

American Journal of Humanities and Social Sciences Research (AJHSSR)

e-ISSN :2378-703X

Volume-6, Issue-5, pp-22-27

www.ajhssr.com

Research Paper

Open Access

HUMAN CAPITAL ANALYSIS OF A COMPANY IN APPLYING A HYBRID COMPANY: A CASE STUDY OF THE INDONESIAN PEOPLE'S BANK (BRI)

OLA PUSPITA¹

¹*Faculty of Economics, Riau University, Indonesia*

ABSTRACT : This study aims to analyze the human capital of companies in implementing a hybrid company: a case study of Bank Rakyat Indonesia (BRI). As a large bank, BRI must balance it by using a hybrid company model strategy. Digitization is all about improving operational excellence and focusing on efficiency. While digital is about creating products with a focus on customer centricity, business model innovation, and a better customer experience. This research uses the method literature study, known as a literature review, is a description of theories, findings, and other research materials that are used as a basis for research activities in developing a framework for formulating problems. The results in this study are known the implementation of human capital management carried out by Bank BRI which applies the hybrid company model, the authors see that the readiness of Bank BRI in facing challenges and risks is quite good. Where Bank BRI has been able to analyze which areas are human capital priorities. Bank BRI prioritizes human capital on leadership development, talent development, employee e-skilling and culture and engagement. These aspects are the main components in carrying out the work of the Bank

KEYWORDS : *Human Capital, Hybrid Company, Bank Rakyat Indonesia (BRI)*

I. INTRODUCTION

Today, business development and growth is very fast. This causes the industry to carry out evaluations in all fields in order to be able to survive in an era of increasingly fierce industrial competition. One of the determining factors in advancing the industry is human resources. As the driving force, as well as the brain in the running of the industry. If the quality of a company's human resources is good, the company's performance is likely to be higher.

To increase productivity and concentration, to achieve high performance the human aspect must be the main concern of a company. This is because the success or failure of a company depends on human resources who are able to compete competitively through creative innovations produced by the intellectual capital of human resources in the company.

According to Yuniarnis (2008) humans are positioned as a form of capital (human capital) equivalent to other forms of capital such as technology, machinery, land, money and others which greatly determine the development of company productivity. This shows the meaning that humans are one of the determining factors in the success of a company.

The influence of human capital is better than other aspects of capital. The development of the concept of human capital has caused a shift in the concept of human resources management to become human capital.

According to Kearns (in Gaol, 2014) the concept of human capital management has a different concept with human resource management, if human resource management argues that human resources are considered significant as company costs that must be managed because they risk causing losses to the company, while human capital views humans as intangible assets are not overhead and are capable of creating value. Humans have abilities that, if used and disseminated, will be better for individuals or companies.

Seeing the view of human capital towards humans, it is necessary to see how this view will survive in the world of business or companies. In addition, it is necessary to know how the human capital process and its application in the company.

One of the companies in Indonesia based on State-Owned Enterprises (BUMN) that applies the concept of human capital is Bank Rakyat Indonesia (BRI). The performance of PT Bank Rakyat Indonesia (Persero) Tbk today is getting stronger in its position as one of the banks in Indonesia. In addition to maintaining its position with the largest profit contributor in Indonesia, BRI's performance ranks third in ASEAN in terms of market

capitalization after DBS and BCA. Bank BRI as a bank with achievements has a vision that it wants to achieve in 2020, namely the most valuable bank in south east asia and home the best talent.

Due to the challenging vision of BRI in the midst of intense competition and market changes in conducting financial transactions, Bank BRI has made changes to a number of components such as technology, business processes and human capital. Basically, information technology and operations at BRI become a challenge considering that BRI is a large organization. According to Indra Utoyo (in Infobanknews.com, 2021) as a large bank, BRI must balance it by using a hybrid company model strategy. According to Indra, digitalization is about improving operational excellence and focusing on efficiency. While digital is about creating products with a focus on customer centricity, business model innovation, and a better customer experience.

