

Human Resource Function Effectiveness Assessment Through Management Audit (Case Study in UB Hotel)

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Research on management audit in human resource function is aimed to comprehend the achievement of effectiveness in human resource function that has been conducted by UB Hotel and to figure out the occurring drawbacks that cause the ineffectiveness. This research discusses human resource function which is accomplished through qualitative descriptive applied research method. The data are collected from field study through interview, questionnaire, documentation, and observation. Data analysis involves four (4) important elements for management audit, including: criteria, condition, cause and effect. The process can reveal the level of effectiveness of human resource function in managing human resource at UB Hotel. The audit scope discussed in this research involves ten (10) functions, namely: human resource planning, recruitment, selection, orientation and positioning, training and development, performance assessment, planning and development of career, compensation, worker protection, and work termination. Based on the result that is derived from a comprehensive analysis it concludes that human resource function in UB Hotel has been managed effectively in accordance with the applicable policy and regulation; however, there is one function which is not effective yet namely the selection of human resource function. Based on the findings of this research, there are some recommendations and suggestions to achieve greater improvement in the development and management of human resource in the future which are, the online recruitment process that use UB Hotel website, the need to implement medical test in the selection stages, and the requirement and the openness from management in career promotion.

Key words : UB Hotel, management audit, human resource function, effectiveness, criteria, condition, cause, effect, recommendation

1. Background

The business world is increasing rapidly. Various types of business have been established by companies to face a tight competition. Therefore, companies are required to have better skills and competence in order to face challenges. These challenges require wise attitude in making decisions and ability in coordinating relevant factors to run the company.

In companies, there are operations carried out to assess the company's effectiveness in using their resources. The assessment is done by doing management or operational audits. According to Bayangkara (2013:2), the definition of management audit is evaluation of the company's operations. Management Audit is systematically designed to audit the activities, or part of an entity, whether the resources has been used efficiently, as well as whether the objectives do not violate the rules and policies established by the company.

Based on the above statement, management audit is a tool used to evaluate the entire performance of the company in various management functions, in accordance with the

objectives and policies of the company. In the implementation, management audit is closely related to the internal control system that must be collected to identify the causes of inefficiency and ineffectiveness.

Management audit evaluates human resources, finance, marketing, production and so forth. According to Hasibuan (2009: 244), human resource is the integrated capabilities of the intellectual and physical power of the individual. Behavior and nature is determined by heredity and environment, while the performance was motivated by the desire to meet his satisfaction. Based on that statement, management is required to control and to plan short-term and long-term objectives, so the main objective of the company can be achieved efficiently and effectively. Therefore, human resources should have good behavior and skills to develop and deliver progress for the company.

The scope of human resource management is quite large. It includes planning, controlling, directing, and organizing to achieve efficiency and effectiveness. In addition, human resources also

play roles in making the right career decision to support the activities of the company.

Human resource management audit is expected to improve the efficiency and effectiveness of company's operations. Human resource management audit is used to make business ventures become more systematic and well structured to achieve the vision, mission, and objectives of the company. This will affect the efficiency and effectiveness of the company. According to Siagian (2014:24), the definition of effectiveness, is the utilization of resources, facilities, and infrastructure in certain protocol to produce some goods for services activities performed. Effectiveness demonstrates the success of whether or not the targets are met. If the results of the activities are closer to the target, the higher the effectiveness is. It can be concluded that human resource management audit is an audit to make a business venture more systematic, structured, and able to achieve the vision, mission and objectives of the company. With good management, especially in the field of human resources, the company can achieve the objectives and targets. Achievement of human resource function is a success for the company, which of course, also satisfies internal and external parties.

One of businesses that provide services is hotel. Hotel is business engaged in temporary lodging services for domestic and foreign tourists. Hotel offers facilities to provide comfort and safety for customers. The role of human resources in hospitality business is very important because they serve the guests, the basic needs of an enterprise for company's profit and customer satisfaction.

The role of auditors in human resource function is coping with various situations or conditions that occur in the company. It aims to assess the effectiveness of the human resource function. Audit management is one of the ways to face the challenges from internal and external environment. Faced with these conditions, hotels must be professional and able to take the right decision to avoid ineffectiveness.

This topic is very interesting because, personally, the researcher has little experience working in human resource functions. The researcher wishes to deepen his knowledge regarding human resource functions. The researcher assumed that UB hotel was the proper object for this research because the researcher found that UB hotel has the potential to be a better hotel, and with this research, the researcher expected to contribute in improving the human resources function in UB Hotel. UB hotel is a

three-star hotel located in the area of Brawijaya University in Malang, East Java. Nowadays, the hospitality business becomes more competitive. The necessity of human resources who have the competence and expertise to obtain customer satisfaction is absolute. A human resources management requires good management in providing coordination to employees and guiding them to become qualified human resources.

Based on the above background, the researcher proposed the research title of **“Human Resource Function Effectiveness Assessment Through Management Audit (Case Study in UB Hotel)”**.

2. Research Formulations

1. How is the effectiveness of human resource function that implemented by the company?
2. What are the factors that influence the goal achievement of human resource function in UB Hotel?
3. What recommendation can be given to UB Hotel to improve the effectiveness of its human resource function?

