



DESIGNING THE HUMAN CAPITAL STRATEGY IN A FAMILY BUSINESS COMPANY: A STUDY OF PT RIDING SELALU

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Abstract

Currently, PT Riding Selalu is still very centralized to the BOD who are also the owners where it still has to be micromanaged by the BOD. There are still a lot of incompetent employees who are unable to work independently without specific orders from the BOD.

The objectives of this paper are to identify the Human Capital Management (“HCM”) maturity level of PT Riding Selalu, to analyze the gap between HCM maturity level of PT Riding Selalu with the target of HCM maturity level and to identify ways to increase the HCM maturity level of PT Riding Selalu. The tool that is used is the tool created by Bassi and McMurrer (2007) in a form of a survey. The tool is able to score the organization on the range of HCM practices across the five major categories, i.e. leadership practices, employee engagement, knowledge accessibility, workforce optimization, and organizational learning capacity. By using this tool, it is known that the HCM Maturity Level of PT Riding Selalu is Poor. The gap between the current condition and the target, i.e. the adequate HCM maturity level is lacking 12,50 points. In order to increase the HCM maturity level of PT Riding Selalu, PT Riding Selalu must increase the scores of each HCM drivers, particularly on the HCM drivers with lowest and second lowest scores, i.e. Leadership Practices and Employee Engagement.

There are three implementation plans that need to be practiced, the short-term, medium-term and long-term. In the short-term implementation plan, PT Riding Selalu must choose a division to be the pilot project. It is advised that the marketing division should be the pilot project because the result can be quantified and measured easily, i.e. the increase of number of sales. PT Riding Selalu should firstly focus to increase the HCM maturity level in that division in three months time. Then, if the HCM maturity level of that division has already achieved adequate or even superior score, then PT Riding Selalu proceed to focus on increasing the HCM maturity level of all divisions. That is the medium-term implementation plan.

Keywords: Human Resources, Human Resources Management, Human Capital, Human Capital Management, Family Business.
