SUMMARY

GAGAN GANIA NURSAADI. Effectiveness Evaluation of Strategic Human Resources Management Role at XYZ Bank. Supervised by RIZAL SJARIEF and SETIADI DJOHAR.

Globalisation, technologies, competition and others changes that occur constantly in industry are the fundamental reason why organisation needs to transform their HRM. Today, the HRM is required to be a strategic partner with organisation in response to these challenges. XYZ Bank as one of the foreign banks in Indonesia has set up new HRM structure and vision to be “HRM Strategic Partner”. But, refers to internal HRRA survey result in mid of 2014, their line managers considered that HRM role is dominated by administrative focus instead of strategic focus. Therefore XYZ HRM still needs to transform their role to be a strategic partner.

The study aimed to assess the effectiveness of HRM role in XYZ Bank in order to succeed the transformation process. Evaluation methodologies are explored to develop a theoretical evaluation model for the effectiveness of HRM role. The evaluation criteria are used in this model consist of: contribution, process and competency. Two data collection techniques were used in this research: (1) questionnaire by using closed and opened questions, and (2) observation. Qualitative and quantitative analysis (by using Importance Performance Analysis) were implemented in this research as well. The results confirmed that the XYZ HRM is not effective in some indicators of evaluation criteria. To succeed the transformation process, the business partner of XYZ HRM should improve their contribution and process in such aspects: strategic formulation, balanced scorecard arrangement, capability audit, change management, talent management, stakeholders analysis and performance tracking through HR scorecard. Center of expertise of XYZ HRM should improve their contribution and process in such aspects: future leader development program, talent management, career planning or succession planning, leadership program and productivity analysis. Shared service center of XYZ HRM should improve their contribution and process in such aspects: outsourcing implementation, business re-engineering, diminish bureaucracy, accelerate administration process, comprehensive Human Resources Management System (HRMS) implementation and comprehensive HR media information. Technical competencies that should be possessed by business partner’s professionals consist of: strategic positioner, capability builder, change management. Technical competencies that should be possessed by center of expertise’s professionals consist of: HR innovator and integrator, strategic positioner and capability builder. Technical competencies that should be possessed by shared service center’s professionals consist of: technology proponent, capability builder and effective communication.

The managerial implication in this research is to improve effectiveness of strategic HRM at XYZ Bank. To succeed transformation process, then XYZ HRM should implement any new initiatives, consist of: redesign XYZ HRM job description which more strategic oriented, improve technical competencies of XYZ HRM professional based on strategic role competency model, improve technical competencies of line manager to implement effective HRM programs, invest on comprehensive Human Resources Management System (HRMS) technology covering employee self service, manager self service and business intelligence application, shifted
administrative or daily operational tasks to third parties (outsourcing), hire talented candidates and assign them on right job to succeed business goals, develop talent management and leadership programs to provide key position successor, improve employee engagement level through conducive organization climate and attractive rewards system, develop balanced scorecard and performance tracking through HR scorecard to ensure added value from people investment, develop standard procedure and guidance to help line managers and employees in understanding and implementing HRM programs.

Keywords: competency, contribution, effective, process, strategic HRM