

# Human Capital Plan for Business Startups "Jamu Partnership" in Indonesia

Andhika Saputra<sup>1</sup>, Rhian Indradewa<sup>2</sup>, Tantri Yanuar Rahmat Syah<sup>3</sup>,  
Diana Fajarwati<sup>4</sup>

<sup>1,2,3,4</sup> Department Management, Faculty Economic and Business, Esa Unggul University, Jakarta – Indonesia

Corresponding Author: Andhika Saputra

## ABSTRACT

**Background** – PT OAM is a jamu partnership business startup company in Indonesia. This company is here to answer the customer pain and gain. In an effort to be competitive and sustainable in the jamu partnership business, this company uses its competitive advantages in the form of an easy partnership process, good product taste and product innovation and sustainable partnerships. Of course, this competitive advantage can only be maintained and developed if the company has competent human resources. In actual process operations, PT OAM requires good human resources planning. This is because human resources in a company are important and must be managed optimally.

**Method** – Using Human Capital Plan, and Organizational Culture.

**Result** – This analysis help to preparing and implementing each of its human capital activities in PT OAM. With good human capital plan the business can be competitive and sustainable.

**Keywords:** Human Capital Plan, Human Resources, Startups, Jamu Partnership.

## 1. INTRODUCTION

PT OAM is a jamu partnership business startup company in Indonesia. This company is here to answer the customer pain and gain in the form of the stigma of bitter jamu products, the difficulty of starting a business for the middle and lower economic community, the difficulty of using your own brand in business and the need for assistance in running a business, especially

SMEs. Jamu is a traditional health drink in Indonesia which is currently much favored by the public. This happens because the awareness of healthy living in the community increases by 19% every year based on a survey of insurance institutions in Indonesia. Another positive thing is the existence of government regulations that support the jamu partnership business.

In an effort to be competitive and sustainable in the jamu partnership business, this company uses its competitive advantages in the form of an easy partnership process, good product taste and product innovation and sustainable partnerships. Of course, this competitive advantage can only be maintained and developed if the company has expert human resources (Eriyanto et al., 2021). As a newly established startup company, PT OAM requires good human resources planning. This is because human resources in a company are important and must be managed optimally. If the company does not plan properly, it will be difficult for the company to develop and compete with its competitors. Therefore human resources planning is a very important element of PT OAM to maintain the competitive advantage it currently has. Human resources owned by the company must also be control and managed properly, because human resources have the knowledge, skills, and abilities needed by the organization (Armstong & Taylor, 2010).

## 2. MATERIALS AND METHODS

PT OAM human capital planning is prepared according to the framework in Figure 2.1 below.

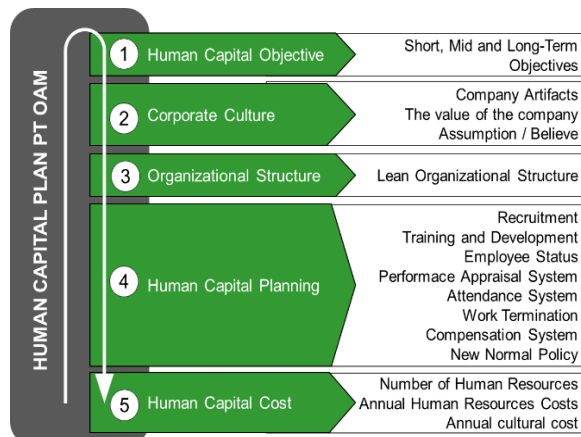


Figure 2.1 PT OAM Human Capital Framework  
Source: Author, 2021.

### 2.1. Human Capital Objective

PT OAM determines the objectives of human resources planning in accordance with the company's vision, mission and strategy objectives. This is because human resource planning is very influential in the overall organizational planning process (Mohammed et al., 2013).

### 2.2. Corporate Culture

According to Schein (2004), culture is related to certain values that managers try to instill in their organizations. Corporate culture in general can accommodate some diversity and can provide employee comfort and job satisfaction (Niam & Syah, 2019). Seeing the importance of corporate culture, PT OAM will encourage and implement the implementation of corporate culture, values and assumptions on each employee, so that employees are able to produce optimal performance to achieve the company's vision, mission, and strategic goals.

