

## **Employee Performance Measurement By Human Resource Scorecard Method At PT PLN (Persero) KITSBU, North Sumatra, Indonesia.**

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**ABSTRACT:-** Companies need human resources that have the knowledge, skills, and competencies in their fields. Human resources in the organization are commonly called employees, the goal in this research is to measure the performance of employees at PLN KITSBU with the Human Resources Scorecard (HRSC) method. HRSC shows employee performance conditions since in the end this research provide suggestions on improvement measures and improve employee performance in the following year. The type of research is qualitative. Method of sampling research was using non-probability sampling with the number of respondents was 12 individuals. The results of the study show that PLN KITSBU, Key Performance Indicator (KPI) value has been achieved according to company targets with 95% value, for 10% financial perspective, customer perspective weighted 30%, for 25% internal business process perspective, learning and growth perspective weighted 30%. The speed of the SPPD process of the employee and the expenditure process of the cost of replacement of employee health becomes an indicator that is still lacking or not achievable in this study.

**Keywords:** Key Performance Indicator, Human Resources Scorecard

### **I. INTRODUCTION**

The success of a company depends on the activities and creativity of the company's human resources to achieve the company's vision and mission. For that reason, the company needs human resources with knowledge, expertise, and skills in accordance with its field. Human resources required by an organization are potential human resources that have good performance. Potential human resources should be respected and assessed for the organization to know how much the productivity of human resources has increased. In order to raise the company's productivity, human resources (HR) are the most important element, since people who design, undergo and maintain systems within the organization (Nasution, 2015). For that reason, the organization must have the policy to assess the performance of human resources in order to improve the performance of human resources or even increase. Performance evaluation of an organization will be known through performance measurement. In predicting the performance of human resources can also be done by measuring the performance of current and past human resources in line with the substance of the work to be achieved (Nasution, 2015)

Singgih (2010) stated that human resource performance measurement (Human Resources Scorecard) (HRSC) is used to find out the picture of achievement of human resource system performance in order to know Key Performance Indicators (KPIs) that do not fulfill the target, management to improve. Another aim is to conduct an analysis of improvement and increase KPIs that do not meet the expected target. then Ciptani (2000) states that company performance measurement tools are used by management as the basis for making decisions and evaluating management performance as well as related units within the corporate organization environment. Likewise, this measuring instrument is used by organizations to coordinate among managers with the intent of each section contributing to the progress and success of the company achieving the goal.

PT PLN (Persero) is a state-owned company engaged in electricity, electricity generating, transmission and distribution sectors throughout Indonesia such as in urban and rural areas, among industry, commercial, household and general. In other words, PT PLN (Persero) is one of the state-owned enterprises with a national scale responsible for the fulfillment of electricity needs throughout Indonesia. PT PLN (Persero) as an institution that has the responsibility to serve the community, therefore it must have the potential of human resources. Therefore, to increase the potential of PT PLN (Persero) also measure performance to their employees.

PT PLN (Persero) KITSBU is one of several branch offices of PT PLN (Persero) which was formed in 2004 as a result of the reorganization of PT PLN (Persero) South Sumatra Generation and Distribution established in 1997. In measuring the performance of human resources, PLN KITSBU uses the Employee Performance Information System (SIMKP) application. Facing these obstacles, the company should review the implementation of SIMKP on the measurement of employee performance at KITSBU PLN. Therefore, the author proposes performance measurement by Human Resources Scorecard (HRSC) method as a method of measurement of employee performance at KITSBU PLN. HRSC is a tool for measuring and managing strategic contributions from the role of human resources in creating value to achieve corporate strategy (Helmi, 2008). According to Moeheriono (2010), the HRSC concept has the basis of thinking that is what it measures what it will be managed. HRSC has benefits for the company if it can be implemented properly. The company's profit with the implementation of HRSC is to maximize human resources in controlling the costs incurred for human resource management, providing a clear picture of the causal relationships between departments within the company and maximizing human resources professionals and flexible in implementing them.

## **II. LITERATURE REVIEW**

### **Performance**

According to Mangkunegara (2013) employee performance is the result of quality and quantity work achieved by an employee in executing his or her duties in accordance with the responsibilities. The success rate of performance includes quantitative and qualitative aspects. Moeheriono (2012) explains that performance is a reflection of the level of achievement of a program or activity or policy in establishing goals, goals, vision and organizational missions set forth by an organization's strategic planning.

