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Human Capital Strategy Implementation on Duck Nugget Frozen Food Business Over Start-Up Business Plan

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Food industry it's one of the centerpiece industry sectors as a private sector to increase national economic growth rate. Accordingly, PT. BEFINDO FOOD prefers to focus on food industry, specifically frozen food. The variants of processed food are potatoes, sausages, and nuggets also favored food by most Indonesians. However, duck meat as an one of protein source and familiar in Indonesian market due to contains high fat amount and cholesterol. In the fact, when the cholesterol of skin-off duck is compared to the chicken cholesterol it is proved that the amount of cholesterol from both ingredients are nearly similar and it is still considered healthy. Therefore, to encourage consumers to choose duck meat, the company need to reduce fat amount with smell in the production process. In addition, PT. BEFINDO FOOD needs to develop an innovation in the processing phase. In this study, PT. BEFINDO FOOD will develop the human capital in order to create qualified men who will involve in the duck nugget production.

Keywords: Nugget Duck, Frozen Food, and PT. BEFINDO FOOD

1. INTRODUCTION

Food industry is one of the centerpiece industry sectors as its growth is always higher than the national economic growth rate. The chief of The Indonesian Food and Beverage Association (GAPPMI) is still very optimistic on the probability of the growth of the food and beverage industry in 2019 [1]. This expected growth is affected by the consumption rate in the domestic level. This fact has become the starting point for PT. BEFINDO FOOD to build food industry as a main business, specifically frozen food that focuses on duck meat nugget industry.

However, duck meat as one of protein source with familiar in Indonesian market as it contains high fat amount and cholesterol. In the fact, the cholesterol from duck skin-off is compared to the cholesterol chicken it is proved that the amount of the cholesterol of both ingredients are nearly similar and it is still considered healthy. Therefore, to encourage consumers to choose duck is to reduce the fat amount and its smell. In addition, PT. BEFINDO FOOD needs to develop an innovation in

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the processing step. in Indonesians' nugget consumption increased within one year from March 2017 to March 2018. This fact should be the basis to create the duck nugget Duck-Duckan and to develop the duck nugget as one type of the frozen food products. Furthermore, the product is aimed for nugget fans in Indonesia. PT. BEFINDO FOOD is going to the pioneer in duck nugget business. It aims to produce reasonable amount of duck nugget over Indonesians' daily food consumption. In order to achieve the market, the company has chosen professional human capital to be involved in the marketing field and quality control division to maintain the nugget quality. One of challenges in starting this business is consumed nugget product in the bigger market using duck meat ingredients. Accordingly, the value of duck nugget might be still questionable. The most consumers will go to supermarket when they want to buy variants of nugget but there is no duck nugget there. Therefore, this expected to be achieve profitable business opportunity. Some consumers might be interested in trying new variant of nugget product as they have

consumed same variant all the time. Nevertheless, the available new product might be not tempting enough to make them switch their preference. Duck nugget will be proposed as a new competitor in nugget business as the consumers might be interested in trying new product and it is seen as alternative nugget ingredients. Therefore, Duck-Duckan duck nugget is expected to wider the consumers' preferences.

2. METHODOLOGY

A. Opportunity

The opportunity from company to be standout in duck nugget product should be supported by the recruitment of qualified human capital. The company prefers people who have determination and good team working skills. Also, they must do their best with their effort for the company. Human capital management is a form of strategy, in which it applies important functions in management, namely planning, organizing, leading and controlling [2]. In addition, these functions are implemented in every activity or human capital operational functions that cover several processes such as recruitment, selection, training and development, placement (including promotion, demotion, and transfer), work evaluation, compensation, industrial relationship, and layoff or termination. These activities are aimed for the productive contribution of the human capital on the achievement of organization's goal effectively and efficiently. Human capital management is a field of knowledge that studies about employees' work performance in the company including their productivity and efficiency [3]. In addition, it studies to the extent to which the employees arrange tasks and teams, keep developing the skilled employees, identifying an approach to develop their performance, and give them rewards upon their works and effort. In relation to that, this journal tells that PT. BEFINDO FOOD has both strength and weakness aspects in human capital sides, which is described in the following section.