3. Research Purposes

Based on the research formulations, this study is tried to:

1. To evaluate the effectiveness of human resource function in UB Hotel.
2. To understand the factors that influence the company's performance in achieving the human resource function in UB Hotel.
3. To give appropriate recommendations to improve the effectiveness of human resource function in UB Hotel.

4. Theoretical Framework

Nowadays, due to the development of business and economy, companies get more competitors. Companies are required to have effective and efficient operations. Thus, it is necessary to do an audit that includes some things and detect anything happens in the company, in financial or non-financial matters.

Audit plays an important role in all types of business to see whether it is in accordance with the regulations and objectives of the company. Audit is a process done by a competent person or auditor that can assist a company to analyze and provide solutions to some of the problems that occur in the company.

A variety of limitations faced by the company, both in the ownership of resources, information and technology affect the company's ability to enter or maintain the market that has been mastered. Therefore, the company should make proper planning in allocating its resources in support of the company's operations.

Management audit or operational audit is a tool to prove whether the company has used its resources efficiently and effectively in order to achieve its objectives. According to Bayangkara (2013:2), management audit is designed to audit the activities, program, or part of an entity that can be audited to assess and report whether the resources and funds have been used efficiently, as well as whether the objectives of the programs and activities do not violate the rules and policies established by the company. Based on that statement, it can be concluded that management audit is an audit that aims to provide an evaluation on the performance of the company to assess the efficiency and effectiveness and provide recommendations related to the weaknesses of the company's operations.

In a company, people are always active and dominant in the activities of the organization, as humans become planners, actors and determinants of the realization of organizational goals. It is impossible to reach the Purpose of the organization without the active role of employees. Thus, it is essential for human resource management to realize the goal of the company and the satisfaction of employee and community.

Human resource management is a part of management. Therefore, the basic theory of general management becomes the basis of any discussion. Management of human resource concerns more about regulation of human in realizing the corporate goal. According to Hasibuan (2009: 10), human resource management is the science and art of governing the relationship and the role of labor to effectively and efficiently help achieve the objectives of the company, employees, and the community.

Human resource audit aims to provide an overall evaluation of various organizational functions in a company. The audit is very important to improve the effectiveness of the company's performance in order to become more effective and optimal.

Audit of human resource management functions, according to Bayangkara (2013: 60), is the emphasis of human resource audit assessment that occur in the company to ascertain whether the activity has been running economically, efficiently and effectively in achieving its objectives. It provides recommendations for improvements to

various deficiencies that still occur to improve the performance of the program or activity.

One of the goals to be achieved in management audit is to improve the effectiveness of operations in the company. Effectiveness can be measured through standards and policies, so it can be used as a reference in carrying out the operations of a company. according to Agoes (2004: 182), Effectiveness is the input-output ratio of activities, in terms of quantity of work, quality of work, as well as the targeted deadline. Based on the statement above, it can be concluded that effectiveness within the company refers to the standards to achieve the desired goals by the company.

According to Darsono (2011:1), hotel is a business entity engaged in commercially managed accommodation service by providing food, beverages, and other facilities. Based on that definitions, it can be concluded that hotel is a place for lodging or temporary residential provided with various facilities for customer convenience.

Human resource management roles in hotel concept according to Amirtharaj, et al. (2011) is the human resource department plays a major role in helping plan the system and in developing job description, job specifications and performance standards. The roles are as a specialists in that department may be assigned to conduct a job analysis and write job descriptions in cooperation with managers, supervisors and employees. The human resource department is not involved in the actual writing of performance standards but play a diagnostic, training and maintaining role. To diagnoses organizational problem that suggest job redesign, incorporate information on job design in training and management development program. And help planning job redesign programs to ensure that human resources policies and practices are developed. The department also need to prepare and modify job descriptions, job specifications, recruitment program, selection program, training program, compensation and other practices to be consistent with any job redesign program.

5. Research Methodology

This research is a descriptive applied research using a case study approach. This type of research makes it possible to produce different outcomes on the researches for the same topic in different research sites. According to Sekaran (2009: 105), descriptive study is a research undertaken to ascertain and to describe the characteristics of the variables of interest in a situation. Based on that statement, the purpose of

this study is to describe the aspects relevant to a particular phenomenon that occurs in a company.

Research about management audit of the human resource functions was held at UB Hotel, which is located on Jl. MT.Haryono 169 Malang. This research is conducted in the last of November until December 2014.

This research focuses on the function of human resources in UB hotel include human resources planning, human resources recruitment, human resources selection, human resources orientation and placement, human resources development and training, the assessment of human resources performance, planning and career development, compensation of human resources, protection of workers (health and safety), employee termination.

Data used in this study is qualitative data. According to Sekaran (2009: 369), qualitative data are in the form of words. The researcher used multiple sources of data. First, primary data. It is obtained directly from the original source. The primary data in this research are interviews result with Mr. Ali Budianto, the manager of Human Resource Department, company's vision, mission, goals, and motto, organizational structure, performance assessment sheet, compensation of employees, collective labor agreement and the company regulations. Second, secondary data. Secondary data are obtained through an intermediary medium (obtained and recorded by other party). The secondary data in this study include Law No. 13/2003 about manpower and Ministerial Decree No. 49/2004 about the terms and scale structure of wages.

