HUMAN RESOURCES MANAGEMENT AUDIT TO ASSESS THE EFFECTIVENESS OF EMPLOYEE AT PT. JANITI SARANA MATERIAL BETON MALANG

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ABSTRACT
This research about Management Audit based on management of HRD at PT. Janti Sarana Material Beton Malang to find out the effectiveness of human resources function. The scope of research is ten function of human resources resource which consist of: the function of human resource planning, human resource recruitment, selections and placement, training and development function, performance appraisal, the planning and career development, compensation and remuneration functions, occupational health and safety, relationship development, firing and retirement. Researcher uses descriptive qualitative analysis method. Researcher obtained data from interview, observation, and documentation. The result of research shows that from the nine functions of human resources, there are 5 ineffective human resource functions, namely human resource planning, selection, orientation and placement, training and development, performance appraisal and employee safety and health protection.

Keywords: Audit Human Resource Management, Control, Effectiveness, Recommendation

INTRODUCTION
Human is considered as one of the most influential resource in determining the direction and change in the organization or company. Human Resources become one of the main factors in realizing the vision - mission and goals of the organization. This can be realized through cooperation to form a
strong management that can unite various interests exist. In addition, it also requires a capable manager to lead, plan, implement, and control the company's activities to achieve the goals set. Besides, following the latest market and making the opportunity available becomes an advantage.

The human resource management is responsible for the management for managing human resources within an organization. According to Simamora (2003: 4), human resource management is the utilization, development, appraisal, rewarding and management of individual members of the organization or group of employees of human resources management concerning the design and implementation of planning system, employee development, career management, performance evaluation, employee compensation, and good employment relationships.

In general, the purpose of the human resources management is to manage and improve the quality of human resources. Through Human Resources Management, managers and all employees are encouraged to implement the organization's strategies. The high quality of human resources has a positive correlation to the creation of added value and the level of quality of decisions taken within the company.

A very complex corporate operation will require a tool to achieve effectiveness. The management audit can determine the targets set previously achieved, and evaluate the extent to which the controls established are understood and implemented by these employees. Audit management is an examination to assess whether the functions within the company has been implemented properly to achieve corporate objectives. In the context of the management audit, management covers all the company's internal operations and must be accountable to the various parties who have a higher authority (Bayangkara 2008: 2). The management audit should have a reporting status within the company that ensures correct consideration of the findings of internal audit recommendations.

PT. Janti Sarana Material Beton is a distributor and forwarder company from PT. Semen Indonesia serving distribution and sale of cement in Java, Bali
and Sumatera. PT Janti is a company established in 1994 and has been a business partner of UD truck PT Astra International for 24 Years. PT Janti is one of the largest distributor and cement material transporter in Malang. PT Janti Sarana Material Beton is committed to always provide the best service with the most competitive cost for the satisfaction of partners and customers.

To support the company's vision, PT Janti Sarana Material Beton needs to have competent human resources in the company. Because the company wants to provide the best performance for its stakeholders, the company must have a commitment to produce high quality products, improve service and have customer solution orientation. Therefore, to accommodate the human resources of all divisions, not only separate from the organizational structure of the company, the activities or efforts must be coordinated with the management of a well-functioning company.

The purpose of this study is first, to know the effectiveness of human resources function at PT Janti Sarana Material Beton Malang. Second, to find weakness in the implementation of human resources function. Third, to provide recommendations for improvements of human resources function.

**REVIEW OF RELATED LITERATURE**

**Basic Concepts of Audit**

According to Whittington, Ray and Panny (2012: 4) define auditing, as “Auditing is an examination of a company’s financial statements by a firm of independent public accountants. The audit consists of a searching investigation of the accounting records and other evidence supporting those financial statements. By obtaining an understanding of the company’s internal control, and by inspecting documents, observing of assets, making enquires within and outside the company, and performing other auditing procedures, the auditors will gather the evidence necessary to determine whether the financial statements provide a fair and reasonably complete picture of the company’s financial position and its activities during the period being audited”.

Based on Leung et al., (2004:35-38), there are six types of audit activities, which are audit of financial statements, compliance audit, performance audit, comprehensive auditing, environmental and internal audit.

**Management Audit**

According to Rai (2008:41) Management Audit is a systematic process to obtain and evaluate evidence objectively about the performance of an organization, program, function, or activity. Evaluation is done in terms of economy and efficiency of operations, effectiveness in achieving the desired results, and compliance with policies, laws, and regulations that are relevant, in order to ensure the level of correspondence between the performance and the criteria set and communicate results to interested parties. Management audit function provides independent reviews of performance against the management of third parties and the extent to which the audited entity's performance expectations that have been set previously.

