. Impact talent management on company performance and success is determined by the sharpness of the talent management strategy so that the results of talent management that are carried out have an impact on organizational performance.

The following talent management scorecard strategies are made based on four perspectives in the table below:

<table>
<thead>
<tr>
<th>PERSPEKTIF BALANCE SCORER CAR</th>
<th>STRATEGI TALENT MANAGEMENT</th>
</tr>
</thead>
</table>
| FINANCE                        | • Increased work productivity to support the achievement of goals  
                                    • Effective and efficient talent creation to support the company’s business and increase profits | • Increase profits and achieve work targets  
                                    • Controlled financial efficiency  
                                    • Financial controls related to approved talent programs |
| CUSTOMER                       | • Improved service to customers  
                                    • Maintaining loyal customers  
                                    • Customers settle complaints faster | • Customers are satisfied with the service and how to solve problems  
                                    • The declining level of customer complaints |
| INTERNAL BUSINESS PROCESS      | • Created and implemented an objective talent assessment and mapping system with the aim of the right man in the right place | • Follow-up assessment results can meet the need for the qualified workforce according to competence (100%)  
                                    • Improved performance of the results of the assessment |
|                               | • Fully meeting the need for a qualified workforce according to competence (100%)  
                                    • Achieving targets through KPI planning 100% met | • Evaluate the assessment  
                                    • Make an employee planning schedule  
                                    • Providing facilities and infrastructure |
|                               | • The spread of customer complaints 90% of total problems  
                                    • The number of complaints is reduced by 10% per year | • Evaluate customer complaints  
                                    • Fostering good relations with customers  
                                    • Create a data base for customer complaints |
|                               | • Evaluate the achievement of company target every three months  
                                    • Cost efficiency in all departments  
                                    • Tight budget control  
                                    • Development is based on investment |
The training program is based on training needs analysis. This analysis includes determining training needs and assessing how far obstacles can be removed through training. Training needs analysis for formal training is carried out at the level.

Training is focused on an effort to improve the knowledge and expertise associated with his current job, which is a relatively short time. General policy training is carried out with two types of training, namely:

1. Formal training is training that must be followed by all employees to improve their abilities, including:
   a. General training which aims to equip participants with mental attitude, skills and certain knowledge that can be implemented in daily work for example out bound, newborn, strive for existence.
   b. Basic management training, this training is for the first level managerial that aims for participants to understand the basic concepts of management so as to be able to develop a systematic framework, facilitate the completion of daily tasks, including fostering collaboration with other parts and ready to become an effective leader, for example, supervisor management, the basics of production, marketing, finance, accounting, auditing, taxation, human resources, leadership, and others.
   c. Middle management training aims that participant sareable to translate the company's mission into the operational activities of the department, analyze and anticipate business development so that participants can direct organizational
behavior to achieve company targets, bridge employees and top management, understand the functions of other departments and become the appropriate infrastructure fields, example modules: people management, performance management, finance management, marketing, accounting.

d. Executive training, aiming that participants have the knowledge and ability to formulate business strategies and bring a harmonious, dynamic, and efficient work atmosphere, example modules: strategic planning, business strategy analysis, strategic management.

e. The total control system, equipping participants with positive and developing work attitudes to increase productivity through collaboration or teamwork.

f. The orientation program, aims for participants to gain broad insights about the company's business, especially the values that exist (corporate culture) so that participants are expected to easily adjust to their work, for example, modules: corporate culture, organizational structure, main business, company management systems and employee performance.

2. Supplementary training is training that supports one's position or job. This training is to sharpen skills and increase the power of innovation in work. In the development program is carried out as a means of developing employee potential or quality. This development is to predict the organization in the future, its nature is long term. This development aims to increase the potential of employees facing rapid technological changes, addressing work forced diversity and work forced mobility.

3. The training conducted is to improve employee performance. In addition, training is also useful for preparing promotions for planned positions, as well as preparing workers for higher positions, training and development processes can be divided into four parts that companies can do with interrelated components: Planning/front-end analysis

   a. Design/development
   b. Implementation
   c. Evaluation
The following figure below explains the four components of the training and development process.

**Image 4:** Four Components in the Training and Development Process.

The following training and development card strategy is based on four perspectives (learning and growth, internal business processes, customers, and finance) in the table below:

**Table 2:** Training and Development Strategy in the Balanced Scorecard Perspective

<table>
<thead>
<tr>
<th>PERSPEKTIF BALANCED SCORECARD</th>
<th>STRATEGI TALENT MANAGEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>FINANCE</td>
<td>AIM</td>
</tr>
<tr>
<td></td>
<td>● Increased achievement of the company's profit targets</td>
</tr>
<tr>
<td>The achievement of ROI in the implementation of training and development</td>
<td>The declining number of customer complaints</td>
</tr>
<tr>
<td>Positive increase in profit compared to value-added investment</td>
<td>Providing compliment from the customer</td>
</tr>
<tr>
<td>Efficiency can be done 10% every year</td>
<td>Increased number of customers</td>
</tr>
<tr>
<td>Monitoring ROI calculations</td>
<td>Special personnel handling customer focus for training on customer satisfaction</td>
</tr>
</tbody>
</table>

