



© Copyright Kemala Publisher
All rights reserved

Science, Engineering and Social Science Series
ISSN/e-ISSN: 2541 – 0369/2613 – 988X
Vol. 3, No. 5, 2019, Printed in the Indonesia

Five Success Stages in Human Capital Planning Over LH Hotel Business

Lelly Cholilah Hasyim¹, Tantri Yanuar R Syah¹, Rhian Indradewa¹, Semerdanta Pusaka¹
¹Faculty of Economic and Business, Esa Unggul University, Bekasi, Indonesia

The impact of globalization has made by business development in Indonesia. This condition have opportunities for entrepreneurs in industrial sectors to compete in attracting consumers. This condition is also caused by hospitality service industry to face intense competition and experience rapid growth and development. In addition, the competition formed spurred hospitality companies to further enhance their role in serving consumers. Based on the results, a market share survey by the LH Hotel consumers team only need clean, comfortable, and affordable rooms and good service. Consumers no longer need too many hotel facilities such as a variety of restaurants or rooms that are too large at high prices. Consumers are getting smarter in planning their trips so that there is a trend of hotels that have basic facilities needed by consumers but at low prices. The phenomenon and facts of the development of the hospitality business make the main foundation for LH Hotel in building a hospitality property that focuses on the needs of consumers for a 3-star hotel class. The hospitality industry that is cultivated by LH Hotel is a service industry that cannot be separated from the importance of managing human resources to be able to create maximum service quality. Therefore LH Hotel must implement a good human capital system in order to obtain and prepare competent human resources.

Keywords: Business Development, Service Industry, Hotel, LH Hotel.

1. INTRODUCTION

The phenomenon of business development in the era of globalization in Indonesia is a very interesting thing to discuss, especially in an increasingly open economic field. This condition opens up opportunities for entrepreneurs in all industrial sectors to participate in the competition to get consumers [1]. The impact of globalization also contributed to the hotel industry facing intense competition and experiencing rapid growth and development. These conditions spur hospitality companies to further enhance their role in serving consumers. The development of the hotel property industry in Indonesia is influenced by alternative factors of interest in tourist destinations (cities), improved infrastructure development, and tourist attraction innovations in the tourist destination itself [2, 3].

*Email Address: lelly_chasyim@yahoo.co.id

Hotel is a business providing accommodation in the form of rooms in a building which is can be equipped with food and drink services, entertainment activities or other facilities on a daily or a certain period to obtain profits for the company [4]. Hotel business is currently growing rapidly where each hotel to grow and develop which is characterized by the number of hotels that are increasingly being built in Indonesia, ranging from foreign investors to financiers and from five-star classes to budget-class hotels. One of the companies that took part in this business is the LH Hotel. The phenomenon and facts of the development of the hospitality business make the main foundation for LH Hotels in building hospitality properties that focus on the needs of consumers for a 3-star hotel class. Classification of hotel levels according to the stars is One Star, a budget market

hotel with limited facilities, offering bed, breakfast and evening meals and features by informal standards of service to residents. Two Star, an economy market hotel with limited facilities, offering more extensive dining facilities and characterized by informal standards of service to residents. Three Star, a mid-market hotel market with more extensive facilities, offering a full range of dining and bar services with professional standards of service to residents and non-residents. Four Star, an upscale hotel offering formal standards of service, with extensive facilities and services to residents and non-residents. Five Star, a luxury hotel offering flawless service standards, with professional multilingual staff and a full range of facilities of the highest quality [5, 6, 7].

At this time consumers do not really need a lot of additional facilities in the hotel. Based on the results of a market share survey by the LH Hotel team, consumers only need clean, comfortable, and affordable rooms and good service. Consumers no longer need too many hotel facilities such as a variety of restaurants or rooms that are too large at high prices. Consumers are getting smarter in planning their trips so that there is a trend of hotels that have basic facilities needed by consumers but at low prices. This trend is rife in Indonesia and in other parts of the world.