There are three data collection methods used in this study. First, Interview. Interview is a question and answer process done to the parties related to the management of human resources. Therefore, that the data obtained can be relevant to the problems that exist within the company. The interview was with Mr. Ali Budianto, the manager of the Human Resource Department and one staff from each department. Second, documentation. Documentation technique is a method of data collection in the form of data obtained from the human resource department at UB Hotel. The data include vision, mission, goals, and company's motto, the organizational structure and the job description, performance assessment sheet, the collective labor agreement and the company regulations. Third, Observation. The direct and indirect observations were carried out in UB Hotel. The researcher conducted direct observations regarding the implementation of the organization's activities and conditions.

The analysis was performed using the management audit stages, namely:

1. Preliminary Audit. Develop audit procedures to obtain data to be written in the results of the audit. First, obtain and analyze background and general information of the UB Hotel. Second, doing the review on company's regulations, collective labor agreement, government regulations regarding human resources activities.
2. Review and Testing Management Control. The researcher conducted a review and testing the management control of UB Hotel. The aim was to assess the effectiveness of management control in supporting the achievement of company's objectives regarding the human resources function. The results of these tests were used by the researcher to get better understanding about the controls of the company that enables the company to identify potential weaknesses. Through these tests, the researcher was able to establish audit objectives as a basis for further implementation of the audit process. The review of the management control system was done doing deeper review in the data from preliminary audit, interviews with Mr. Ali Budianto as the manager of human resource department and one staff from each department in UB Hotel, distribute questionnaires to each chief or manager and one of the staff of the department Room Division, Human Resources Development, Food and Beverages & Maintaining and Engineering, and Accounting. If there is an availability of data and the possibility to do the audit, the researcher can make the tentative audit objective as the audit objective.
3. Detailed Audit. The researchers collected sufficient and competent evidence to support the audit objectives based on the results of the review and testing the control of the management. Things done by the researcher are analysis activity with some data, such as company's objective, company's vision and mission, operational procedure of human resource planning function, government regulation regarding human resource function, company's policy and collective labor agreement, questionnaire result, make a field observation, grouping findings into criteria, conditions cause and effect. Make

a recommendation. The researcher gave a recommendation in the form of corrective action on significant deficiencies as well as corrective on potential weaknesses found in the specific function of human resources, which is expected to increase the effectiveness of the human resources function.

4. Audit Report. The researcher created an audit report containing the audit conclusions about the elements of the audit objectives, and recommendations are given to correct the deficiencies.

6. Research Discussion

6.1 General Information of UB Hotel

Number of employees at UB hotel is currently 52 employees. Working hours are 7 (seven) hours a day plus 1 (one) hour break, 6 (six) working days and 1 (one) day off in a week, so the working time is 7 (seven) hours a day and 40 (forty) hours within a week. UB Hotel provide remuneration to employees in the form of basic salary, allowances, medical insurance, wages, pensions, and awards in accordance with applicable regulations.

6.2 Problem Discussion

1. Preliminary Audit.

Due to the availability of company data that possible to undertake human resource audit, the researcher determined that the tentative audit objective is to assess the effectiveness of human resource functions and search for the human resource function potential weakness that can be improved. This is in accordance with the company's goal to improve the quality of human resources in order to give the best service to customers.

2. Review and Testing Management Control

UB Hotel has a management control system that serves to control the activity of human resource functions. Through these tests, the researcher were able to establish audit objectives as a basis for further implementation of the audit process. Condition found in the company when conducting the stage of review and testing management control, such as :

- 1) Human resource planning.
Planning human resources is

based on the needs of the company by involving other managers who need human resources with a specified qualification in each of the department. The company's human resources plans have been well documented. Every employee knows the vision, mission, goals and policies set in the UB Hotel.

2) Human resource recruitment

Managers involve in the recruitment of employees, namely in terms of determining the number of employees needed. UB Hotel uses an internal method to do a system of rotation of employees (job postings) and works together with partner companies (vocational schools, especially in the field of hospitality and outsourcing company). UB Hotel use Law No. 13 of 2003 about labor that all applicants who apply and meet the requirements are given the same opportunity.

3) Human resource selection

UB Hotel involve managers who need new employees to be partners in the team selection. There are several tests conducted UB Hotel namely administration selection, written test, and interview.

4) Human resource placement and orientation

The orientation of human resources work is done for approximately three months. New employees get direction on the task directly from the appropriate supervisor of the occupied areas.

