

drawn in the last section.

CONSTRUCTION INDUSTRY IN INDONESIA

As one of the important sector that plays a role in economic development, the problem phenomenon in construction industry needs to be concerned. As an illustration, general description about construction industry problems in developing countries are mentioned below, which are: a high capital import; labor and material inefficiencies; high exchange value of currencies, except from import taxes and low interest in capital import and capital-intensive production; low skills and material, including the management and entrepreneurial ability; financial weaknesses and delays in payments; weakness in planning and administration system; foreign contractors dominations and low capacity from the local contractor; inaccurate target achieved through social-economic planning that resulted in job flow disorders, inefficiencies, and low quality products (Ofori 1990).

To reach a sustainable and competitive construction industry, conditions that are needed for the good growth, in some parts still not yet been fulfilled. These conditions (Kadin 2002) are: the availability of professional management; raw materials standardize and produce as requirement; equipments of construction have to be obtained easily and competitively; precise and open information system in construction industries from conception until the auction; recognize to efficient and recent method so that earn to exceed in international auction.

Moreover, there are some weaknesses in national contractors, such as low management and organization, and also inexperienced in bid abroad, so that field abroad still unfamiliar to national contractors. But these weaknesses can be fixed with a few ways, such as: create cooperation with foreign contractors, fix and improve professionalism and corporate management, and also continuously learn business characteristic in various countries.

HUMAN RESOURCE MANAGEMENT OF CONSTRUCTION COMPANY

One of big problems in Indonesian construction industries is lack of skilled and professional human resources both in technological and managerial aspects (Suraji 2003; Royat 1994). Human resource problems would cause negative impacts on productivity, efficiency and national construction industry's competitiveness. To reduce these problems, goals and strategies in national construction industry should include the improvement in technology ability, managerial skilled and professionalism of human resources (Mochtar 1994). In addition, productivity improvement would also raise value-added contents from products and services faster than its competitors (Jerjeas et al 2000).

Currently, construction sector begins to aware how important the human resources management in increasing corporate performance. On the contrary, companies are still experiencing any difficulties in managing and developing their human resources. For instance, lower rate of workers educational background; number of temporary workers are high due to fluctuation demand in construction; subjective and objective reasons cause low of workers participation, where subjective reasons are specific procedure in process, material and technology that limited the workers to make decisions, while objective reasons are sight of management that machine and procedures are more important than workers itself; finally, subcontractor system used in projects causes no one is willing to responsible for the training and people development (Tong and Smook 1996).

In order to manage human resources, contractors need to make an organization structure; motivate, lead and communicate to employees; manage group of workers; and also evaluate employees' performance known as managerial function (Chung 1987). Strategic management in human resources can be used as one of key success for company to win the competition by integrate human resources and business strategies. Competency improvement, especially in human resources, is a main aspect to gain success. Moreover, human resources involvement in business strategic and implementation would raise efficiency in construction companies (Karami et al 2004).

Human resources management is a non-separate part of organizational management. Its function is to improve employees' contribution to the company in strategically, ethically and responsibly ways. It also contributes directly to the productivity improvement by the way of efficient and effective in order to obtain goals and objectives through improvement in employees' life (Werther et al 1996). Furthermore, human resource management's function according to Fisher (1993) is to give optimal contribution to the success of organization by improving every activities and function of human resources. This management is a system which consists of interdependent activities.

RESEARCH METHOD

This research was conducted by implementing survey approach to experts from Indonesian construction companies to identify factors of human resource management that influence the increasing of construction company's performance, and how these factors influence its performance. The variables used in this research consist of dependent variable (Y) which was construction performance, and independent variables (X) which were categorized into six groups: planning, selection, placement, employee relationship, research and development, performance appraisal. The analysis used in this research was statistical analysis by the means of correlation and regression analysis to identify the factors of human resource management that mostly influence its performance.