The hospitality industry that is involved in LH Hotel is a service industry that cannot be separated from the importance of managing human resources to be able to create maximum service quality. One of the biggest challenges facing companies, especially in the hotel business, is not only sourced from the company's external environment, but also from within the company [8, 9]. Problems that arise from within the companies internal most often occur is derived from the management of human resources. One of the biggest challenges for the human resources department in a hospitality organization is to keep skilled and potential employees working in the organization. Skilled and potential employees are one source of creating competitiveness in any business [10]. For this reason, a systematic system is needed in building and forming superior and competent human resources within the scope of the LH Hotel hotel industry.

2. METHODOLOGY

A. Opportunity

To achieve the LH Hotel business success target, the company must have internal support in the form of quality human resources. The company likes people who have the good determination and teamwork skills [11, 12]. In the HCM concept, there is an operational process in the form of Human Resource Management which consists of the activities of an organization that is directed at managing human resources and maintaining the fact that resources are designated at the right place and time for the right purpose to fulfil organizational goals [13, 14]. The performance of an organization depends on the

efficiency of the human resources involved with the organization. Therefore, systematic arrangements for recruitment, training and development, motivation, workforce planning, performance evaluation, industrial relations, and remuneration management must be considered [14, 15, 16]. Also, Human Resource Management pays attention to the development of skills, abilities, and knowledge in acquired human resources, so that the tasks and responsibilities given by the organization are carried out effectively and efficiently. Effective and appropriate resources help in achieving a smoother way of operating a business and providing a way for sustainable business development [17]. The purpose of writing this journal is to provide an overview of how effective and successful the HCM system applied to LH Hotels is in the overall business development process of the company. Also, LH Hotel will discuss aspects of strengths and weaknesses in terms of human resources.

B. Human Capital Strategy

Human capital management is an incorporated push to oversee and create human abilities to accomplish an altogether abnormal state of performance. Human capital management hones are a set of practices that see individuals as resources whose present esteem can be estimated and whose future can be upgraded through the venture [17, 18]. Human capital is an arrangement of practices identified with individual's asset management, particularly in the classifications of workforce securing, management and advancement [19, 20, 21]. Notwithstanding the customary authoritative undertakings, it incorporates workforce arranging and system, recruitment on boarding, employee training, revealing and investigation. Thus, the working reason in organization over ideal performance has improved employee skills [22].

In its business practice, LH Hotel has a goal that is as the first-choice hotel that has service innovation and excels in operations and services and is oriented to customer satisfaction. To achieve these objectives, the LH Hotel conducts the process of identifying and implementing programs and alternative solutions that are specifically designed. Also, LH Hotel also aligns its human resources with the overall hotel business strategy and objectives. So that, the function of human resources by LH Hotel will be achieve the goals and strategies over LH organization. LH Hotel runs human resource activities by explaining in detail the SMART pattern (Specific, Measurable, Attainable, Result-oriented, and Time-bound). Specific means that performance targets are specific, namely clearly stated, concise and easy to understand. Measurable means that performance goals can be measured and quantified. Attainable means it is challenging but still affordable. Result-oriented means to focus on the results to be achieved. Time-bound means that there is a time limit and can be tracked, its progress can be monitored against the target to be corrected [23].

To achieve these objectives, LH Hotel created a strategy of human resource management in companies that are divided into three phases, namely short-term, medium-term and long-term goals.

The first phase starts from the short term which consists of three activities, namely making an appropriate organizational structure, conducting periodic training for skills development, and providing rewards and punishments to employees. In making the organizational structure, LH Hotel mapped out the company's business processes to form a more effective organizational structure. LH Hotel's organizational structure consists of 5 main parts namely marketing, operational, financial, HRD, and operational banquet. The purpose of this activity is for all employees to carry out work by the job description of each job function. Also, LH Hotels conducts regular training by creating hospitality training programs that focus on improving hotel services. The last activity in the first phase was that the LH Hotel put in place a system of rewards and punishments that were appropriate for employees so that quality and service improvement could be formed properly and consistently. Figure 1 shows the organizational structure of LH Hotel (see Figure 1).