**CUSTOMER**
- Improved service to customers in serving and solving problems
- Enhancing good relations and cooperation with customers
- The declining number of customer complaints
- Providing compliment from the customer
- Increased new customers
- Increase in customers each year by 25%
- Increased satisfaction with services for customers 10% per year
- Special personnel handling customer focus for training on customer satisfaction
- Interdepartment alreportson problem-solving

**INTERNAL BUSINESS PROCESS**
- Improved employee and department performance in achieving desired targets
- Changes in behavior to support work productivity
- Achieve mentof work targets in quantitative terms
- An increase in cooperative relations between employees and departments
- Achieve 100% work target according to plan
- Problems that occur between departments can be resolved 100%
- The process of coaching and discussion is carried out more intensely
- Performance evaluation every six months
- Coordination meetings between departments

**LEARNING AND GROWTH**
- Enhanced training and development programs through the balanced score card program
- Improved the implementation of training and development links with the company's business strategy
- Knowledge enhancement
- Implementation of training and development programs in accordance with the plan
- Number of attendees
- Schedules and topics according to the company's business improvement needs
- Training participants with 98% attendance according to schedule
- Implementation of training and development plans 100% on time
- Determination of matrix training is made at the end of the year before the implementation
- Training and development program socialization
- Preand post-tests and training and development valuations
- Material for conducting training and development through various methods
CONCLUSION

Based on research results and discussion of research findings, the conclusions in this study can be described as follows:

1. The implementation of the company’s talent management has not been carried out in accordance with the planning and system of the talent management itself, which is carried out only to the needs of certain human resource areas for purposes that have not been integrated regarding the implementation of good and correct talent management so that the quality management of talent management programs is carried out through talent review focuses on design talent management on an ongoing basis, then a time table is made to conduct an assessment involving top management and managers to review critical talents, good performers, early-career talents. From the results of the assessment, mappings are included in nine boxes for potential talent candidates that are conducted objectively based on performance. Talent development is carried out to provide better benefits, with strategic leadership programs, leadership development programs, and middle manager programs. The impact of talent management on company performance and success is determined by the sharpness of the talent management strategy that can be measured through the talent management scorecard strategy by using four financial perspectives, customers, internal processes and learning and growth.

2. The implementation of training and development is not in accordance with the company's goals in creating employee competencies that can directly support the business that will be achieved because there are problems in the program process that is run does not have a common goal, organizational needs and control of the continuation of the program so that it can less impact on improving employee competency for the process of improving employee performance, so improving the quality of training and development programs is based on training needs analysis. This analysis includes determining training needs and assessing how far obstacles can be
removed through training. The training and development process carried out by the company is divided into four parts with interrelated components, namely: planning/front-end analysis, design/development, implementation, and evaluation. For the successful implementation of the training and development program, it is carried out through measurement of the training and development scorecard strategy using four perspectives on finance, customers, internal processes, and learning and growth.

**Implications**

Based on the implementation and research results, there are some managerial implications that can be submitted related to talent management. High-performance talent can be carried out by developing an assessment of talent through key performance indicator-based performance appraisal (KPI) and oriented to excellent service to customers with the aim of creating customers. Satisfaction for old customers and new customers so that service and work productivity of employees must be improved through aspects of improving the quality of work that is oriented to the target company that is effective and efficient.

While the managerial implications that companies can do in one group are through increased knowledge by creating training programs based on training, need analysis (TNA) that can be carried out and evaluated periodically on the impact on employee performance and changes in employee behavior towards the good so that the handling of Customer complaints can be resolved quickly and professionally so that this can support the achievement of the company's profit targets and the return on investment in the training and development strategy can be achieved in accordance with the plans that have been made.

**Limitations and Suggestions**

Based on the conclusions above, it can be suggested that PT. BSG Group is as follows:

1. Support and commitment from top management and all employees are highly expected in its implementation, so that the achievement of the target of this is to empower all employees synergistically in supporting company goals but can also be able to unify programs that have been arranged through input, process, output and providing
feedback from the talent management development program and human capital training and development, together with supporting each other to be able to provide a change effect in a significantly better direction by using measurements in improving the quality of management through the balanced scorecard.

2. The implementation of the talent management program prepares a pool of talent that is managed, trained and programmed to answer the challenges of the organization; the system is ideally to anticipate changes by changing the paradigm of managing human as a resource, becoming human as capital, or human as organization assets.

3. It created a training center room to support training and development programs in human capital that is not only able to complete the program every year but how the program can provide added value to companies and employees by providing increased knowledge, expertise, competence, behavior change which directly supports the improvement of work productivity with a more constructive mind set in implementing company strategies through planning, implementing and evaluating through budgets or budgeting compiled based on the return of investment (ROI) in increasing targets in accordance with company expectations and goals.

REFERENCES


Imran, B. (2018). Organizational Culture, Organizational Commitment and Job Satisfaction In Hospital Employees In West Sulawesi. Business and Entrepreneurial Review 18 (2), 133-144.


Ramli, AH. (2019a). *Person-Organization Fit dalam Rantai Distribusi Pemasaran*. Jurnal Manajemen