The goal of the management audit is to identify all of the activities program that need improvement in order to provide the right recommendations so that they can improve various program in the company. Akmal (2009:34) formulated some management audit purposes which are Assessing the adequacy and effectiveness of management control, assessing the effectiveness, efficiency, and economics, assessing the reliable information, assessing the compliance with applicable laws and regulations.

The stages in the management audit are necessary to know to encourage the successful implementation of management audits. According to Bhayangkara (2008:64) the stages of management audit are:

1. **Preliminary Audit**
   According to James F. Broder (2005:55) the basic purpose of the preliminary audit is familiarization, based on more than a mere observation of the tasks to be reviewed.

2. **Reviewing and Testing the Management Control System**
   At this stage the auditor reviews and conducts tests on audit object management control, with the aim to assess the effectiveness of
management controls in support of achieving company goals. Based on the test results, the auditor can understand the controls better to easily know the weaknesses in potentials at various activities undertaken.

3. Detailed Audit

Auditors collect sufficient and competent evidence to support the predetermined objectives. The auditor develops audit findings that are related to the other findings to be presented in the audit work papers to be considered in supporting the conclusions and recommendations to be made.

4. Reporting

This stage is to communicate the results of the audit and recommendations to various parties concerned. Reports are presented in a comprehensive form (presenting important findings of audit results to support audit conclusions and recommendations). Recommendations should be presented in easily understandable language as well as operational and deserves to be followed up.

Human Resource Management

According to Dessler (2014:4), Human Resource Management refers to the policies and practices involved in recruiting, screening, training, rewarding, and appraising.

Steps in the process of preparing human resources include (Handoko, 2008:6):

1. Human resource planning, designed to ensure the stability and fulfillment of human resource needs within the organization.
2. Recruitment, it is related to the procurement of prospective employees in accordance with the human resources plan.
3. Selection of Candidates Among Employees, Selection is an advanced process of recruitment to select the most appropriate employee and in the right amount of applicant candidates obtained from recruitment.
4. The introduction and orientation, are designed to help individuals who elect to adjust well in the organization.
5. Training and development, aimed at enhancing the ability of individuals and groups to encourage organizational effectiveness.

6. Performance appraisal, conducted by comparing the implementation of individual work and standards or goals are developed for these positions.

7. The provision of remuneration and rewards, provided to employees as compensation for execution of work and as a motivation for future better performance.

8. Career planning and development, including transfer (promotion, demotion, or lateral), mutation, reassignment, dismissal or retirement.

9. Maintenance of health and safety, to provide working conditions safer and healthier for the protection of labor

10. Employee termination is the end of the working relationship between employees and organizations

**Human Resource Management Audit**

Human Resource Management Audit, according to Bayangkara (2008:60), 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.

Human resource management audit aims to ensure that operations management has followed policies and maintained an effective employee (Tunggal, 2001:85). The various steps and procedures usually consist of employment planning, recruitment, selection, placement, remuneration and remuneration, career coaching, education and training, maintenance of employment until dismissal, in the form of termination of employment and retirement.
RESEARCH METHOD

This study is included in the descriptive qualitative research. Descriptive method is finding fact with the right interpretation. This research of the human resource function management audit was held on PT. Janti Sarana Material Beton Malang located at Jl. Sunandar Priyo Sudarmo No.46, Blimbing, Kota Malang, Jawa Timur.

There are two data source used in this research. Primary data is taken from interview and questionnaire. Secondary data is taken from documentation of the company such as, History of the company, The vision and mission of the company, Organizational Structure of the Company, Business Activity, Management control activity.

This study uses descriptive qualitative data analysis method, the analysis by collecting and describing non-numeric data, associated with the event or activity in human resource functions. The analysis conducted in this study is explanation without using statistical figures. The analysis was performed using audit management stages.

FINDINGS AND DISCUSSION

Company Profile
PT. Janti Sarana Material Beton is a distributor company of PT. Semen Indonesia serving distribution and sale of cement in Java, Bali and Sumatera. This company has 310 special hi-blow trucks with a capacity ranging from 8 tons to 60 tons and 400-1600 tons bulk cement silos, which are prepared to serve large-scale or small-scale projects with high difficulty. In addition to serving a nationwide government project, PT. Janti Sarana Material Beton also serves factories for paving and board production.

Vision
To become the leading company and the best in logistics, distribution and cement sale in Indonesia and to become the best national cement distributor with the broadest area

Mission
Providing total solutions to sales service, distribution and logistics service for customer satisfaction using environmentally friendly technology; Realizing international standard management by upholding business ethics, spirit of togetherness, innovation and creativity; Improving service excellence by referring to the efficiency, effectiveness, and productivity performance; Empowering and synergizing the company's resources to increase added value sustainably through planned training and coaching programs; Contributing to the improvement of stakeholders.