Performance indicators are functions of behavior and competence. Behavior and competence are inputs for performance (Nasution and Iskandarini, 2012). According to Mahmudi (2005), factors that influence performance such as individual factors include knowledge, skills, capabilities, confidence, motivation, and commitment of each individual. Leadership factors, including quality in encouraging the spirit, direction, and support given by managers. Team factors include the quality of support and enthusiasm from team-mates, trust among team members, teamwork compatibility. System factors, including work systems, work facilities or infrastructure from organizations, organizational processes, and organizational performance culture. Contextual factors include pressure and internal and external environmental changes.

### **Performance Assessment**

Dessler (2011) believes performance appraisal is an evaluation of the performance of an employee, whether past or current performance, as the employee's performance standard. Another thing is with Mangkunegara (2013) which states that performance appraisal is a process of appraisal of employee achievement systematically performed corporate leaders based on assigned work. According to Rivai (2010) performance appraisal refers to a formal and structured system used to measure, assess and influence attributes related to work, behavior, and results including levels of absence.

According to Nasution (2008), the purpose of the performance assessment is to find out the results of employee work for a certain time, compared to the predefined standard (Key Performance Indicator). In order to know the personal qualities of employees relating to their attitude, character, and other strengths and weaknesses, in relation to their work in the company. In order to know the potential of employees in occupying other positions (promotion), whether through training first or without training has been able to promote.

### **Performance Measurement**

According to Wibowo (2011), measurement of performance is necessary to determine whether during the execution of the work there is a deviation from the predetermined plan, or whether the performance results are within the specified timing, or whether the performance results have been achieved as expected. Performance measurement according to Simamora (2004) is a management tool to improve the quality of decision-making and accountability. The success of strategy achievement needs to be measured since the measurement is the key aspect of performance management on the basis that if it is not measured it will not be able to improve it (Dharma, 2012). While according to Moeheriono (2012) performance measurement is a process of assessing work progress toward goals and objectives in managing human resources to produce goods and services, including information on the efficiency and effectiveness of achieving organizational goals.

According to Mardiasmo in Sinambela (2012), performance measurements have three objectives, among others, to improve performance so that activities focus on the goals and objectives of the work unit program. Allocation of resources and decision-making. Realizing public accountability and improving institutional communication. Meanwhile, Moeheriono (2012) reveals that there are several examples of integrated performance measurement system model created by academics and practitioners such as Balanced Scorecard Model, Integrated Performance Measurement System, Cambridge model, Human Resources

Scorecard Model, Performance PRISM, Supply Chain Performance Measurement. Methods of appraisal of employees according to Hasibuan (2012) are grouped into two parts, namely traditional methods, and modern methods.

### **Human Resources Scorecard (HRSC)**

Since the introduction of the Balanced Scorecard concept by Kaplan and Norton in 1992, the concept in America itself has been applied to 200 companies. Such advances in the domination of human capital and the intangible capital of an organization led to the development of this HRSC method. According to Desler (2006), HRSC is to measure the effectiveness and efficiency of human resource functions in shaping the employees' behaviors needed to achieve corporate strategic goals. While according to Nurman (2008) HRSC is a tool for measuring and managing strategic contributions from the role of human resources in creating value to achieve corporate strategy. Sitawati et al (2009) state that HRSC is an approach that is used with little modifications from the current balanced scorecard model that is currently most commonly used at a corporate level that focuses on long-term strategy and clear connection to its business outcomes. Patience Mmetje Naves (2002) explains that HRSC has been specially designed and attached to the existing human resources system in an overall organizational strategy and manages human resource architecture as a strategic asset.

HRSC is a performance measurement system that assesses the contribution of human resources in creating value to the organization. If the focus of an organization's strategy is to gain the advantage of competing, then the focus of the human resources strategy should be adjusted as well. HRSC is derived from the Balanced Scorecard, therefore HRSC also has the same scorecard as the Balanced Scorecard, which allows the human resources organization to measure its strategic contribution based on four perspectives (Satria, 2006).

HRSC is a method derived from the Balanced Scorecard. Both of these methods have the usefulness to measure performance, but the difference between them lies in the performance measurement function. Balanced Scorecard is used to measure company performance. Balanced Scorecard has a disadvantage of how to integrate human resource roles into measuring business performance of an organization or company.

For cover the weakness of the Balanced Scorecard, Becker, Huselid, and Ulrich (2009) introduced a new method of HRSC. Meanwhile, HRSC is used to measure the performance of human resources. HRSC also has the same scorecard with the Balanced Scorecard, which will allow for organizations or human resources companies to measure its strategic constraints based on four perspectives.