RESULTS

Based on statistical analysis, factors of human resource management that mostly influential in company's performance improvement. Whereas the output of multiple regression analysis is $Y = 0.952 * X_{36} + 0.391 * X_{18} + 0.228 * X_{28} + 0.329 \dots\dots(1)$, with the adjusted $R^2 = 0.790$.

Based on the statistical analysis results using correlation and regression analysis, the most influential variables towards the construction company's performance as mentioned in table 2 consist of: quality and employee's performance due to demotion, in which demotion implementation in company would influence to the improvement of company's standard performance and drive employees to work better for not getting demotion. According to Simamora (1997), demotion is implemented because employees cannot perform well as required by the company's standard. In addition, company's standard would improve human resources management and performances.

In addition to demotion, another factor which influences in construction's performance improvement is goal and objectives based performance appraisal with its contribution as much as 38%. According to Sunarto (2001), performance evaluation's objective is to give feedback to employees comparing their past and recent performances. Performance's feedback is used thus employees can evaluate and improve their contribution to the company.

Third factor of human resource management is quality in operational problem solving. An employee who has skill to solve operational problem, will present value added to the company. Where in costumer perspective, the faster field troubles solved then the better corporate quality is. Moreover, in order to have the problem solving skill, the company can train their employee which can improve skill, knowledge and experience. Main programs of trainings teach how to complete responsibility and also solve problems both internal and externally (Simamora 1997).

CONCLUSIONS

From this research, it was concluded that construction company's performance can be improved by identifying factors of human resource management that influence performance improvement and also analyzing its influence. According to research, there are some factors of human resource management that have the biggest influence in company's performance.

Quality and employee's performance due to demotion toward construction company performance in Indonesia is the biggest contribution compared to other factors of human resource management. The quality of employees and their performance has significant effect of the company's performance. The better quality and worker's performance with demotion implementation could increase the employee performance which also affecting company's performance.

Meanwhile other factors which give high contribution to the performance improvement are employee performance appraisal and quality of company leader in solving operational problems. The better capability of company's management in planning, instructing, leading, communicating and managing information to determine resources requirement would improve company's performance.

BIOGRAFI

Alin Veronika is an Independent Consultant with Master Degree in Construction Management from University of Indonesia. She had published 2 books and more than 30 articles in international and national conference and journal.



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Project Management Newsletter

Up Coming Event

- **30 July 2011:**
BOD Handover/Transition Meeting @Jakarta
- **24 August 2011:**
OMM #25 @Microsoft:
"Startup and Maturing PMO"
- **24 August 2011:**
PMP Exam Prep @Microsoft



PMI Indonesia Chapter mengucapkan terima kasih atas dukungan rekan-rekan sekalian demi terlaksananya edisi keenam Excellentia di bulan Juli ini. Pada edisi ini kami kembali berbagi informasi tentang berbagai kegiatan yang telah kami laksanakan di bulan Juni dan Juli 2011 terutama pemilihan BoD PMI Indonesia Chapter yang baru dan mengulas topik Human Resources Management dalam implementasi Project Management di bidang konstruksi.

Apresiasi kami sampaikan kepada Alin Veronika yang sudah menyumbangkan tulisannya. Untuk rekan-rekan yang ingin berbagi pengalaman dan pengetahuan berupa tulisan, redaksi Excellentia menunggu untuk dapat diterbitkan diedisi selanjutnya.

Dalam kesempatan ini redaksi juga mengucapkan selamat bertugas dan berkarya kepada jajaran BoD PMI Indonesia

Chapter periode 2011 - 2013 yang terpilih. Semoga dapat semakin memperkenalkan dan mengembangkan project management di Indonesia!



Redaksi

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Identification of The Factors In Human Resources Management That Influence Construction Company's Performance In Indonesia

A. VERONIKA, A. FIRMANSYAH, SUGIARTO

INTRODUCTION

The construction industry contribution in total Gross Domestic Product (GDP) of Indonesia is approximately 4-8%. Indonesia statistics showed that industry sector with utilities and services sector are major contribution to GDP growth. Because of the Indonesia economy crisis particularly since 1997, the company would suffer a heavy constraint from the tighter competition and the increase of obligation. Consequently, only the competitive company would be able to survive.