Report on Management Audit Results

In the system and performance of human resources in the company of perfection is the main point to achieve success in a company. However, in the process can not be separated from the shortcomings and weaknesses in personnel performance. Therefore it is necessary for operational audit activities to determine the shortcomings or weaknesses as well as the impacts that can be generated so that can be done cause analysis and improvement recommendations to improve HR performance. All aspects related to human resources of a company such as work standards, effective and operational efficiency in the company. The following findings are weaknesses and shortcomings and recommendations for improvement in the opinion of the auditor:

a) **Weakness:** Human resource department does not involve concerned managers who need new employees to be partners in the team selection

   **Effect:** The capabilities tested on the candidates who take the selection test only include the basic skills and personality of the prospective employee. This is because the human resources department does not master the technical qualifications and details related to departments that require employees

   **Recommendation:** In the selection stage, especially the interview, the company must involve the manager of the department concerned. This is necessary because the manager is more aware of the required employee qualifications from the academic side relating to the place where the employee will be employed
b) **Weakness:** Human resources departments do not plan training program budget every year. Training and development planning only mentions technical matters, regardless of budget.

**Effect:** The absence of an annual budget plan for training and development will have a negative impact on budget for employee training and development programs.

**Recommendation:** The human resources department should create a structured program for employee training and development along with the budget needed for training and human resource development activities.

c) **Weakness:** The results of the employee performance appraisal are only known to the related division managers and the human resources department.

**Effect:** Employees who have passed the performance appraisal are unaware of the performance progress made during their employment. This will have an impact on employee motivation. When employees know that their performance progress is decreasing, they will have the motivation to correct the deficiencies.

**Recommendation:** The company should share the results of the performance assessment with employees. It will bring a big impact to the employees to know their performance and provide more motivation for the employees.

d) **Weakness:** There is no policy of the company regarding the provision of health and safety facilities for employees equally.

**Effect:** The security guarantee for employees in the office is very minimal. This results in employees in the office becoming less secure to work in PT. Janti Sarana Material Beton and may affect employee performance and company goals.

**Recommendation:** The company needs to provide security and health facilities in areas where employees work equally. This has an effect on employee motivation in work. With a safe and healthy working environment, employees’ motivation may promote employees’ motivation because employees feel safe and get right to a comfortable working environment.
CONCLUSION AND RECOMMENDATION

Conclusion

Every company has a vision and mission that aims for the progress and development of the company, therefore there needs to be components that support. Human Resources is a major component of the company in the fulfillment of Vision and Mission, this is because Human Resources as an important role holder who has a great responsibility.

In fulfillment the company made a rigorous selection to be able to filter the competent human resources and have a high loyatitas on the company. The development of human resource performance is also very important to note, one of them with the audit of the human resource function.

Operational Audit is a way to be able to know the weakness of weakness in operational system and human resource performance so that it can be used as evaluation and get settlement or improvement for fulfillment of Vision and Mission at company.

In PT. Janti Sarana Material Beton Malang found the weaknesses are:

1) Human resource department does not involve concerned managers who need new employees to be partners in the team selection
2) Human resources departments do not plan training program budget every year. Training and development planning only mentions technical matters, regardless of budget.
3) The results of the employee performance appraisal are only known to the related division managers and the human resources department
4) There is no policy of the company regarding the provision of health and safety facilities for employees equally.

With the discovery of the above weaknesses that are also the result of an operational audit, it can be used as an evaluation material for improvement of the above deficiencies and weaknesses.

Recommendation

As for suggestions of the findings of weaknesses as follows: To achieve the goals and vision of the company and for the company to remain competitive, the employees are required to be more productive and growing, one form of
encouragement and motivation for employees in productivity is reward. Because with this reward, employees will always be motivated and motivated to be more active in work so that will create employee achievements that can directly affect the development of companies to compete globally, management should be more guided by the procedures that apply to new employees do not feel confused about what the tasks and responsibilities and more easily adapt to the environment of PT. Janti Sarana Material Beton Malang with a culture that already exists in PT. Janti Sarana Material Beton Malang so as to create professionalism work in accordance with the culture of PT. Janti Sarana Material Beton Malang, training class activities for new employees should be given directly to new employees since joining PT. Janti Sarana Material Beton Malang is not through the direct practice activities provided by their seniors so that new employees will understand more about their tasks and responsibilities, especially the basic theory of their work before engaging in direct practice so as to minimize mistakes in the future and create a workforce with qualified skills.