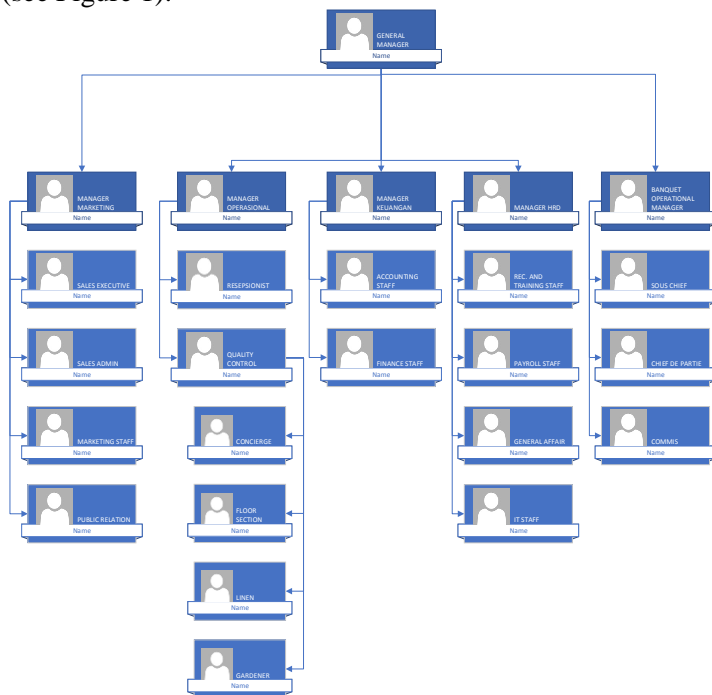


Figure 1. Organizational Structure LH Hotel

The second or medium-term phase consists of two main activities namely training and education for employees for hotels who want to collaborate with LH Hotels and conduct periodic restructuring by the needs and business development of the company. LH Hotel began to make an HR development program by conducting training and providing short courses for the development of hotel management services. The purpose of this activity is to improve the quality of service based on management

science references. On the organizational structure side, LH Hotels conducts periodic reviews and makes some adjustments if needed. Employee placement strategies that match competencies and rotation opportunities will be carried out if possible.

In the last phase, which is long term, LH Hotel starts to enter the management phase of its human resources. From the company's business journey, human resources will become an important asset of the company. These assets must be maintained by the company in order to maintain business stability and business development of the LH Hotel. There are two main activities carried out, namely the granting of certification for LH Hotel employees and also open to other hotel employees who want to work together. This certification is expected to provide benefits to employees from the career path and also from the company side in the form of improving the quality of hotel services. The next activity is to create an employee development program based on service quality management. LH Hotels regularly evaluates standard operating procedures and establishes standard operating procedures in accordance with business development and consumer needs. Increasing the hotel industry business in most regions in Indonesia is seen as a good opportunity for the LH Hotel to run its business with the support of professional and quality human resources. The goal of human resources is to employ reliable, loyal and honest human resources. In addition, human resources must also be motivated to contribute to the growth and development of the company [23, 24]. Figure 2 shows the stages of human capital planning formed by the LH Hotel.

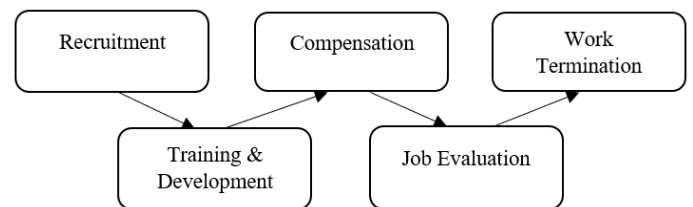


Figure 2. Human Capital Planning LH Hotel

3. RESULT AND DISCUSSION

A. Human Capital Planning

Planning is a general activity of management concepts that can be applied in all fields, including the field of human resource management. Planning activities are carried out to reduce uncertainty in the process of human resource management. Human resource management is an integrated effort to manage and develop human capabilities to achieve very high levels of performance. Human capital management practices are a set of practices focused on the needs of the organization to provide certain competencies. Human capital is a set of practices related to human resource management, particularly in the categories of acquisition, management and workforce optimization. In addition to traditional administrative tasks, it includes workforce planning and

strategy, the recruitment in dormitories, employee training, reporting and analytics. The purpose of human capital in an organization is to improve optimal performance. In the first step, LH Hotel manages human resources based on human capital planning with 66 employees' needs.