Seethe phenomenon of changes in the work system of Bank BRI which leads to digitalization, then becomes a challenge in itself for human capital. Digitalization is a challenge given the large number of employees at BRI, which is around 124,000 people in Indonesia. Considering the human capital process which is quite complicated and of course it will require a very large cost. Seeing this, the authors are interested in conducting an analysis related to the application of human capital management at Bank BRI which applies the hybrid company model.

Humans actually have extraordinary potential in life. According to the theory of convergence, innate factors and environmental factors have an influence on individual development. Theodore Schultz's expression in 1961 entitled "investment in human capital" in front of The American Economic Association and became the basis of modern human capital theory (HR competency). The essence of the explanation is simple, namely the process of knowledge and skills coming from learning does not come from mere consumption, but is also a form of future savings.

According to the current view, the competencies that exist in humans are assets of expertise (power) and creative knowledge that exist in individuals in the community. In line with the opinion of modern "HR Competency" experts, groups of experts get ideas, by increasing the intensity of learning and training is a characteristic-characteristics of saving on human capital and increasing one's capacities and abilities.

According to (Schultz 1961; Becker 1962) the idea of human capital has been familiar to economics since forty years ago. Even some research groups re-explore the creation of Adam Smith in the 18th century (Irianto, 2011). Schultz's (1961) view emphasizes the basic urgency of human capital, and contradicts the opinion that the term undermines a person's dignity, namely equating people with a collection of knowledge and skills, which means that they only have minimal differences from machine components. The idea of human capital based on this view acquires a different meaning where human capital emphasizes individual urgency as a priority, in terms of a knowledge-based economy and competition.

From the description above, it provides an overview related to the concept of human capital. Where the old view related to human resources illustrates that the position of humans in a company is a figure who has similarities with machines. This of course is considered as an opinion that demeans humans. Basically human resources will work like machines, however, it is necessary to know that humans have knowledge and competition that does not exist in machines.

This view is the basis for the concept of human capital, where human capital is considered as the main element in an organization or company. Where humans are the determinants of whether a company is good or not. Because humans are equipped with elements of competition in themselves, of course, it will be the capital to develop the company in a better direction.

The Future of Human Capital

Human capitalis a provision that comes from a set of knowledge, skills, -twists of life, creativity and other symbols of workers. In other words, resource capital includes giving value to each component that has effective knowledge in running the organization (Nalbantian et al in Armstrong, 2006).

In order to see whether business activists have adequate human capital, it is necessary to know the indicators related to human capital. According to Fatoki (2017), compiling indicators to see the capabilities of human resources owned by business people, including:

1. Level of education.
2. Ability in large event activities.
3. Similar experience according to event.
4. Managerial experience in managing event activities.
5. Ability to manage finances.
6. Marketing ability.
7. Overall management capabilities.

Furthermore, human capital according to Gaol 2014:

1. Knowledge

Knowledge is owned data that is used to gain knowledge, education and expertise. Knowledge is a form of "knowledge" obtained from the senses possessed by humans: eyes, ears, nose, skin. Knowledge can be sourced

from scientific knowledge and knowledge by experience. (Anggit NP 2015)

2. Expertise (expertise)

According to Lefrandi 2012, individual expertise in carrying out something that is distinctive, centralized but dynamic requires a span of time to be able to master it. Existing abilities can certainly be learned but require a strong spirit to acquire such knowledge such as the need for a positive mentality, enthusiasm, time and sometimes money.

3. ability (ability)

Ability It is a human innate or trained provision that makes a person able to complete the demands of his development, both mentally and physically. Employees or workers in an organization, even if they are well motivated, but not all employees will have good abilities (Soelaiman (2007)).

4. Skills

Muzni Ramanto et al (2016) skills that exist in a person can be interpreted as dexterity. Someone who has the skills will be able to finish the job quickly. However, if a job has been carried out in a relatively fast time but the results are not as expected, then the person cannot be said to be a skilled person. Furthermore, maybe someone can complete the work according to the demands but it takes a long time, then that person is already a skilled person.