Culture consists of artifacts, values and beliefs also assumptions (Schein, 2004). Artifacts are visible organizational structures and processes. Values and beliefs related to strategies, goals, philosophies. While assumptions are beliefs, perceptions, thoughts, and feelings that are not realized, taken for granted (Schein, 2004). PT OAM

will apply this in establishing a strong organizational culture.

### 2.3. Organizational Structure

Organizational structure in PT OAM will be managed in accordance with the predetermined human capital objectives, namely the lean organization approach. In addition to a lean number of human resources, and performance evaluation, effective reward system and management style that encourages innovative activities in lean organizations are also suggested (Peek, B., & Chen, 2011). This is intended so that PT OAM human resources are always innovative both for the development of the company and their personal abilities. As a startup company, PT OAM organizational structure will always be dynamic in accordance with certain environments, including types and environmental variables (Bruns, T., & Stalker, 1961). The organizational structure of PT OAM itself describes the roles and responsibilities of each individual, how the coordination includes direct supervision, standardization of work processes, achievement of targets, required skills and processes of mutual adjustment (Mintzberg, 1980). Companies also need to align tasks and conditions to suit their environment (Drucker, 2006). Evaluation of PT OAM organizational structure will be carried out based on the results of employee performance assessments, because each organization has strengths and weaknesses in its business functional areas (David, 2011).

### 2.4. Human Capital Plan

PT OAM human capital planning includes recruitment, training and development, employee status, performance appraisal, attendance, work termination, compensation system and new normal policy. The employee recruitment system refers to hard skill competencies according to company needs, as well as soft skills based on qualities that are more intangible in a person (Townsend, 2007). Training and development programs are provided by PT

OAM for both company employees and employees who work in partners. Through this the company's management offers benefits, binds and motivates its employees (Pernkopf, & Brandl, 2011). In general, PT OAM human capital planning is to develop HR planning and training to develop a better company (Putra et al., 2019). The employee compensation system will be given proportionally according to the results of the annual performance appraisal by taking into account the company's financial condition. Basically, with high compensation, the level of job satisfaction and employee performance will also be higher (Sidabutar et al., 2020). The company will also implement a new normal policy to ensure that the company's human resources are well maintained. Implementation will refer to the social distancing protocol or the new normal protocol in accordance with Indonesian government regulation (Nugraha, 2020).

## 2.5. Human Capital Cost

PT OAM human capital cost planning includes salaries, benefits, insurance, corporate culture, training and development, etc. Training and development costs will also be the focus of PT OAM because it is a startup company, because training and development can improve organizational performance and productivity (Acemoglu, D., & Pischke, 1999).

## 3. DISCUSSION

This discussion section will explain the application of human capital at PT OAM as a startup company.

### 3.1. Human Capital Objective

Human capital objectives for PT OAM are divided into several stages including short, mid and long-term, that we can see in Table 3.1 below.

Table 3.1 PT OAM Human Capital Objective

Category	Objective Contents
Short-term (Y.0 to <Y.1)	<ol style="list-style-type: none"> <li>1. Fulfill 100% of human resource needs in the first year.</li> <li>2. 100% of the human resources has the ability according to the company's needs..</li> </ol>
Mid-term (Y.1 to Y.2)	<ol style="list-style-type: none"> <li>1. Conduct employee training and development.</li> <li>2. Encourage 100% corporate culture implementation.</li> <li>3. Evaluating employee performance with rewards and punishments every once year.</li> </ol>
Long-term (Y>2)	<ol style="list-style-type: none"> <li>1. Implementation of continuous improvement competition twice per year.</li> <li>2. Human resources contributes to the company's business development.</li> </ol>

Source : Author, 2021.

### 3.2. Corporate Culture

Figure 3.1 below shows the implementation of PT OAM corporate culture. Each element of culture is applied in different times on a daily, monthly, quarterly and yearly basis.