B. Human Capital Strength

Planning a human capital development is a good strategy is required to survive the globalization era. The development is implemented in order to shape qualified personnels to be skillful, capable, and loyal workers to the company. The development strategies set by PT. BEFINDO FOOD consist of seven phases. The first one is training. Its implementation aimed to improve individual's performance through the teaching of new skills, additional knowledge, and attitude. Our focus in the training is employ in the production division. They will be provided with specific training, so they understand the scope of manufactured meat industry fully. This

training benefits the company too in terms of the company's survival. The company will not grow and expand if the employees are lack of skill and demotivated at work. The second phase is education. The human capital development can be manifested by encouraging education in terms of improving skills. It is related to the employees' career progress formally. The third phase is the supervision. This phase it's conducted by organizing and supervising the employees as a organization's subsystem through the planning and evaluation programs. The aforementioned programs include man power planning, performance appraisals, job analytic, job classification, etc. Fourth, recruitment. This is the phase in which human capital is hired based on their classification according to the company's need. The recruitment phase is one of organization's tool in conducting by upgrading and development. Fifth, changing the system. It is managed to adjust the system and organization's procedures as the solution to anticipate the threats and the opportunities from external environment. The sixth phase is to give opportunities. The company is open to the employees to share their ideas. Therefore, the employees will be more motivated to contribute their effort fully for the company with regard to its growth and development. Furthermore, this opportunity is generate a sense of appreciation within every individual, and, as a result, the employees will be encouraged to improve their own performance. Seventh, the reward and punishment. The company offers rewards to the employees with the best performance and it gives punishment to those who violate the company's code of conduct. This is viewed as one of the human capital development strategies. It is expected that by knowing this phase, the employees will be motivated to exert their best performance for the company. The aim is for the company's growth. The increase of duck consumption rate in the main cities in Indonesia are viewed as a good opportunity for PT. BEFINDO FOOD to run the duck nugget production with the support from professional and qualified human capital. The target of human capital aspect is to hire reliable, loyal, and honest human capital. Also, they should be motivated to contribute our company's growth and development. Take for example, the generating a safe, comfortable, and harmonious working environment for all members of the organization to enjoy. The human capital aspect also includes the education and training program for the employees to improve their competencies at work. The human capital aspect also aims to increase the employees' prosperity by

rewarding compensation according to their achievement on the targets of each task (see Figure 1).



Figure 1. Stages in Human Capital

Figure 1 shows the identify number of employees needed by PT. BEFINDO FOOD to run the duck nugget business.

3. RESULT AND DISCUSSION

A. Human capital planning

Planning is a first function of the management functions that are applied in any fields, including the human capital management. The objective of this function is to reduce the uncertainty within the human resources management, in order to achieve the company's goal. These functions are related to the other management fields, such as operation management, marketing management, finance management, and the human capital management itself. Five processes in the human capital planning, which consist of identification, implication, development, action, and evaluation. The aim of the identification step is to learn and understand all company's activities and aspects within the organization's environment. The implication of human capital planning is improve the knowledge from information which is useful to make decision about the company's necessity and to determine the availability of human capital in the future. The development of the objective and the target of the human capital is conducted

through the interpretation upon any gathered information. Then, the information is applied to determine the priority, target, and goal. The action and planning step focuses over implementation of human capital's policies and programs. This step talks about the methods to make the achievement easier. In addition, this step includes some activities that make the human capital's necessity and availability visible. The last step is evaluation. It is conducted to investigate whether the programs are carried on successfully or the programs might need some improvement. Also, the policies that have been conducted will be evaluated, whether it results in expected target, or there are some aspects that needs further investigation.

B. Recruitment

PT. BEFINDO FOOD uses both internal and external recruitment to hire people for specific positions. Internal recruitment is conducted when the company needs few workers. The reason behind the internal recruitment is hire a good personality, skill, and their capability very well. The benefit of internal recruitment for the company is the cost and time efficiency in the process. In addition, the company also organizes external recruitment. This scheme is reckoned when the company is going to expand its business. As a consequence, more employees are needed to run the business well. The limited number of employees who have skills and capabilities required for specific positions is also the reason to manage the external recruitment. Some examples of external recruitment method is online recruitment and university recruitment. It goes without saying that companies across the countries are familiar with the term "industry 4.0" and take advantage of it. One of the pioneers of industry 4.0 refers it as "the intelligent networking of machines and processes in industry with information aid and communication technology". Take for an example, the utilization of organizing with online recruitment for new employees. The target is to find the best people in their specific skills to work for the company as well as the purpose of the internal recruitment. The examples of recruitment online websites are Jobstreet, JobsDB, Karir.com, LinkedIn, Jobs.id, etc. The external recruitment through online websites is easier for both the company and the applicants. The company will study and manage all information provided by the applicants' resume and curriculum vitae. Next, the company will update the candidates who meet the company's requirement by phone or email for the further recruitment process. Recruitment process is also organized through university or higher education recruitment. The company will seek students who have high achievement. It is expected that the company will hire high-competent and skilled people for specific job positions. One of the benefits of hiring fresh graduates is that the company

considers the cost efficiency by paying them with lower salary than the experienced candidates.