According to the results of a study by Schultz (1971), human capital theory is based on the assumption of the need for formal education to increase the productive power of the organization. In other terms, education is in line with organizational productivity. According to Babalola (2003) investment in human capital is based on several things, namely:

1. Individuals who have not had experience must learn and try to gain experience from individuals with experience.
2. Individuals with minimal experience must be facilitated with knowledge to innovate products, process innovations and how to carry out new production and provide services.
3. Individuals must be trained to continuously develop product ideas and innovations.

For employees, savings in the form of training and increasing employee capacity are a form of implementation of human capital in the form of returns from company capital. Return in the form of increasing work output, production capacity, inflexibility, and expertise to keep innovating. Based on the opinion of Schuller (2000), the main things from human capital are skills, knowledge and competencies which are the determinants of the success of an organization.

Seeing the explanation or description above shows how important human capital is in a company. The main aspect of human capital which consists of skills, knowledge and competence is the key to running or not a company. This means that when these aspects are not present in the company, it is certain that the company will not run well.

Human Capital Process

Based on the views of Achmad S. Ruky, 2016 a good human capital process must include the following steps:

1. *Acquisition*. Is the first chain in human capital. The Acquisition section is a set of activities consisting of recruitment, selection and placement and summarizes the activities of determining the source where employee candidates are obtained, inviting applicants, screening procedures (which include the selection and assessment process, health selection and checking work experience), the negotiation process (if needed), and placements.
2. *Development*. This stage includes activities for providing basic training, advanced training, refresher training, coaching, study activities to develop careers and placements by utilizing mutations, giving special assignments, temporary or permanent placements.
3. *Maintenance*. This stage includes remon management including fixed income, benefits, etc., plus physical and mental maintenance activities. The arrangement of the position structure and salary according to the position is included in this stage
4. *Integration*. This stage includes activities to build a sense of belonging, sense of belonging and engagement through regular and appropriate communication activities between employees and the company. This is often referred to as: "management-employee relations".
5. *Separation*. Dismissal of employees either because it is time to retire, the contract expires, or termination of employment for various reasons.

Exhibition related to human capital so that it is easier to interpret, it is concluded that the human capital process includes planning, monitoring, controlling, and evaluation. This is the essence of the human capital process. Companies will get the best results from human capital if they follow the process of human capital systematically so that good company management is realized related to human resources.

Application of Human Capital

In essence, the application of human capital does not have to wait for employees to resign or resign normally. This means that the implementation of the company still needs to make improvements and improvements. This is intended so that the company is able to excel in the competition and of course be able to survive.

Basically every individual is an important and main factor in an organization. Individuals with high loyalty will produce excellent work. According to Mayo (2000) human capital should have the following 5 components:

1. individual ability;
2. Individual motivation;
3. leadership;
4. organizational climate; and
5. work group effectiveness.

According to Mayo (2000), the five components above have different functions, namely:

1. individual abilities: knowledge, skills, experience, networks, ability to achieve results, potential for growth, and what they bring to work from other parts of their lives; Individual motivation, aspirations, ambition and drive, work motivation, productivity;
2. Individual motivation, aspirations, ambition and drive, work motivation, productivity;
3. Leadership, clarity of top management's vision and their ability to communicate it and behave in a manner consistent with it;
4. Organizational climate. Organizational culture, especially in the freedom to innovate, openness, flexibility and respect for individuals;
5. Working group effectiveness. Support, mutual respect, share in the same goals and values. According to Ancok (2003) in human capital there must be six components, namely:

1. *Intellectual capital*;
2. *Emotional capital*;
3. *Social capital*;
4. *Capital of grit*;
5. *Moral capital*;
6. *Health capital*

Capital leadership and good placement will support the success of the six components above in a company

II. MATERIAL AND METHODS

A literature study, known as a literature review, is a description of theories, findings, and other research materials that are used as a basis for research activities in developing a framework for formulating problems. The contents presented in the literature review include summaries, reviews, and the author's thoughts from library sources such as articles, books, and information from the internet.