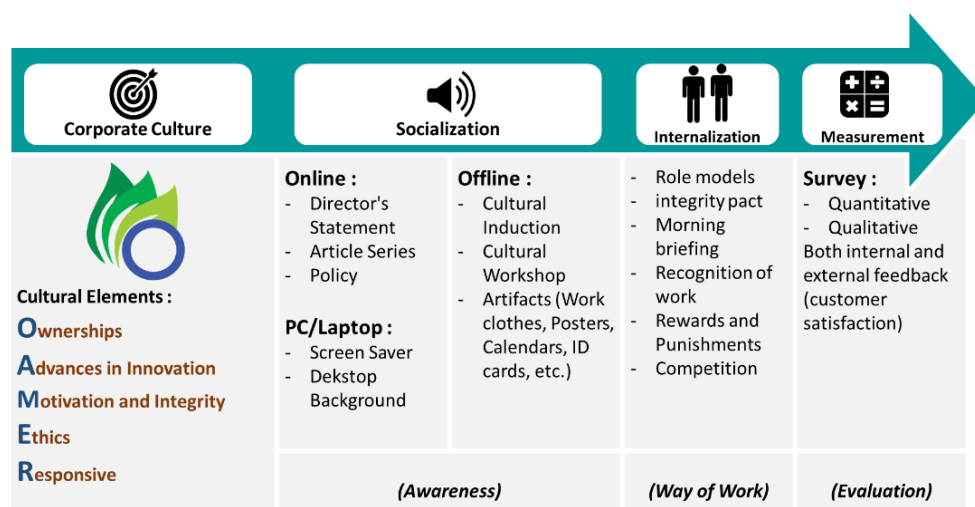


Figure 3.1 PT OAM Culture Implementation Framework

Source: Author, 2021.

Some of the things that are included in the corporate culture are as follows:

- a. **Artifact**, the company uses artifacts containing company culture in the form of work clothes, posters, calendars and ID cards, and others. Using a company logo and room layout design that has a modern, traditional nuance.
- b. **Work uniform**, The company uses a uniform design with a white base color with a company logo on the front and back. The use of this uniform is intended to increase discipline, a sense of ownership of the company and show the level of credibility of the company's employees.
- c. **Logo**, the company uses a leaf logo with a combination of light green, green and blue as shown in Figure 3.1 symbolizing back to nature.
- d. **Office design**, with a modern traditional nuance by using tables, chairs and other equipment with jamu products.

As for the values, assumptions / beliefs can be seen in the Table 3.2 below.

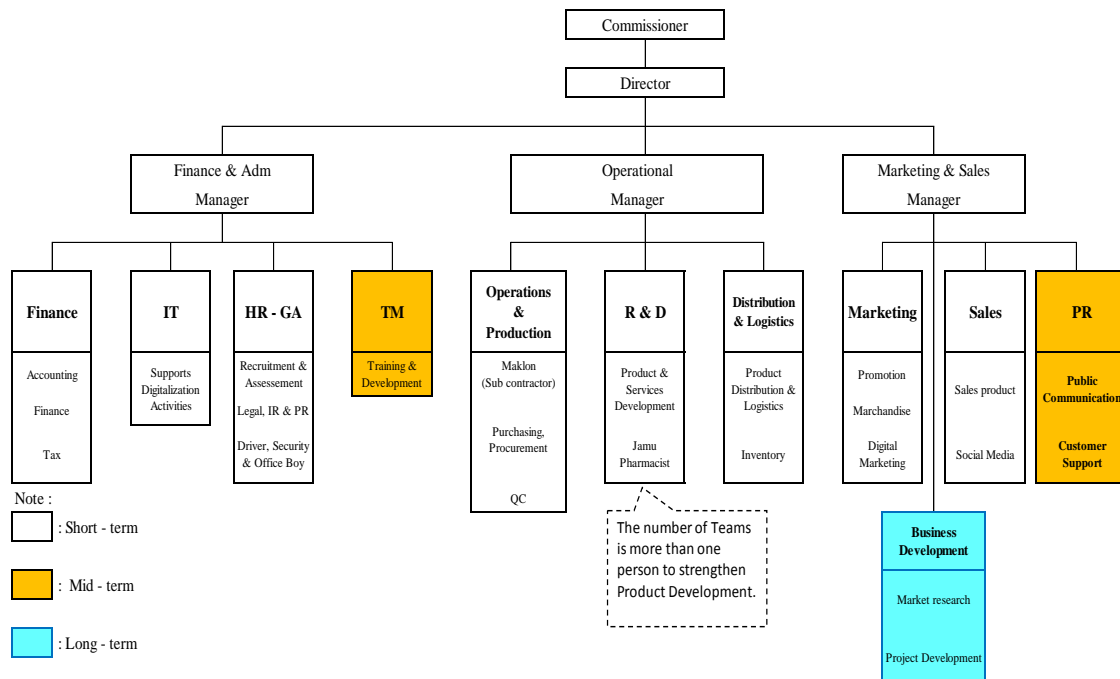
**Table 3.2 PT OAM Values, Assumptions / Beliefs**