5) Human resource training and development

UB Hotel implement a variety of training and development to improve the performance of human resources according to need. Implementation of training and development has been done by comparative studies conditional, skill-

- training and spiritual training method. Evaluation is done by monitoring the performance of employees and training programs after the implementation of training and development. In the implementation of training and development, UB Hotel use Law 13 of 2003 on Manpower as a basis to carried out the training and development program.
- 6) Human resource performance appraisal
The Company conducts periodic performance appraisal conducted twice a year. Assessment conducted by UB hotel is based on the skills of employees' performance. Human resource development makes a decision on employees' career planning on the basis of the results of the evaluation and the Collective Labour Agreement
 - 7) Human resource career planning and development
Planning and career development program is documented in the work plan. Planning and career development of human resources is done in accordance with the needs and performance appraisals and are conducted periodically.
 - 8) Employee's compensation
The determination of the wage scale is in accordance with the Law No. 13 Year 2003 on Employment Chapter X of the standard wage, Decree No. 49 Year 2004 on Wage Structure and Scale provisions. The amount of the salary earned by the employees is in accordance with the minimum salary (UMK) in Malang. The compensation provided by the employee is divided into two which is financial and non-financial.

- 9) Employee's health care and protection
The company has a safe and healthy workplace for employees. The Company registers all the employees to BPJS program for the health welfare. Labour protection is carried out in accordance with the Law No. 13 Year 2003 on Labor Chapter X.
- 10) Employee's termination
The Company implements a policy regarding termination of employment included in the collective labour agreement. Employees who have been affected by layoffs, the company will provide severance pay.

Due to the availability of data and the possibility to do the audit, the researcher make the tentative audit objective as the audit objective, which is to assess the effectiveness of human resource functions and search for the human resource functions potential weakness that can be improved. In general, the control function can be expressed that human resources has been effective in supporting the achievement of corporate objectives and in line with the applicable regulations, which will be proved in the next audit.

3. Detailed Audit

Audit findings in the detailed audit grouped into four groups, namely the criteria, conditions, causes, effects, the group further analyzed and given recommendations aimed at improving the effectiveness of the company's operations are based on existing human resource functions at UB Hotel.

Human resources planning

1. Criteria
 - a. Planning human resources have met the qualifications of human resources required in accordance with the required position. It is conducted through involving managers from each department and paying attention to the

- external conditions in accordance with applicable government regulations. Planning is still a main concern to increase the quality.
- b. Human resources plan has been well documented and support the objectives of the company.
 - c. Documents about company profile, regulations, programs, policies, collective labour agreement and other documents are recorded completely and neatly.
2. Condition
 - a. Planning human resources is based on the needs of the company by involving other managers who need human resources with a specified qualification in each of the department. The number of customer requesting for product and services, event in Brawijaya University, and government regulations also serve the basis of human resources planning as an external conditions.
 - b. The company human resources plans have been well documented. These documents contain the entire future plan of the company including employees career plan to support of the achievement of corporate objectives.
 - c. Every employee knows the vision, mission, goals and policies set in the UB Hotel. In addition, every employee knows about responsibility and authority of each people.
 3. Cause
 - a. Human resources planning are based on the needs of the company, which develops human resources on the basis of the assessment of internal and external results. Planning involves managers from each department that requires qualified human resources. Every need and recommendation will be evaluated further by the human resources section in accordance with the qualification of human resources required. Plans are made and arranged based on the Law No. 13 of 2003 on Labor.
 - b. UB Hotel human resources plan has been recorded clearly and neatly for the future planning of human resources to achieve company goals. The program contains the development of human resources planning development in the future.
 - c. Human resources section hold documents about company profile, regulations, programs, policies, collective labour agreement, employee performance reports, work programs, standard operating procedures, and job descriptions. The company's policy is reviewed periodically and annually updated.
 4. Effect
 - a. Human resources planning functions at UB Hotel has run effectively in accordance with the needs of both internal and external parties. The plan made is based on the evaluation of each department, and decided jointly with all managers and their superiors based on the laws in force. In addition, the company will get the right human resources qualification. Thus, the plan made by the company will promote sustainable mutual between the interests of employees and the interests of the company to further increase the quality of human resources.
 - b. The well documented human resources programs will give a good influence over the operations of the company and company's goals can be achieved optimally. This gives a positive effect on the company that carried out human resources planning.
 - c. The presented documents are clear, complete and neat. It will allow the employees to determine their responsibility and authority. In addition, the documented vision and mission are expected to continuously motivate employees to achieve corporate

goals. Company's policy reviewed on a regular basis is a good policy. It will allow the company to evaluate the improvement in the interest of the company periodically.

Human resources recruitment

1. Criteria

- a. Recruitment process involve managers to meet the needs of the company. Prospective employees must meet the requirements of the company.
- b. UB Hotel utilize recruitment method that concurs with the needs of the hotel.
- c. Each of applicant has an equal opportunity to obtain employment without discrimination. (Law No.13 of 2003 on Employment Section 5).

2. Condition

- a. Managers involve in the recruitment of employees, namely in terms of determining the number of employees needed. Prospective employees are qualified to register the proposed company to get a certain position.
- b. UB Hotel uses an internal method to do a system of rotation of employees (job postings) and works together with partner companies (vocational schools, especially in the field of hospitality and outsourcing company). UB Hotel sometimes uses external methods to recruit employees, namely by advertising in the mass media. However, UB Hotel will be prioritized to do a system of rotation of employees to cover the shortfall in one position within the company.
- c. In accordance with Law No. 13 of 2003 that all applicants who apply and meet the requirements are given the same opportunity to become employees of UB Hotel.