In this literature review article using primary and secondary sources on the topic of the problem Analysis of the Implementation of Human Capital in Companies in Implementing Hybrid Companies: A Case Study of Bank Rakyat Indonesia (BRI). The author tries to provide an understanding of the importance of this topic to have a positive influence on knowledge and human capital in the company. In addition, the author tries to provide opinions and suggestions for companies to implement human capital

III. RESULT

As explained in the theoretical description above related to the application of human capital management, it will pass through the stages or processes of human capital management.

The following description of the implementation of human capital management processes at Bank BRI:

1. Asquisition stage: this stage includes recruitment, selection and placeman activities. In its implementation, Bank BRI has almost 80% recruited employees with millennial criteria. This means that Bank BRI already has 80% of millennial employees with strict selection procedures. This employee has been placed in the appropriate work area. In addition, as an effort to maintain the quality of recruitment, Bank BRI disseminates recruitment information to universities, job fairs, websites, BRI e-recruitment and newspaper media. It is intended that the possibility of registrants who enter more and of course the ability will be more varied.
2. Development Stage: this stage includes basic training activities, advanced training, refresher training, and coaching. Bank BRI in implementing this stage has conducted various competency and career development training. This is related to the career certainty that will be obtained by Bank BRI employees. Furthermore, in maintaining a good work climate, Bank BRI also revitalizes the work culture
3. Maintenance Phase: this stage includes remuneration management activities which include salaries/wages, allowances, and others. In implementing this stage, Bank BRI has provided salaries that are adjusted to the position or work area of the employee. The salary of employees at BRI Bank is deemed to have been adjusted

to the position or position of the employee.

4. Integration stage: this stage includes activities to build a sense of ownership, sense of belonging, and engagement. In building this, Bank BRI often holds fun events. One of them is the existence of Bank BRI ambassadors, this activity will certainly build a sense of belonging to employees so that whatever policies from Bank BRI will be carried out by employees as well as possible.

5. Separation stage This stage is related to the release of employees because they have entered retirement age. The implementation of this stage by Bank BRI is classified as very good where employees who will retire have prepared pension funds that are adjusted to their positions. Next, there will be a ceremony for the release of the employee at the employee's office on duty.

The implementation of the hybrid company model at Bank BRI is one of the manifestations in dealing with the shift in the work system at Banks that are starting to take advantage of digitalization. This condition is certainly not without problems where there are still 20% of employees who are not millennials. This means that with the implementation of digitalization in the work system of Bank BRI, of course, the employee will become an obstacle.

Furthermore, in the application of good human capital management, of course, one must go through the five processes above. To carry out each of these processes, of course, Bank BRI must incur a large amount of money considering the number of employees of Bank BRI which is around 124 thousand people.

Furthermore, Bank BRI is required to be able to respond to external changes such as global economic volatility and the era of disruption with the presence of technology-based financial services. This is a challenge in implementing human capital because BRI Bank has homework to improve employee skills.

IV. DISCUSSION

Bank BRI as a bank with achievements has a vision that it wants to achieve in 2020, namely the most valuable bank in south east asia and home the best talent. This desire is a challenge for Bank BRI which must carry out good management to achieve it. Given the Bank's services that lead to a digitalization system, of course, BRI Bank must be able to fulfill this.

In facing the challenges of digitalization, Bank BRI implemented the application of a hybrid company model. This is because it is still in the transition from manual service conditions to digitization. This condition is a challenge for Bank BRI considering the number of employees totaling 124 thousand plus Bank BRI must respond to external changes.

Seeing this, the management carried out a human capital process that focused on leadership development, talent development, employee e-skilling and culture and engagement. This is done so that Bank BRI becomes an adaptive, flexible and agile organization.