Values	Assumptions / Beliefs
Ownerships	Employees believe in the company's vision and mission, so they understand the consequences and their role in the company.
Advances in innovation	Employees believe in the results of annual performance evaluations, rewards for creative ideas and continuous improvement activities that are useful for the progress of the company.
Motivation and Integrity	Employees believe in punishment if they do not have high motivation and integrity and reward for the opposite.
Ethics	Believing in the importance of open communication, mutual respect, respect and ethics in business is the basis for making decisions.
Responsive	Ensuring that annual evaluations are carried out regularly for the level of employee responsiveness to internal and external issues of the company.

Source: Author, 2021.

### 3.3. Organizational Structure

Figure 3.2 below shows the planning of PT OAM organizational structure using a lean organization approach, it can work because the production process is carried out by partner companies.



**Figure 3.2 PT OAM Organizational Structure.**

Source: Author, 2021.

### 3.4. Human Capital Plan

PT OAM human capital planning activities include recruitment, training and development, employee status, performance appraisal, attendance, work termination, compensation system and new normal policy. Where is the explanation as follows:

**a. Recruitment**, in terms of employee recruitment activities, PT OAM uses two recruitment approaches, namely external and internal. Internal recruitment itself is divided into three types of needs, namely job rotation, promotion and employee demotion. The stages of recruitment can be seen in the following Table 3.3.

**Table 3.3 PT OAM Recruitment Stages.**

Stage	Activity
1 <sup>st</sup>	Employee needs analysis.
2 <sup>nd</sup>	Board of Directors approval.
3 <sup>rd</sup>	Employee recruitment.
4 <sup>th</sup>	Employee placement.

Source: Author, 2021.


**b. Employee Training and Development**, Employee training is intended to increase the employee's mastery of skills for a particular job and what he is currently doing. Meanwhile, employee development is intended so that employees master new skills and are able to take on greater responsibilities so that career planning can run well. The stages of training and development can be seen in the following Table 3.4.

**Table 3.4 PT OAM Training and Development Stages.**

Stage	Activity
1 <sup>st</sup>	Analysis of training and development needs.
2 <sup>nd</sup>	Training and development goals.
3 <sup>rd</sup>	Implementation of training and development.
4 <sup>th</sup>	Evaluation of training and development results.

Source: Author, 2021.

Figure 3.3 below shows the training for employees and partners of PT OAM.



Training		Attendees	Expected Benefit	Trainer	Estimated Cost (IDR Rp. 000)	Time line
Category	Title					
<b>For Human Resources PT OAM</b>						
Functional Skill	Basic knowledge of jamu products	Staff, Manager, Director	Understand the product well	DMMH – TC	10,000	8th month First year
	Jamu production process	Staff and Operational Manager	Good understanding of CPOTB Able to determine the company's requirements	DMMH – TC	5,000	8th month First year
	Public speaking and Presentation skill	Manager (then taught to members)	Able to communicate well and appropriately to stakeholders	Consultant	9,000	9th month First year
	Digital marketing, Customer behaviour and Service excellence	Staff and Marketing Manager	Responsive to market conditions and partners	Consultant	9,000	6th month Second year
	Risk Management	Finance & Adm Manager	Able to perform risk analysis and mitigation	Consultant	6,000	9th month First year
Soft Skill	Corporate Culture and Value	All employees	Able to understand and work according to company culture and values	Director	3,000	8th month First year
	Creative Thinking and Problem solving	Manager (then taught to members)	Able to create new innovations for the progress of the company	Consultant	9,000	1st month Second year
	Problem solving and decision making	All Manager	Able to innovate, solve and make good decisions	Director	9,000	3th month Second year
	Developing Customer Loyalty	Staff and Marketing Manager	Able to get and obtain partners who are loyal to the company	Consultant	9,000	1st month Second year
	Safety, disaster prevention and basic first aid	Manager (then taught to members)	Able to handle emergency conditions related to safety, disaster prevention and first aid	Consultant	9,000	1st month Second year
	Building motivation, commitment and team work	Manager	Able to build a strong team according to company culture	Consultant	9,000	9th month Second year
<b>For Human Resources Partners</b>						
Common	Mixing Jamu	Human resources business partners	Partners can mix herbs according to PT OAM standard operational procedure	Staff R & D and Operational Manager	20,000	When there is a new partner
	Digital marketing and Customer service excellence	Human resources business partners	Partners are able to serve online and offline orders and can communicate well with their customers	Staff and Marketing Manager	10,000	When there is a new partner