3. Cause

- a. The Company determines the number of employees needed before involving some concerned managers. In addition, the company has clearly informed about the qualifications required.

- b. The company recruits employee using two methods, namely internal and external. This shows that the company openly provides information on some partners of the company and states the qualifications that must be met by the prospective employee. External methods is that companies sometimes advertise on mass media to attract the prospective employees. In addition, the company also uses internal method to do a rotation system of employees (job postings) to fill in the gaps that exist in the company; and give priority to human resources from partner companies, such as vocational schools and outsourcing companies that have the skills and is ready to work. It is intended to establish good relations with partner companies and guarantee the quality of human resources.

- c. UB hotel employee recruitment program is implemented in accordance with Law No. 13 of 2003 on Labor Article 5.

4. Effect

- a. Implementation of employee recruitment function organized by the UB hotel has run effectively in accordance with the needs of the hotel. Requirements that have clearly explained will have an impact on the accuracy of the company in obtaining candidates as the position required.
- b. The method established by the company can be considered as effective, because the company use an external method that aims at providing career opportunities outside the company's partners; internal methods which emphasis on the system of rotation of employees (job postings); and recruit prospective employees from both companies outsourcing and secondary vocational schools, especially in the field of hospitality. This method provides a good impact for the company because employees needed are ready to work.

- c. Implementation of the recruitment program has run in accordance with applicable regulations, ie without labour discrimination, so that the company is open to anyone with the provisions of the applicable requirements.

skills of prospective employees.

- v. Medical test. The medical test is done to determine the level of health of the prospective employee.

Human resources selection

1. Criteria

- a. Employee selection process established by the selection committee involves several managers.
- b. Prospective employees are required to follow some procedure tests, namely:
 - i. Administrative selection. Company make the selection of all candidates in accordance with the qualifications required of the company.
 - ii. Writing test. The company provides a written test on tourism knowledge, test on work profession, as well as psychological tests aimed to determine the nature and soul.
 - iii. Interviews. The interview is conducted by the human resources development manager, along with other parts of the managers who need new employees. This is a test of knowledge and interest in the profession. However, the final decision in is the hands of human resources development manager.
 - iv. Test of skill. The skills tests is done to some prospective who apply for the skill positions. This test is performed by a supervisor or manager of the department concerned. This test aims at determining the level of

2. Condition

- a. UB Hotel involve managers who need new employees to be partners in the team selection. Therefore, the selection team has better understanding on the job requirements and the system of selection.
- b. There are several tests conducted UB Hotel namely administration selection, written test, and interview. For the skill positions, there are skills tests to measure the skills. However, there is no medical tests conducted by the company.

3. Cause

- a. Company design the selection process with the purpose to filter the prospective employees based on the qualifications required by the company. This process involve managers to determine the candidates in accordance with the required qualifications.
- b. UB Hotel only has three stages of the test that are administrative test, written test, and interview. In some positions, practice tests will be done to determine the candidate's skill level. The Company does not perform medical tests because the company has a low turnover rate due to health problems.

4. Effect

- a. The selection process conducted by the UB Hotel is effective, because the company has formed a selection team so that it may assess employees qualifications as the desired by company.
- b. Implementation of the selection process is not effective, because it does not conform to the standards of the company's operations. Every employee must perform several stages of tests that are aimed at determining the knowledge, state of mind, health,

and skills of the prospective employees.

Human resources orientation and placement

1. Criteria

- a. Employee orientation is conducted for approximately three (3) months of employment. Employees received appropriate qualifications specified by the company.
- b. Assessment is done after the orientation and placement of human resources by the respective HR managers.
- c. Employees in the orientation receive direct guidance from the supervisor or manager.

2. Condition

- a. The orientation of human resources work is done for approximately three (3) months. Only a few from all employees who are on the orientation of employees, are recommended for the extension of the term. It is based on the results of the evaluation work assessment. Orientation is done by practicing which includes an introduction and placement in accordance professional employees in the department at UB Hotel.
- b. During this period, a report is made by the employee's supervisor concerned and submitted to human resources development to assess the extent to which the level of ability and competence of new employees, as well as is used in the use of a subsequent decision.
- c. New employees get direction on the task directly from the appropriate supervisor of the occupied areas. The implementation of the new employee should not encounter an error due to misguidance from a supervisor.

3. Cause

- a. Employee orientation held for \pm 3 (three) months aims to provide an introduction for new employees regarding the duties and responsibilities of employees in

performing their duties, besides it is beneficial for employees to familiarize themselves in carrying out the activities that will be carried out at the department. It is needed to produce qualified employees through the work evaluation that has been achieved by a new employee.

- b. Implementation evaluation assessment work is motivate employees to work more optimally, because the assessment is one of the factors for the decision-making related to the work contract.
- c. During orientation, new employees receive direct guidance from a supervisor or manager. This provides a positive impact for employees in the orientation, because interference from superiors is very positive support for the performance of employees.

4. Effect

- a. Employee orientation is held for approximately three (3) months in accordance criteria specified company. This orientation provides substantial benefits for newly hired employees, because they are able to understand working environment and can meet the qualifications specified company.
- b. Implementation of this assessment is in accordance with established criteria used as an evaluation in decision making, so that employees can be optimized in performing their duties.
- c. Employee at orientation period is accompanied by a supervisor which have a positive impact on the performance of employees in order to quickly adjust their work.