C. Recommendation

Recommendation is the other way to recruit employees by requesting the employees who work for the company to recommend suitable candidates. The reason for that is because the employees who have been working for the company is considered the ones who are knowledgeable about the candidates' capability, personality, and attributes. It is expected that they will hire the right people for specific job and positions. In general, PT. BEFINDO FOOD recruits' new employees for three job levels such as manager level, supervisor level, and operator level. The manager level requires the candidates to hold these attributes: be able to think logically, carrying out leadership, performing good communication skills, making quick and right decisions, and creating with good organized plans. Next, the supervisor level requires the candidates to hold these attributes with honest, responsible, be able to cooperate with other work units, communicative, be able to work in team, and competent. The operator level also requires the candidates to hold several attributes as follows: being responsible for their action, value honesty, having good manners, diligent, be able to manage the stress and unwanted emotion when the work pressure appears.

D. Selection

A selection process is one of the ways to hire new employees who meet the requirement set by PT. BEFINDO FOOD. In addition, the candidates are also required to have capability for the specific job position. The selection process is important as the company needs the best people who meet the company's standard. The company applies three steps in the selection process in hiring new employees. The first step is to gather the information from the curriculum vitae and portfolio. Company asked for the candidates' required documents like reference letters, resume letters, graduation certificates from school/universities/college, curriculum vitae that mentions relevant information like work experience, hobbies, other non-business organizations they had joined like humanitarian, sport, art, etc., and other achievements they got. The submission of these documents enables the company to scan the basic information of every potential candidate. The second step is the interview session with the Human Resources (HR) manager. In this interview, every candidate will be answering questions about their personality traits, their attitude, their strengths and weaknesses, their reasons to work for the company. They have to convey deeper answers to make the HR manager believe that they deserve the opportunity to be the part of the company. The HR manager also crosschecks the information conveyed by the candidates with their curriculum vitae. Furthermore, from the interview, the HR manager will study whether the candidates are ready to perform a work

and be responsible for their job. The third step is the interview with the user. The difference between the interview with the HR manager and the user is, in this step the interview will focus on their competencies that are related to the job position they apply. For example, when a candidate applies for the job in the quality control division, then the interviewer will be the quality control manager or other experienced employees who also work in this division. The candidates who have passed several interview sessions by both HR manager and the user, and it is announced formally that they succeed in each interview session, will get the job offer. The job offer will be organized by the Human Resources division in a face-to-face meeting. Then, when the best deal has been approved by both parties, the candidates will be handed the contract and sign it. Finally, the candidates have changed their status into contract employees.

E. Training and development

The benefit our company gains from organizing the training and development is the increase of the customers' satisfaction to our products which is the result of our employees' capability in utilizing the production machine at its best. It indicates that the training and development program affect their enhancement on the work performance at the production division. The human capital development program our company imposes to the employees is the part of their employment milestone. It has started since they have become permanent employees. Then, their career is continued until they own a specific job position for whatever reason they have to be laid off or terminated by the company. Education and training program is the method applied by the company to impose the human capital development. It serves its purpose to help the company achieves the goals. Nevertheless, every employee has a responsibility to learn more to develop their skills that in line with their talents and expertise. Therefore, the education and training program is provided by the company to enable the employees to increase their proficiencies.

F. Compensation

Compensation is defined as a something typically money or other non-cash benefits in awarded to the employees by the company or the organization they work for. The compensation schemes applied by PT. BEFINDO FOOD are the direct compensation and indirect compensation according to Bohlander and Snell (2013). The direct compensation refers to compensation that an employee receives directly from his/her place of work in several schemes, namely salary, incentive, and bonus. It is given as the result of the employee's own best performance at work. Indirect compensation refers to compensation that an employee receives in ranges of scheme, for example health insurance, employment insurance, life insurance, national holiday pay, annual leave pay, pregnancy leave pay, and other office facilities like the office room, vehicles e.g. car or motor bike, and parking lot.

G. Work evaluation

Every company has job description, and PT. BEFINDO FOOD is no exception. The job description is written based on the analysis of each job. It's contains information related to tasks and responsibilities that are required by a specific job, and it encompasses different material from one job position to another. The information in the job descriptions cover the details of job identification, tasks, responsibilities, the relation between one's task and the other employees' tasks, also tools and materials needed at work. The job description should be noticed by every member of the organization as it tells about the specific requirements for every job position. Every worker has to meet certain requirement to be placed in specific job position. The usual requirements are education, relevant work experience, and age. Then, the work evaluation will focus on to what extent each employee performs their job description in a division.

H. Layoff/Termination

The termination or layoff in PT. BEFINDO FOOD is the termination during the probationary or training period. The probationary period could be terminated anytime, either upon the employee's resignation or at the will of the employer. Furthermore, the workers are not entitled to severance payment, long service pay, or other compensation of right. An employee who has decided to resign from PT. BEFINDO FOOD at his/her will has to write the resignation letter not later than 1 (one) month before the resignation to one's employer. Also, they are entitled to the religious holiday allowance (THR). In addition, an employee who is absent in 3 (three) consecutive days without a written notification letter and acknowledged proof, and no replies after 2 (two)-times notification attempt made by the company, then the employee is considered resign. An employee who resigns at his/her will or be considered resign by the company will receive the rights he/she is entitled to, as described in the following sections (see Table I).