B. Recruitment

LH Hotel has a well-planned and well-planned recruitment system. This is expected to help management get workers according to company criteria. LH Hotel employee recruitment uses methods that come from externally. The reason behind external recruitment is to obtain efficiency and effectiveness in the recruitment process. Also, the appointed external institution is competent, so that the special expertise needed in the hospitality sector can be obtained properly. The external recruitment activities is carried out by collaborating with schools of tourism, especially those located around LH Hotels such as the Vocational Hospitality Vocational School, Paramita Tourism Academy, and the Indonesian Tourism Academy. Through this collaboration, LH Hotel expects to be able to easily and attract a lot of talents who are competent in their fields. LH Hotel also aims for some of the best graduates in each external party to be accepted as one of the employees. Also, other activities are through brochures posted at strategic locations and through the labor department. Every candidate who meets the requirements will continue to the next stage.

C. Training & Development

Employee development at LH Hotel produces knowledge, skills, and behaviors that enhance the ability of employees themselves to meet changing job requirements and the demands of clients and customers. The training focuses on helping the performance of employees in their current work and also for the future. Development and training at LH Hotel are carried out to improve the quality of performance of employees who have worked for a long time and who have recently worked. For LH Hotel's workforce or employees to make an optimal contribution to the company or organization, employees must master job duties and responsibilities. The development and training conducted by LH Hotel to employees are planned once a year, precisely at the end of June. The training plan is made for the next year and will be adjusted to the budget provided by the company. The training method used is a classroom training system from a company or known as inhouse training. The material provided includes new sciences about hospitality, new operational procedure standards, and the potential for skills development in the future. The main objective of the LH Hotel training program is to complete the work capabilities of employees to be able to carry out tasks as contained in the job description and job specifications for each position effectively and efficiently. Figure 3 show the training process flow at LH Hotel.

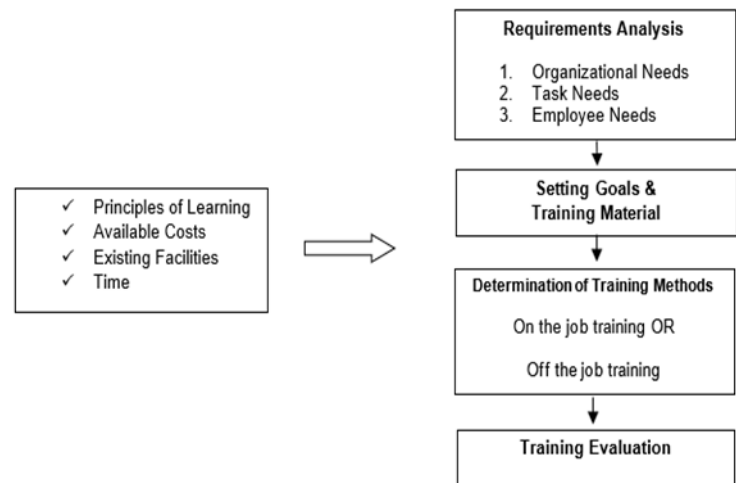


Figure 3. Training Process Flow at LH Hotel

D. Compensation

Compensation is anything in the form of money or other non-cash benefits provided to employees by the company or organization where they work. Compensation consists of two kinds, namely direct compensation and indirect compensation. Compensation provided to LH Hotel employees is mostly distributed in the form of direct compensation, including basic salary, overtime salary, and bonuses. The basic salary is given to employees on a regular basis every month, while overtime salaries and bonuses are given randomly based on job needs and the company's financial condition. This compensation must be given appropriately and in accordance with the conditions of employment in the external environment to avoid labour problems or endanger the company. Indirect compensation provided by the company includes health insurance, work insurance, life insurance, national holiday salary, maternity leave salary for women, and general office facilities.