Human resource training and development

1. Criteria

- a. The training program is determined based on the identification of training needs.
- b. Implementation of training and development programs are carried

- out regularly annually, both in terms of spiritual and skill-training.
- c. The Company evaluates performance improvement and training programs after the training is conducted.
 - d. The cost involved in training and development budget does not exceed the specified company, and if there is, it is going to be taken from the cash reserves of the company.
 - e. Training of employees based on the Law No. 13 Year 2003 about Manpower.
2. Condition
- a. UB Hotel implement a variety of training and development to improve the performance of human resources according to need. Training and development has been proven to increase the ability and motivation of employees in performing their duties.
 - b. Implementation of training and development has been done by comparative studies conditional, skill-training and spiritual training method. With this method, the company wants to increase the knowledge, skills and spiritual employees.
 - c. Evaluation is done by monitoring the performance of employees and training programs after the implementation of training and development.
 - d. Costs required during the training process has been adapted to the training needs of employees and when there is an excess of the budget, the company will use the budget reserve that has been prepared.
 - e. Implementation of training and development activities carried out in accordance with Law 13 of 2003 on Manpower which is in chapter V which regulates the job training.
3. Cause
- a. Implementation of training programs and the development of the company has identified the needs of employees before training. The objective of training and development programs is to improve the skills and personality in order to be better employees.
 - b. The training and development of comparative study method, skill-training and spiritual training have a positive impact on the quality of employee performance so that the company objectives can be achieved.
 - c. The training aims to determine the development of each employee after completion of training and development programs, by assessing how employees are able to apply the knowledge gained after the training program.
 - d. The cost of training and development has been planned as needed, so that the implementation of training and development can be done well.
 - e. The training program is organized by the company based on the Law No. 13 Year 2003 about Manpower which is in chapter V which regulates the job training, so that the program can be implemented in accordance with applicable regulations.
4. Effect
- a. Training and development programs are in accordance with the identified needs of the company, because by holding of this training, it can provide benefits to employees.
 - b. The conducted training is effective, because the company conducts a training program on a regular basis and use methods that are in accordance with criteria; so that the quality produced is in accordance with the needs of the company. Not only from the ability of employees, but also method of comparative studies conducted by the company in another hotel will provide an opportunity for employees to refresh the mind of a busy work day-to-day activities. So after the completion of training and development programs,

- employees can work more optimally.
- c. Programs that have made the company can be used as an evaluation, so that the advantages and disadvantages of each employee can be known.
- d. The cost of training is made in the program can already be said to be effective, because the company has made a training budget and has prepared a budget reserve when training costs over budget.
- e. Implementation of the program can be executed properly in accordance applicable regulations.

Human resource performance appraisal

1. Criteria

- a. The company has a program on a periodic basis for each employee's performance appraisal and performance assessment reports conducted 2 (two) times a year.
- b. Assessment methods use performance appraisal form that contains job performance and job personality established companies.
- c. The results of performance appraisal are used as a basis for decision making in human resource development based on collective labour agreement.

2. Condition

- a. The Company conducts periodic performance appraisal conducted 2 (two) times a year.
- b. Assessment conducted by UB hotel is based on the skills of employees' performance in carrying out the work.
- c. Human resource development makes a decision on employees' career planning on the basis of the results of the evaluation and the Collective Labour Agreement, which contains the rights, obligations and the evaluation of the appraisal.

3. Cause

- a. Human resources program performance assessment takes

place 2 (two) times in a year, so in this time period, the skills of employees and how employees performance improvement can be seen.

- b. The method to measure the job performance appraisal and job personality use the assessment sheet, direct observation of task completion, and accuracy in work discipline.
- c. The results of this assessment are openly communicated to employees. The implementation of the assessment is carried out by each department to assess the performance of subordinates. Then the results are given to human resource development to be reviewed and evaluated for decision making. The results of this assessment is based on the collective labour agreement.

4. Effect

- a. Program assessment conducted periodically by the UB Hotel provides motivation for employees to be able to do the best service. Because of the presence of such assessment, the employee feels that their performance is appreciated. Therefore, the program can support the optimization of the performance of employees and accelerate the achievement of company objectives.
- b. The method used by the company is good, that is by the openness where employees are given the right to pass judgment on the performance of each employee, either orally or assessment sheet.
- c. The results of these studies will be used for decision making. This decision-making are in the form of reward for employees, who excel and implementation of training programs for employees, who have less skill. Therefore, the function of the UB Hotel performance assessment is carried out effectively as assessment procedures and complied with and adapted to the prevailing policies and collective labour agreement.