### **Key Performance Indicator (KPI)**

Key Performance Indicator (KPI) is a set of measures that focus on the most critical aspects of organizational performance for current and future organizational success (Abdullah, 2014). According to Warren (2011), the key performance indicator is a measurement that assesses how an organization's strategy is interactively integrated into the overall organizational strategy. According to Banerjee and Buoti (2012), key performance indicators are scales and quantitative measures used to evaluate organizational performance in order to achieve organizational targets. The key performance indicator is also used to determine measurable objectives, view trends, and support decision making. While according to Iveta (2012), the key performance indicator is a quantitative and gradual size for the company and has a wide range of perspectives and concrete data based, and is a starting point for goal setting and organizational strategy development.

## **RESEARCH METHODS**

In this study, researchers use qualitative research. In general, data collection techniques are questionnaires, then assisted with interviews. The population of this research is employees at PLN KITSBU. The sampling method is a non-probability sampling using purposive sampling. In the HRSC approach, the data analysis is to measure the achievement score of human resources from four HRSC perspectives: financial perspective, customer perspective, internal business process perspective, and learning and growth perspective by using range score in this research all variables using HR perception in terms of performance some data is only used as supporting data. At this stage, the researcher draws conclusions from the entire research that has been done. From the conclusions, it is hoped that it will help and facilitate the management of PLN KITSBU to make decisions regarding the performance of its employees.

## **III. RESULTS & DISCUSSION**

### **Results**

#### **Key Performance Indicator**

Based on the results of the depth interview and the Consensus Decision Making Group (CDMG), the agreement on the weighted balance among the four perspectives is a 10% financial perspective, a 30% weighted customer perspective, for a 30% internal business process perspective, and a learning and growth perspective weight 30%. The CDMG was conducted twice within two weeks after completing the questionnaire and

interviewing the respondent. Secondary data and primary data were submitted to 12 respondents, then to know the opinions of each respondent about the priority of each KPI based on their perception. After a temporary result is obtained about the KPI's priorities, the second meeting reiterates the 12th opinion of the respondents about the weighted KPI weight that the authors have made, then after the results are agreed then the CDMG has been completed. Here are the KPI results that have been prepared:

**Table1 Key Performance Indicator (KPI) from PT PLN KITSBU**

Indicators	Key Performance Indicator (KPI)	Weight
Financial Perspective		
Employee training costs	Estimated training costs to develop employees	0.05
	Training cost management	0.05
Customer Perspective		
HR Competency	Employees have a performance rating above average.	0.03
	Employees have the ability to complete their duties and responsibilities.	0.04
	Implementation of employee review	0.02
HR Satisfaction	Employees are satisfied with the payroll	0.03
	Employees are satisfied with the promotion	0.03
	Employees are satisfied with their colleagues	0.03
	Employee satisfaction with supervision	0.03
HR Complaint	Employee complaints resolved	0.03
HR commitment	Employees are present on time.	0.03
	the obedience of the officers to implement the regulations	0.03
Internal Business Process Perspective		
Improve Quality Relationship	The intensity of coordination between the leader and the subordinate to complete the work	0.05
	Employee participation to follow events	0.03
	Employee participation in morning spirit activity	0.04
HR Welfare	Employee healthcare	0.04
	Employee retirement training program	0.05
Services	The process of spending SPPD employee costs	0.05
	The process of expending employee health restitution costs	0.04
Learning and Growth Perspective		
Training as need analysis	Realization of employee training	0.07
	Implementation of employee training as required by a department	0.07
	Officers who already have competency data	0.06
HR Integrated Information System	Corporate facilities support staff work	0.05
	Access information for employees	0.05

Results of the Consensus Decision Making Group (CDMG) conducted on PLN KITSBU, the result of KPI weighting has also been approved by respondents at PLN KITSBU, the weight is determined based on the importance (priority) of each perspective. Financial perspective, it is important to improve HR performance through the optimization of training costs at KITSBU PLN in this case with budget and management of training costs. Customer perspective, it is important to improve the convenience and satisfaction of employees at PLN KITSBU this can include the facilities received by employees during work with the expectations of more active employees, such as satisfaction with salary, promotion, co-workers and so on. The internal business process perspective, the return of PLN KITSBU to employees and vice versa also from employees to PLN KITSBU. Learning and Growth Perspective, all employees at PLN KITSBU are required to have a high level of control over their duties and jobs so that employees are ready to face the development of the outside world and face the competition.