E. Job Evaluation

LH Hotel management provides an assessment system for employees looking at the completeness of attendance, a number of permits, leave and absence. Also seen from the performance of employees while doing work such as serving guests, cleaning rooms for room boy, food service for chefs, and hotel security for security. LH Hotel management has implemented a written and verbal warning system for employees whose performance is below the standards set by the company. Some assessment items in assessing LH Hotel employees include work attitude, attitude, appearance, communication, work discipline, and knowledge as well as the success of completing work. In addition, LH Hotel management also sets standards for evaluating the performance of its employees. Assessment is done through each department, than personnel, and then upper management. Other assessment systems for LH Hotel employees can also be seen from the way employees work, namely for the receptionist who is assessed as a

way of serving and treating guests, friendly attitude towards guests. Here, a room boy the standard is the level of room cleanliness, discipline, and room neatness. Assessment can also be done through daily observations such as the presence or absence of complaints from guests, whether or not there is praise from guests and employees fill out a checklist about attitude and performance. Assessments are reported every three months to the manager and then to the GM (General Manager). Employees are the main asset in running a hotel business, so we need a special rating system to find out how far the company's employee performance reaches its goals.

F. Work Termination

Classification of termination of employment of the LH Hotel follows the regulations of the government, as stipulated in the Manpower Act which in general can arise due to the initiation of the employer or from the employee itself, both of which have different financial consequences and process mechanisms. If termination of employment arises because of the initiation of the employer, then the worker has the right to receive severance pay and work tenure awards and compensation payments according to the provisions in the Manpower Act. For termination of employment based on company efficiency, the worker is entitled to compensation. Different financial consequences will arise in the case of termination of employment based on the initiation of workers through the resignation mechanism. In this context, financial compensation which arises and becomes the worker's right is limited to the money for work tenure and separation money. As for the mechanism of the termination process, termination of employment that arises due to resignation at the employee's wish, it is sufficient to be carried out with notification by the worker within 30 (thirty) days before the effective date of termination. In practice, it is often required in Company Regulations or Collective Labour Agreements regarding longer notice periods for certain positions. It is important that in the resignation scheme, there is no requirement for the establishment of an industrial relations dispute resolution agency except for an indication that the resignation was carried out due to pressure/intimidation from employer.

4. CONCLUSIONS

In the effort of LH Hotel in achieving its goals, a good human resource planning system is needed to reduce the factors that cause uncertainty in human resource management. This system has links with other fields of management such as operations management, marketing management, and financial management. Human capital can be applied for the management of human resources, especially in the categories of acquisition, management, and optimization of labor. Applying the right human capital concept in an organization can improve

performance optimally. LH Hotel's performance depends on the efficiency of human resources involved with the organization. Systematic arrangements for recruitment, training, and development, motivation, workforce planning, performance evaluation, industrial relations, and remuneration management are appropriate. In addition, Human Resource Management also pays attention to the development of skills, abilities, and knowledge in acquired human resources, so that the tasks and responsibilities given by the organization are carried out effectively and efficiently.