Career planning and development

1. Criteria
 - a. Planning and developing human resource involve managers and employees concerned.
 - b. The Company creates program planning and career development that is well documented for all employees.
 - c. Planning and career development programs are based on the needs of the positions and the periodic performance appraisal.
2. Condition
 - a. Planning and developing human resources career involve human resources managers and employees concerned in accordance with the criteria established by the company.
 - b. Planning and career development program is documented in the work plan.
 - c. Planning and career development of human resources is done in accordance with the needs and performance appraisals and are conducted periodically. It can motivate employees.
3. Cause
 - a. Implementation of the human resources function involves human resources managers and employees concerned, so that shortages and skills that employees have can be known, and provide a decision right for the managers.
 - b. Planning and development program is greatly implemented, because the company has a work plan that has been created to provide rewards to employees who excel. So that the goal can be achieved because the company is able to produce employees who have good potential.
 - c. The Company has a program of career planning and career development for all employees based on the needs of the positions. Career planning and development program refers to the periodic performance appraisal results. This program

applies to employees who have good working performance, long service life, level of education and occupation. Employees who have the qualifications are entitled to be promoted. The company will promote career development for all employees in accordance with company requirements.

4. Effect
 - a. The involvement between the manager and employee in the planning and development program of employees is well underway, due to the communication between the two sides is over delivered.
 - b. This program can be accomplished in accordance with the plans made the company to increase the employee's career.
 - c. Planning and career development implemented UB Hotel runs effectively. The company provides an opportunity to develop a career for all employees and provide recommendations as promotion, so that employees are more motivated to improve its performance. The program has been effective for companies providing career opportunities based on the evaluation of the employee.

Employee's Compensation

1. Criteria
 - a. The amount of the salary of an employee shall not be less than the applicable minimum wage provisions of Malang (UMK Malang).
 - b. The determination of the wage scale based on Decree 49 of 2004 concerning the provision of the structure and scale of wages and Law No. 13 of 2003 on Manpower.
 - c. The compensation awarded to the employee UB Hotel consists of compensation of financial and non-financial, as follows:
 - Compensation of financial

1. The basic salary in accordance with the UMK Malang.
 2. Allowances office, employment entitlements and holiday allowance.
 3. Incentives
 4. Bonus
 5. Jamsostek/BPJS
 6. Health insurance employees and family
 7. Severance
 - Compensation of non-financial
 1. Overtime / Replacement holiday
 2. Pregnant leave, special leave, sick leave and annual leave
 3. Employee meals
 4. General check-up health for employee once a year
 5. Uniform
 6. The best employee award once a year
2. Condition
- a. The amount of the salary earned by the employees is in accordance with the UMK Malang.
 - b. The determination of the wage scale is in accordance with the Law No. 13 Year 2003 on Employment Chapter X of the standard wage, Decree No. 49 Year 2004 on Wage Structure and Scale provisions, and the guidelines applicable with the employee rights.
 - c. The compensation provided by the employee is divided into 2 (two) which is financial and non-financial. Two types of compensation is carried out in accordance with the needs of employees and company policies for the sake of the welfare of employees.
3. Cause
- a. Attainment of the salary received by the employees of UB Hotel is in accordance with the UMK Malang, thus the acquired rights of employees are met. This will affect the performance of the employee because the results obtained during the work is appreciated.
 - b. Determining the wage scale, company uses the guidelines of Ministerial Decree 49 of 2004 concerning the provision and Scale Structure of Wages and Law No. 13 Year 2003 on Employment of remuneration Chapter X as the basis for determining the amount of compensation that should be given. This affects the quality of work of employees.
 - c. Compensation is based on the rights that must be earned by the employees in order to provide welfare and motivation to improve their performance and to enforce the government policies and regulations.
4. Effect
- a. Attainment of the salary received by the employees of UB Hotel is in accordance with the applicable UMK Malang, so that employees get the reward according to his work.
 - b. Guidelines used by the company in providing compensation is in accordance with the applicable regulations. Thus the rights of employees are protected with the regulations regarding compensation.
 - c. UB Hotel has set a clear policy regarding the acquisition of compensation for all employees, as well as the provision of compensation based on the weight of work, occupation, and level of education. With these, the employees of UB Hotel can increase their motivation and provide welfare for employees, as well as avoiding the decrease in the quality of work the employees of UB Hotel. Compensation policies implemented by UB Hotel can be said to be effective considering at the number of types of compensation provided by the company for employees. This proves that the UB Hotel care and concerne about the welfare and comfort of employees.

Employee's Health Care and Protection

1. Criteria

- a. The company provides a safe and healthy workplace for employees and various facilities that support the health and safety the employees of UB Hotel.
- b. The company includes employees UB Hotel in BPJS program.
- c. Labour protection based on the Law No. 13 Year 2003 about labor.

2. Condition

- a. The company has a safe and healthy workplace for employees. In addition, a variety of facilities such as training for employees to prevent accidents in the work and activities undertaken gymnastics once in a week for health care employees is also done. Employees are also given health care facility such as a check-up every 1 (one) years working with the UB hospital to prepare health treatment.
- b. The Company registers all the employees to BPJS program for the health welfare. Thus the health rights the employees of UB Hotel is guaranteed. The health does not only apply to the employees of UB Hotel who work alone, but the family of the employees of UB Hotel including husband / wife / child according to applicable regulations.
- c. Labour protection is carried out in accordance with the Law No. 13 Year 2003 on Labor Chapter X of the safety and health the employees of UB Hotel, so that employees will not worry about their safety and health.