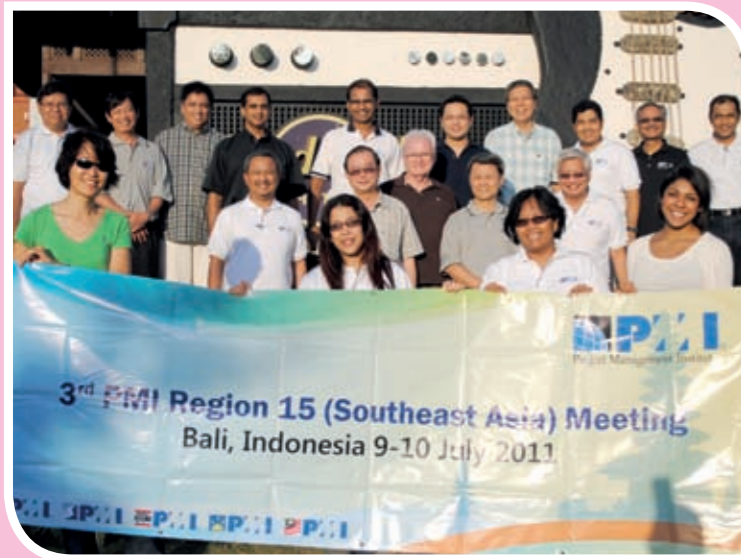
To endure against continuous economy depression, the construction business cannot only rely on the financial factor, as other important factors like human resources management needs to be concerned as well. Whilst other studies show that the contractor benefit is not only collected from the control of total asset and equipment production, but also gathered from management ability, human resource quality, engineering capability, the use of innovative solution, infrastructure system, the control of complex requirements, and the ability of risk handling (Jaafari 2000). Furthermore, Yates (1994) stated that engineer and construction company have to concern two important factors i.e. personnel factors (human resources) and technology in order to maintain competitiveness in construction industry.

As one of the key factors in construction company, the failures in human resource management can cause disturbances of fulfilling the organization goal both in performance, profit

and reliability of organization (Martoyo 2000). Recent condition shows that construction services in Indonesia still have weaknesses in some aspects, such as inefficient management, budget constraint, technology and limited number of skilled employees (Suraji 2003). Meanwhile, according to Dayatno (2003), weaknesses in some Indonesian national contractors recently were low equity, high interest rate, and also unskilled labor.

Based on these current facts, in management of construction service business, either private or state contractor shall execute the analysis of company human resource management quality to increase its performance (Kaplan & Norton 1996). Whilst performance itself is an optimal result done by somebody or group or company (Mulyadi 2007) and needs to be evaluated during period of time to know how good it works comparing to organizational standard.

The purpose of this paper is to identify the factors of human resources management that influence the construction company's performance in Indonesia. The statistical analysis was used to identify these factors. The paper starts with a review of the construction industry in Indonesia. It then continues with an overview of human resource management of construction company. Following these reviews, this paper describes the methodology was used in this research. After that the result of study is represented and in the end, the conclusion are



PMI Region 15 - 3rd Meeting

@ Bali, Indonesia - Jul/9-10

The third meeting of PMI Region 15 was held on July 9-10, 2011 in Hard Rock Hotel, Bali, Indonesia with the support of PMI Jakarta, Indonesia Chapter. Twenty delegates from South East Asian countries within Region 15 attended the 2-days meeting with high hopes that they can share ideas and advance the collaboration among chapters in nearest future. Among the delegates are Mr. Alex Siow, President of Singapore Chapter; Mr. Joseph Fincher, President of Bangkok, Thailand Chapter; Mr. Robert Gan, President of Malaysia Chapter; Mr. Ruben Manga, Director of PMI Manila, Philippines Chapter; and of course Mr. Moh Ichan, President of PMI Jakarta, Indonesia Chapter along with the other 5 chapter's board officers. This meeting is led by Mr. Shaligram Pokharel, Mentor of PMI Region 15 and also attended by Ms. Reseena Abdullah, PMI Asia Pacific Administration Officer. On the first day of meeting, each chapter reported the chapter activities, and mentor delivered report on the regional growth. On the second day, chapter officers were challenged to discuss in group and propose the ideas on how to bring chapters in region closer and grow together, by utilizing the ICT technology. Some of ideas include the webinar, member database enhanced features, SEO and web collaboration. At the conclusion of meeting, PMI APAC Officer explained on several IT initiatives from PMI to help chapters in delivering best value to the members and public.