References

- [1]. Ajisafe, O. E., & Orifa, Ruth aina oluwayemisi, Abosede, B. J. (2011). Impact of human capital management on organizational performance. *European Journal of Economics, Finance and Administrative Sciences*.
- [2]. Alexander, Hilda B. (2013). *Geliat Perkembangan Industri Perhotelan Indonesia. Forum Online Kompas. Diunduh dalam* http://www.kompas.co.id/forum/online/hotel_view/id/php_2/.
- [3]. Alike, I. J., & Aibieyi, S. (2014). Human Capital: Definitions, Approaches and Management Dynamics. *Journal of Business Administration and Education*.
- [4]. Anthony Robbins. (2005). *Unlimited Power*. Batam Center: Karisma Publishing Group
- [5]. Baskara, R., Yanuar, T., Syah, R., Indradewa, R., & Pusaka, S. (2019). Human Capital Strategy Implementation on Duck Nugget Frozen Food Business Over Start-Up Business Plan. 03(04).
- [6]. Bowie, D., & Buttle, F. (2004). *Hospitality Marketing: an introduction*. Elsevier Butterworth Heinemann.
- [7]. Chogozie, P., & Emmanuel, O. (2018). Effect of Human Capital Development in Organizational Performance in Manufacturing Industries in South-East Nigeria. *International Journal of Academic Research in Economics and Management Sciences*
- [8]. Coulter, M. (2012). Introduction Why are Managers Important. *Organizations need their managerial*. 1–22.
- [9]. Grace, R., & Keita, N. (2013). The impact of human capital management on operational performance at the Gambia National Water and Electricity Company (NAWEC). <Http://Dspace.Knust.Edu.Gh/>, 1–78.
- [10]. Jamal, W., & Saif, M. I. (2011). Impact of human capital management on organizational performance. *European Journal of Economics, Finance and Administrative Sciences*.
- [11]. Kucharcikova, A. (2011). HUMAN CAPITAL – DEFINITIONS AND APPROACHES. *Human Resources Management & Ergonomics*.
- [12]. Kusumaputra, R. A. (2010). *Ramai-ramai bangun budget hotel. Diakses dari KOMPAS :* http://properti.kompas.com/read/2010/08/20/15454110/Ramai_ramai_Bangun.

- [13]. Mohammed, H. (2017). Impact of Human Resource Management on Organizational Performance. *Journal of Accounting & Marketing*.
- [14]. Pasban, M., & Nojedeh, S. H. (2016). A Review of the Role of Human Capital in the Organization. *Procedia - Social and Behavioral Sciences*.
- [15]. Porter, Micheal E. (1985). *Competitive Advantage*. New York: Free Press.
- [16]. Rinto, O., and Syah, T.Y.R. (2018). The Influence of Compensation and Motivation Towards the Performance Mediated by Organizational Commitment: Study on HR and GA Employee in PT. Gajah Tunggul TBK, Indonesia. *International Journal of Economics, Commerce and Management*. Vol IV, Issue 4.
- [17]. Rio, B. (2010). Smart Hotels. *Indonesia Design*. Vol 7 no 40. Hal 26-35. Sept-Oct 2010. PT Tatanan Daya Prima.
- [18]. Saha, A. (2018). The Impact of Human Resource Management on Organizational Performance. *International Research Journal of Management Shri Param Hans Education & Research Foundation Trust*. *International Research Journal of Management Science & Technology*.
- [19]. Shafique Awan, M. A., & Safrfaz, N. (2013). The Impact of human capital on Company performance and the mediating effect of employee's satisfaction. *IOSR Journal of Business and Management*.
- [20]. Smith, R. A., & Siguaw, J. (2010). *Strategic Hospitality Leader: The Asian Initiative*. John Wiley & Sons (Asia) Pte.Ltd.
- [21]. Souleh, S. (2014). The impact of Human Capital Management on the Innovativeness of research Center: The Case of Scientific Research Centers in Algeria. 2(4), 80–96.
- [22]. Sugiarto, E., & Sulartiningrum, S. (2001). *Pengantar Akomodasi dan Restoran*. Jakarta: Gramedia Pustaka Utama
- [23]. Susananto, P. H., Yanuar, T., Syah, R., Indradewa, R., & Pusaka, S. (2019). Human Capital Strategy Implementation for Startup Business: Jeeva Works Company.
- [24]. Susanto. (2010). *Peran Human Capital Dalam Meningkatkan Kinerja Perusahaan: Suatu Tinjauan Teoritis*. 6(2), 179–190.
- [25]. Zhang, L. (2016). The impact of human resource management on organizational effectiveness. *Chemical Engineering Transactions*.

Received: 8 November 2019, Accepted: 31 December 2019