3. Cause

- a. UB Hotel has a program of labour protection given to all employees so that employee performance is not compromised. Therefore the company provides facilities and a safe and healthy place to support the health and safety the employees of UB Hotel.
- b. This labour protection program can be used by the employees of UB Hotel and their families in order to provide protection for the work done.

- c. Protection of the health and safety of employees has been listed on predefined rules which is Law No. 13 of 2003 on Labor and must be adhered to by all areas of business.

4. Effect

- a. Policies established by the company is in accordance with the criteria established by the company by providing facilities and workplaces that support the health and safety the employees of UB Hotel. Furthermore, regular inspections is carried out by the company to shows that company is concerned about protecting the employees of UB Hotel.
- b. This program can provide motivation for employees to complete the task, so that health is maintained and the activities undertaken run well. The company has it effectively conducted because it is in accordance with the criteria established by the company.
- c. Applicable regulations run the company reflects the company responsibility for the safety and health the employees of UB Hotel, so that the existence of this rule can protect the employees of UB Hotel.

Employee's Termination

1. Criteria

- a. The company policy regarding termination of employment is contained in the Collective Labor Agreement Article 6-9 of the Termination of Employment.
- b. Termination of employment is done for the following reasons:
 - i. Maximum retirement age of 55 years
 - ii. Passed away
 - iii. Resignation because of employees own desire
 - iv. Employment contract runs out
 - v. Breach of discipline
- c. Providing severance payment and cash awards for the period of employment.

2. Condition

- a. The Company implements a policy regarding termination of employment included in the collective labour agreement Section 6-9 on termination of employment, thus sentencing discipline of work can be done effectively.
- b. Termination of the work done so far is linked above maximum retirement age of 55 years, died, resignation or because of employees own desire, employment contract runs out, and breach of discipline. Regarding the termination of the work done for business economics problem is happened.
- c. Employees who have been affected by layoffs, the company will provide severance pay in accordance with the certificate made by the company.

3. Cause

- a. Termination of employment policies established by the UB Hotel is listed in the collective labor agreement Section 6-9 of the termination of employment, resulting in the implementation of the company guidelines and obligations that must be adhered to by all employees.
- b. The Company applies the termination of employment in accordance with the applicable regulations and policies in the company.
- c. The company implements policies and applicable regulations governing severance pay for employees affected by layoffs.

4. Effect

- a. Policy termination and disciplinary sanctions for violations listed in the collective labour agreement Section 6-9 on termination of employment is stated clearly and unequivocally in accordance with the weight and the level of labour violations. Human Resource Development performs procedures consistently and in accordance with the collective labour agreement on the rules of termination of

employment. This creates a good relationship between company and the employees of UB Hotel. In conclusions, regarding the termination of employment the employees of UB Hotel so far is effective.

- b. Implementation of the termination of employment done by UB Hotel operates effectively in accordance with the applicable policies in the company.
- c. UB Hotel implements a policy regarding the provision of severance pay to employees in accordance with the applicable government regulations, thus the function is operating effectively.

7. Conclusion and Suggestion

Based on the results of research and analysis conducted on the implementation of the human resources function at UB Hotel, by comparing the criteria, condition, cause and effect, it can be concluded that the implementation of human resources functions is effective.

Associated with 10 (ten) functions analysed, 9 of which is operating effectively in accordance with the policies and objectives of the company. The 9 (nine) functions include human resources planning, recruitment, orientation and placement, training and development, performance appraisal, career planning and development, compensation of employees, labour protection (safety and health), and termination of employment. One of the functions that is still less effective is the selection of human resources. It is because it is not in accordance with the policies that have been made by the company. The company does not use medical tests because of the low turnover rate factor caused by medical factors. Therefore, the implementation of this function is only performed by the administrative selection process, a written test, practice tests and interviews, without the use of medical tests, so that it needs a corrective measures and suggestions to improve employee performance. There are two factors that influence the effectiveness of human resource function in UB Hotel. First, the company's planning about human resource function need to be well and clear documented, so there will not be a misunderstanding for the plan implementation. Second, employees need to understand the company's regulation about human resource function in UB Hotel, so all operations can be

well implemented based on the company's regulation.

Based on the constraints and weaknesses found during the audit, the researchers suggest improvements as follows:

1. The function of human resources recruitment. Implementation of recruitment conducted by UB Hotel using the media would be more effective, if the company includes job vacancy in electronic media or UB Hotel websites and is done online from recruitment process until the announcement of the selection the employees UB Hotel. It is due to the current electronic media greater demand compare to the mass media, furthermore, the cost is lower than the mass media.
2. Selection of human resources functions. In the implementation of the selection of new candidates, UB Hotel needs to run a selection procedure in accordance with company rules by using five stages of the test, namely administrative test, written test, interview, practice tests, and medical tests. These test are done in order to measure the employees' knowledge and skills. the company also needs to perform medical tests to check employees' health. Having good health, the employees of UB Hotel can deliver optimal performance and will provide a positive impact to the company.
3. The function of planning and career development program. In planning and career development program, the process of filling a vacancy for higher position can be declared openly with the requirements / qualifications required. It is a medium motivation for employees to show better performance.

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