Analyzing the implementation of human capital management carried out by Bank BRI which applies the hybrid company model, the authors see that the readiness of Bank BRI in facing challenges and risks is quite good. Where Bank BRI has been able to analyze which areas are human capital priorities. Bank BRI prioritizes human capital on leadership development, talent development, employee e-skilling and culture and engagement. These aspects are the main components in carrying out the work of the Bank.

Although basically implementing human capital in the above aspects is not something that is easy to do. This is related to the presence of 20% of employees who are not yet millennial. Of course, extra effort is needed to provide coaching on the e-skilling of these employees. Furthermore, there are 124 thousand employees whomust apply human capital, of course, Bank BRI must provide large enough funds.

V. CONCLUSION

Based on the description above, it can be concluded several things as follows:

1. The concept of human capital views humans as a group of people who work not only using physical means, but the whole set of intangible qualities brought by human resources into organizations that help the company.

2. The future of human capital is very dependent on the view of the company or organization on human resources. Where, if the company or organization views human resources as capital that has potential, the future of human capital will be better.

3. The human capital process consists of acquisition, development, maintenance, integration and separation. In essence, the application of human capital does not have to wait for employees to resign or resign normally. This means that the implementation of the company still needs to make improvements and improvements. This is intended so that the company is able to excel in the competition and of course be able to survive.

VI. LIMITATION

The author believes that this research will be more useful if the research is carried out directly at the BRI bank

REFERENCES

Journal Papers:

- [1]. <https://infobanknews.com/topnews/kinerja-bri-didrivn-by-transformation-technology-dan-human-capital/>
- [2]. Schultz, TW (1961). "Investment in Human Capital". *The American Economic Review*, Vol. 51, No. 1,
- [3]. Abiola, FR and YA Babalola (2013), *Financial Ratio Analysis of Firms: A Tool for Decision Making, International Journal of Management Science, Vol. 1, No. 4.* Ahmad S, Ruky. (2006). *Performance Management System*. Jakarta: PT. Earth Literature
- [4]. Fatoki, O. (2017). *The Financial Literacy of Micro Entrepreneurs in South Africa. Journal of Business Management, Vol. 40(2), 151-158*
- [5]. Anggit, R., Suyastiri, Ni Made., and Suprihanti, A. (2015). *Analysis of Indonesia's Crude Palm Oil (CPO) Competitiveness in International Markets. SEPA, 9(1). 125-133.*
- [6]. Brehm, J., & Rahn, WM (2003) *Individual-Level Evidence for The Causes and Consequences of Social Capital. American Journal of Political Science..*
- [7]. Mayo, Andrew. (2000). *The Role of Employee Development in The Growth of Intellectual Capital. Personal Reviews.* [8]. Ancok, J. (2003). *Human Capital in Organizations, pp. 11-19*, URL: <http://ancokstaff.ugm.ac.id>. Access March 1, 2021.

Books:

- [1] Tjutju Yuniarsih and Suwatno.(2008) *Human Resource Management*. Bandung : Alfabeta
- [2] Gaol, CHR. Jimmy L, (2014). *A to Z Human Capital (Human Resource Management) Concept, Theory, and Development in the Context of Public and Business Organizations*, PT. Gramedia Widiasarana: Jakarta.
- [3] Agus, Irianto.(2011). *Education as an Investment in the Development of a Nation*. Jakarta: Kencana.
- [4] Armstrong, M. (2009). *Armstrong's Handbook Of Performance Management. An Evidence-Based Guide To Delivering High Performance India: By Replika Press Pvt L Td.*
- [5] Lefrandi. (2012). *The Art of Selling Cross Selling and Up Selling*. WordPress. Jakarta
- [6] Soelaiman, (2007), *Performance Management; Effective Steps for Building, Controlling and Evaluation of Work*, Second Printing, Jakarta: PT. Main Personnel Intermedia.