Table I. Severance Payment

No.	Total Years of Working	The Severance Payment
1	3 years but less than 6 years	2 months salary
2	6 years but less than 9 years	3 months salary
3	9 years but less than 12 years	4 months salary
4	12 years but less than 15 years	5 months salary
5	15 years but less than 18 years	6 months salary
6	18 years but less than 21 years	7 months salary
7	21 years but less than 24 tahun	8 months salary
8	More than 24 years	10 months salary

The severance payment is defined as a reward for an employee's service with the amount equals to 1 (one) month salary at minimum of the service reward. The regulation of the reward given to the employee is explained in the Manpower Law (UU Ketenagakerjaan) No. 13 of 2003 Article 156 Paragraph 3.

The compensation of right, which an employee and Manpower Law No. 13 of 2003 Article 156 Paragraph 4 [3, 4].

I. Termination during the probationary period

The termination during the probationary period or training by PT. BEFINDO FOOD could be executed anytime, either upon the employee's own resignation request or at the will of the company itself. The employee is not entitled to the severance payment, long service pay, and other compensation of right [5]. Termination due to resignation, an employee who has decided to resign from PT. BEFINDO FOOD at his/her will has to write the resignation letter not later than 1 (one) month before the resignation to one's employer. Also, they are entitled to the religious holiday allowance (THR). In addition, an employee who is absent in 3 (three) consecutive days without a written notification letter and acknowledged proof, and no replies after 2 (two)-times notification attempt made by the company, then the employee is considered resign [6, 7]. An employee who resigns at his/her will or be considered resign by the company will receive the rights. Termination due to closing of business, In the event of the closing down of business for the company had big losses in 2 (two) consecutive years, the company should inform the employees about the situation [8, 9]. The termination of contracts and legal agreements the company has made with employee is necessary. Accordingly, the process of termination is executed based on the effective regulations. First, the company losses have to be proven with financial statements that cover 2 (two) most recent years that have been audited by a public accountant [10, 11]. The employees who are terminated as the consequence of the closing down of the business, will get the severance payment with the amount equals to 1 (one) month salary at minimum, according to the Manpower Law (UU Ketenagakerjaan) No. 13 of 2003 Article 156 Paragraph 2. In addition, the long service pay should be given at the amount of 1 (one) month salary at minimum, based on the Manpower Law (UU Ketenagakerjaan) No. 13 of 2003 Article 156 paragraph 3. The compensation of right is also given based on the Manpower Law (UU Ketenagakerjaan) No. 13 of 2003 Article 156 paragraph 4. Termination due to retirement, termination due to retirement is divided into two categories. First, the retirement means the termination of the employment with the company for the employee has reached age 55 (fifty-five). Accordingly, it is required for the company to pay the long service leave and provide the termination compensation due to the retirement [12, 13]. Second, the early retirement. The employee has reached age 50 (fifty) or has had at minimum 25 (twenty-five) total years of working based on the data from the Human Resources division [14]. Accordingly, the company accept and approve the termination proposal at the employee's own will, and the company is required to pay the

termination compensation due to the retirement to the employee. Termination due to gross misconduct, the termination due to violation or gross misconduct requires strong evidence [15]. The employee was caught red-handed and the employee confesses. Other evidence that is considered valid should be in a form of the incident report from the law enforcement authorities and it is supported by 2 (two) witnesses [16, 17, 18]. The termination due to gross misconduct is supported by the legal proof, such as the employee is found guilty based on the court judgment, then the decision from an industrial relations conflict resolution institute is not required [19, 20, 21].

4. CONCLUSIONS

In order to enable our company to achieve goals, the function of the human capital planning is to reduce the uncertainty in the company's human capital management. These functions are related to the other management fields, like operation management, marketing management, finance management, and the human capital management itself. The aim of the identification step is to learn and understand all company's activities and aspects within the organization's environment. The implication of human capital planning is improved of the knowledge upon any information, which is useful to make a decision about the company's necessity and to determine the availability of human capital in the future. The development of the objective and the target of the human capital is conducted through the interpretation upon any gathered information. Then, the information is applied to determine the priority, target, and goal. The action and planning step focuses on the implementation of human capital's policies and programs. This step talks about the methods to make the achievement easier. In addition, this step includes some activities that make the human capital's necessity and availability visible. The last step is evaluation. It is conducted to investigate whether the programs are carried on successfully or the programs might need some improvement. Also, the policies that have been conducted will be evaluated, whether it results in expected target, or there are some aspects that need further investigation.

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