**Figure 3.3 PT OAM Training for Employees and Partners.**

Source: Author, 2021.

**c. Employee Status**, in this case PT OAM is guided by Government Law No. 11 of 2020 concerning Job Creation Article 56 paragraph (1) which states that work agreements are made for a certain time or for an indefinite time. So that the company will use three types of employee status, namely permanent (PKWT/Specific Time Work Agreement), contract (PKWTT/Indefinite Time Work Agreement).

**d. Employee Performance Appraisal** can be seen in table 3.5 below.

**Table 3.5 PT OAM Performance Appraisal Stages.**

Stage	Activity
1 <sup>st</sup>	Each employee determines his KPI target.
2 <sup>nd</sup>	Target supervisor checked whether approved/revised by superior.
3 <sup>rd</sup>	If it has been approved, the employee works according to the target.
4 <sup>th</sup>	First assessment in the middle of the year, for correction and direction.
5 <sup>th</sup>	Second assessment at the end of the year, to see total performance.

Source: Author, 2021.

**e. Employee Attendance System**, PT OAM uses two employee attendance control systems, firstly using a finger print machine for employees who work statically (working on the spot), secondly using work results reports (email) and location sharing for employees who work dynamically (eg marketing department). Both attendance systems will be validated on a daily basis by the related manager.

**f. Work Termination System**, in this case PT OAM is guided by Government Law No. 11 of 2020. The types include termination of employment during the probationary period, employee resigns, company closes, due to serious violations, and employee pension.

**g. Compensation System**, PT OAM in providing compensation to employees will consider two main things, such as the structural responsibility burden and the results of the employee performance assessment carried out per semester. In addition, other factors such as employee education and experience, economic conditions, government regulations, level of compensation for similar companies and company capabilities will also be considered. Two types of compensation are used, namely direct and indirect compensation.

New Normal Policy, PT OAM will be follow based on the latest government regulations such as keeping a distance, wearing a mask, etc.

### 3.5. Human Capital Cost

As a startup company, PT OAM will be formed as lean as possible (lean organization) so that it is hoped that the budget related to human resources will not be too large. The total human resources and human capital costs in the projections for the next five years can be seen in Table 3.6 and 3.7 below.

**Table 3.6 PT OAM Total Human Resources**

Item	Unit	Y.1	Y.2	Y.3	Y.4	Y.5
Total Human Resources (employees)	Head Count	15	16	17	17	17

Source : Author, 2021.

**Table 3.6 PT OAM Human Capital Cost**

Item	Unit	Y.1	Y.2	Y.3	Y.4	Y.5
Human Capital Cost	IDR(Rp.000)	1,095,773	1,668,677	1,967,069	2,125,016	2,284,898

Source : Author, 2021.

## 4. CONCLUSION

As a newly established startup company, PT OAM needs to be thorough and detailed in preparing and implementing each of its human capital activities. This is because people are the most important aspect in the organization. Recruitment,

training and development, as well as cultural adoption are very important at this stage. In addition, the determination of a clear organizational structure and a good industrial relations system must be built from the start, as a foundation for the company's human capital.