PMII Participating in PMI Japan Forum

@ Tokyo, Japan - Jul/17

PMI Indonesia Chapter presented in PMI Japan Forum held in Tokyo on July 17, 2011. PMI Japan Forum is the largest event in PMI Japan Chapter, organized every year, attended by PMI Japan members and project managers across Japan. This was the 4th collaboration event between the two chapters. PMI Japan has presented in PMII events in Unpar-Bandung, UI-Depok, and STIKI-Malang; now it's our turn to return the courtesy visit. Our Board Officer elaborated the evolutions & activities of PMI Indonesia Chapter, also exploring the similarities/differences of Japanese & Indonesian cultures.



PMP Exam Preparation UI

@ Depok, Jul/2,9,16,23

PMI Indonesia & FEUI melaksanakan kolaborasi kegiatan berupa pembekalan PMP selama 4x pertemuan. Setiap Sabtu mulai 2, 9, 16 dan 23 Juli 2011 yang diisi dengan pembekalan 9 *knowledge area* untuk mensosialisasikan sertifikasi PMP kepada akademisi sekaligus mengenalkan Manajemen Proyek ke dunia Ekonomi dan Keuangan sehingga istilah "Project" tidak hanya diasumsikan sebagai "Konstruksi" melainkan lebih luas. Dalam setiap 1 hari kegiatan berisi 2 sesi, sesi pagi untuk workshop sedang sesi siang diisi oleh PMP Exam Prep. Workshop diikuti oleh 25 orang akademisi FEUI dan Exam Prepnnya diikuti sekitar 23 orang dari FEUI dan umum.



Meeting with PMI Sydney Chapter & Curtin University

@ Sydney, Australia - Jun/14

Morning talks with Mrs. Julia Checchia, PMP, President of PMI Sydney Chapter, and Curtin University's Dean, Dr. Mahendra Chandra revealed many opportunities between the three parties to start the collaboration. Within this occasion, Dr. Chandra initiated the idea to create nationwide survey of project management in Indonesia involving the Indonesian academicians who yield high interest in PM research. While Mrs. Checchia agreed to strengthen the relationship of both chapters and agreed to support the upcoming event in Bali for sending some delegates.



PMI Goes to Campus STIKI "Project Management Office"

@ Malang, Jawa Timur - Jun/25

Kali ini PMII mengadakan acara di Kampus Elang (STIKI) Malang dengan tema "Project Management Office" dibawakan oleh tiga orang pembicara: Mr. Jin Sasaki, PMP menceritakan tentang aplikasi project management di Jepang; Bpk. Encep Effendi, ST, PMP yang menjelaskan cara membangun tim proyek yang efektif; dan juga Bpk. Yulianus Ladung, PMP yang memaparkan tentang project portfolio management. Acara ini dibuka oleh Ketua STIKI, Ibu Eva Handriyanti, SKom, MT dan dihadiri sekitar 40 peserta dari kalangan akademisi dan praktisi sekitar Surabaya dan Malang.