Table 2. Results of KPI achievement

Indicator	Key Performance Indicator (KPI)	Weight	Assessment
Financial Perspective			
Employee training costs	Estimated training costs to develop employees	0.05	Accomplished
	Training cost management	0.05	Accomplished
<b>Sub-total KPI achievement</b>			0.10
Customer Perspective			
	Employees have a performance rating above average.	0.03	Accomplished
HR Competency	Employees have the ability to complete their duties and responsibilities.	0.04	Accomplished
	Implementation of employee review	0.02	Accomplished
HR Satisfaction	Employees are satisfied with the payroll	0.03	Accomplished
	Employees are satisfied with the promotion	0.03	Accomplished
	Employees are satisfied with their colleagues	0.03	Accomplished
	Employee satisfaction with supervision	0.03	Accomplished
HR Complaint	Employee complaints resolved	0.03	Accomplished
HR commitment	Employees are present on time.	0.03	Accomplished
	the obedience of the officers to implement the regulations	0.03	Accomplished
<b>Sub-total KPI achievement</b>			0.30
Internal Business Process Perspective			
	The intensity of coordination between the leader and the subordinate to complete the work	0.05	Accomplished
Improve Quality Relationship	Employee participation to follow events	0.03	Accomplished
	Employee participation in morning spirit activity	0.04	Accomplished
HR Welfare	Employee healthcare	0.04	Accomplished
	Employee retirement training program	0.05	Accomplished
Services	The process of spending SPPD employee costs	0.02	unaccomplished
	The process of expending employee health restitution costs	0.02	unaccomplished
<b>Sub-total KPI achievement</b>			0.25
Learning and Growth Perspective			
Training as need analysis	Realization of employee training	0.07	Accomplished
	Implementation of employee training as required by a department	0.07	Accomplished
	Officers who already have competency data	0.06	Accomplished
HRIS	Corporate facilities support staff work	0.05	Accomplished
	Access information for employees	0.05	Accomplished
<b>Sub-total KPI achievement</b>			0.30
<b>Overall KPI Achievement</b>			0.95

Based on Table 2, the results of the research with the Human Resource Scorecard (HRSC) method, the total result of the measurement of PLN KITSBU employees is 95%. The results are based on score accumulation in the HRSC perspective.

#### IV. CONCLUSIONS & SUGGESTIONS

##### Conclusion

Based on the results of the research and discussion, some of the conclusions that can be taken are as follows; Key Performance Indicator (KPI) value of KITSBU PLN has been achieved according to company target with the value equal to 95%. for a 10% financial perspective, a 30% weighted customer perspective, 25% internal business process perspective, and a 30% weighted learning and growth perspective. The expenditure process of employee SPPD costs and expenditure restitution expenses of employees' health becomes an indicator which is still poor or not achieved in this study. Financial perspective, it is important to improve employee performance through the optimization of training costs at KITSBU PLN. In this case, it is done with



the budget and management of training costs. In this perspective performance indicators have been achieved. Customer perspective, it is important to improve the convenience and satisfaction of employees at PLN KITSBU this can include the facilities received by employees during work with the expectations of more active employees, such as satisfaction with salary, promotion, co-workers and so on. The performance indicators in this perspective have been fully achieved. Internal Business Process Perspective, the reciprocal of PLN KITSBU to employees and vice versa also from employees to PLN KITSBU. Performance indicators in this perspective have not yet been achieved, there are still two indicators that are not achievable in this perspective. Learning and Growth Perspective, all employees at PLN KITSBU are required to have a high level of control over their work so they are ready to face the development of the outside world and face competition. Indicators in this perspective are all achieved

### **Suggestions**

Based on the results of the research, some suggestions can be presented as follows observing KPI's results from PT PLN KITSBU has achieved performance targets but in the process of SPPD, the value of KPI has not yet reached the performance target. Since it is suggested that SPPD Approval through the system can be done using social media, such as WhatsApp, line or messenger that include the link approval. This is so that SPPD submissions can directly connect to the relevant authorities wherever they are, considering the use of WhatsApp, line, and messenger is now a necessity. If the release of restitution is still long, then the steps related to the expenses of the employee's health restitution expenses should be reviewed. Because it is still in a manual way, the current technology utilization is highly recommended as a reminder in every stage of the restitution to accelerate the process of restoring the health of the next employee.

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