**Acknowledgement:** None

**Conflict of Interest:** None

**Source of Funding:** None

## REFERENCES

1. Acemoglu, D., & Pischke, J. S. (1999). The structure of wages and investment in general training. *Journal of political economy*, 107(3), 539-572.
2. Armstrong, M., & Taylor, A. S. (2010). Human Resource Management Practice. In *The SAGE Handbook of Human Resource Management*. <https://doi.org/10.4135/9780857021496>.
3. Bruns, T., & Stalker, G. M. (1961). The management of innovation. Tavistock, London, 120-122.
4. David, F. R. (2011). *Strategic Management: Concepts and Cases*. Thirteenth, Global Edition.
5. Drucker, P. F. (2006). Knowledge-worker productivity the biggest challenge. *IEEE Engineering Management Review*, 34(2), 29-39. <https://doi.org/10.1109/emr.2006.1679053>.
6. Edgar H. Schein. (2004). *Organizational culture and leadership*. The Jossey-Bass Business & Management Series. <https://doi.org/10.1016/j.sbspro.2011.12.156>.
7. Eriyanto, Y., Lestariani, R. I., Syah, T. Y. R., & Indradewa, R. (2021). Human Capital Implementation Strategy in the Kamala Fertility Clinic. *Journal of Multidisciplinary Academic*, 05(01), 89-93.
8. Mintzberg, H. (1980). Structure in 5's: A Synthesis of the Research on Organization Design. *Management Science*, 26(3), 322-341. <https://doi.org/10.1287/mnsc.26.3.322>.
9. Mohammed, J., Bhatti, M. K., Jariko, G. A., & Zehri, A. W. (2013). Importance of Human Resource Investment for Organizations and Economy: A Critical Analysis. *Journal of Managerial Sciences*, 7(1), 127-133. Retrieved from <http://search.ebscohost.com/login.aspx?direct=true&db=bth&AN=87064142&site=ehost-live&scope=site>.
10. Niam, J., & Syah, T. Y. R. (2019). Pengaruh Motivasi, Kepemimpinan dan Budaya Organisasi Terhadap Kepuasan Kerja serta Dampaknya pada Kinerja Karyawan (Vol. 12, p. 89). Vol. 12, p. 89. <https://doi.org/10.31315/opsi.v12i2.3147>.
11. Nugraha, E. M., & Handayani, I. G. A. K. R. (2020). Kemenkas Nomor HK. 01.07 Menkes 382 2020 Sebagai Pembuka Jalan Perekonomian Indonesia dalam masa New Normal. In *Seminar Nasional & Call for Papers 2020* (p. 39).
12. Peek, B., & Chen, H. (2011). Promoting innovations in a lean organization through innovative value stream mapping. In *2011 Proceedings of PICMET'11: Technology Management in the Energy Smart World (PICMET)* (pp. 1-9). IEEE.
13. Pernkopf-Konh usner, K., & Brandl, J. (2011). Variations in evaluative repertoires: Comparing employee perspectives on training and development in Germany and Russia. *Personnel Review*.
14. Putra, R. P., Yanuar, T., Syah, R., Pusaka, S., & Indradewa, R. (2019). Human Resources Implementation Using the McKinsey 7S Method for Business Startup: Duck Nugget Frozen Food. *Journal of Multidisciplinary Academic* 11 JoMA, Vol. 03. Retrieved from <https://kernalapublisher.com/index.php/JoMA/article/view/366>.
15. Sidabutar, E., Syah, T. Y. R., & Anindita, R. (2020). The impact of compensation, motivation, and job satisfaction on employee performance. *Journal of Multidisciplinary Academic*, 4(1), 1-5. *International Business Management*. <https://doi.org/10.3923/ibm.2016.4907.4916>.
16. Townsend, K. (2007). Recruitment, training and turnover another call centre paradox, *Personnel Review*, Vol. 36 No. 3, pp. 476-490. [doi.org/10.110800483480710731383.pdf](https://doi.org/10.110800483480710731383.pdf).

How to cite this article: Saputra A, Indradewa R, Syah TYR et.al. Human capital plan for business startups "jamu partnership" in Indonesia. *International Journal of Research and Review*. 2021; 8(8): 370-376. DOI: <https://doi.org/10.52403/ijrr.20210851>

\*\*\*\*\*