BOD Election Result PMI Chapter Indonesia 2011- 2013



Dear All PMI Indonesia Members,

Thanks to your support and herewith the final result of the Election 2011 - 2013 as follow :

No.	Name	Position	PMI ID
1.	Mohammad Ichan, PMP	President Chapter	(PMI # 301600)
2.	Arisman Indrawan, PMP	General Secretary	(PMI # 855993)
3.	Ika Avianto, PMP	VP Membership	(PMI # 79823)
4.	Wahyu Istiqo Marga Cromer, PMP	VP Treasury & Finance	(PMI # 896683)
5.	Dana Persada Mulyoto, PMP	VP Marketing	(PMI # 1378491)
6.	Anna Yuliarti Khodijah, PMP, PMI-SP	VP Programs	(PMI # 1238653)
7.	Sigit Wahyudiono, PMP	VP Education	(PMI # 697373)
8.	Erlangga Arfan, PMP	VP Communication	(PMI # 1047311)

Please join me to congratulate and extend our support to the new BOD 2011 - 2013.

Hereby, we declare the assignment of the Election Committee is accomplished and we will let the current BOD to prepare the handover meeting and closing report accordingly, as well as assisting the new BOD to finalize the Charter Renewal.

Sincerely,
The Election Committee
Adi Prasetyo, PMP
Daniel R Jenie, PMP

PMI Indonesia Chapter Membership June 2011

A. New Member

Setiawan Adhiputro
Muhammad Riza Fahdli
Budi Hartono
Shabeer M Iqbal
Vinny Gemilia Muharam
Johanes Purwosugianto
Suryantoro
Basmen Tambun
Rudy Tantra
Alin Veronika

B. Renewed Member

Rachmat D Basuki, PMP
Mohammad Ichan, PMP
Budiono Kartohadiprodjo
Anna Y. Khodijah, PMP, PMI-SP
Budi Tandiyaman, PMP
Pratomo E Tjahjono

PMI Indonesia Volunteering Registration



Dengan semakin berkembang luas dan intensifnya kegiatan PMI Indonesia Chapter, bersama ini kami mengundang rekan-rekan yang berminat untuk bergabung bersama sebagai Volunteer dalam kegiatan PMI Indonesia Chapter.

Walaupun saat ini sudah terdapat beberapa volunteer yang sudah mendedikasikan diri untuk membantu PMII di beberapa area seperti: speakers, EO event, reportase, media komunikasi, desain grafis, journal / artikel & banyak lagi, namun melihat kondisi saat ini, akan lebih banyak area / bidang baru yang bisa di explore lebih jauh, tergantung dari minat area / bidang voluntary yang ingin Rekan-rekan tekuni.

Jadi silahkan bergabung, tetap terbuka kesempatan untuk Rekan-Rekan untuk bisa berpartisipasi dan menuangkan ide-ide cemerlang untuk kemajuan Project Management di Indonesia serta Organisasi PMII.

Untuk selanjutnya, agar lebih terdata dengan rapi, rencananya kami akan membuat database untuk Volunteer PMII. Oleh karena itu, kami mohon bantuan Rekan-rekan yang ingin menjadi Volunteer PMII untuk kiranya bisa mengirimkan data-data sbb :

1. Nama Lengkap :
2. Alamat email :
3. No Telp yang bisa di hubungi :
4. No PIN BB (apabila bersedia) :

5. Account Facebook / Twitter / Friendster (apabila bersedia) :

6. Bidang / Area Voluntary yg diminati :

7. Area / Domisili :

8. Kritik / Saran / Ide / Comment / Lainnya :

Silahkan diisi data-data diatas, lalu mohon kiranya bisa dikirimkan ke: volunteer@pmi-indonesia.org

Untuk sementara demikian dulu yang dapat saya sampaikan.

Sekali lagi, terima kasih banyak atas partisipasi Rekan-rekan yang ingin menjadi Volunteer PMII dan Selamat Bergabung....

Kami tunggu partisipasi aktif serta ide-ide cemerlang dari Rekan-rekan.

Mohon maaf apabila ada kata-kata saya yang kurang berkenan.

Salam Volunteer,
M Hanif Arinto
PMI Indonesia Chapter
Volunteer Coordinator
PMI ID # 2155049

Segecap jajaran
BOD PMI Indonesia Chapter
mengucapkan:
*Selamat Menjalankan
Ibadah Puasa*