

## Effective HRM Strategies to Enhance Employee Performance: The Case of PT. Asuka Engineering Indonesia

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### ABSTRACT

*This study examines the implementation of Human Resource Management (HRM) strategies in enhancing employee performance, using PT. Asuka Engineering Indonesia as a case study. Employing a qualitative approach with in-depth interviews, direct observation, and documentation analysis, the research explores how recruitment, training, and performance evaluation systems contribute to organizational productivity. The findings reveal that the two-stage recruitment process, project-based training, and continuous performance assessment have successfully created an adaptive and collaborative work environment. These practices align individual competencies with organizational goals, improving efficiency and motivation. The study also highlights that leadership involvement and consistent evaluation strengthen employee engagement and professional development. From a practical perspective, this research provides insights into effective HRM implementation for construction companies aiming to enhance competitiveness through human capital optimization. The results can serve as a model for similar industries seeking sustainable performance improvement. Strategic HRM integration plays a crucial role in achieving long-term organizational growth and operational excellence.*

**Keywords:** Human resource management, employee performance, leadership, competence, organizational effectiveness

### A. INTRODUCTION

PT. Asuka Engineering Indonesia is a high-quality and trusted construction company established to meet the needs of the construction industry in Indonesia. As a company engaged in construction services, PT. Asuka Engineering Indonesia provides various project requirements, ranging from materials to professional manpower in their respective fields. The company has established partnerships with several major corporations, such as PT. Smelting and PT. JIPE, in national strategic projects. The trust gained from these large companies serves as evidence that the materials and human resources provided by PT. Asuka Engineering Indonesia are capable of producing high-quality construction outcomes (Putri, 2023).

Operationally, PT. Asuka Engineering Indonesia carries out activities in two main areas: internal management and external field projects. Internally, company operations involve several departments, including the HR, Electric, Purchasing and Procurement, IT, and HSE Departments. Among these, the Purchasing and Procurement Department holds a particularly vital role, given that the company operates in the construction sector, where the procurement and purchasing processes are crucial to business sustainability. In practice, construction companies such as Asuka Engineering Indonesia also face various uncertainties and risks, particularly those caused by natural factors like storms, high waves, strong currents, and tides, which may lead to significant losses or even casualties (Maddeppungeng, Mina, & Dewi, 2017).

The quality of human resources (HR) is a key factor determining the success of construction companies in achieving their vision and mission. Competent and professional workers can enhance project implementation efficiency, strengthen teamwork, and ensure optimal achievement of quality, cost, and time targets. Therefore, human resource management plays a crucial role in maintaining the company's operational stability. If aspects such as performance, motivation, job satisfaction, and productivity are not adequately addressed, the company's sustainability will be at risk (Khaeruman, Mukhlis, Bahits, & Tabroni, 2023).

In facing the dynamics of modern business characterized by technological advancement, globalization, and increasing customer expectations, companies are required to adopt innovative and adaptive HR management strategies. In the construction industry, employee performance reflects the effectiveness of production processes and the workers' ability to complete projects efficiently. Generally, employee performance improves with work experience, which indicates mastery of technical skills and professional knowledge (Maddeppungeng, Abdullah, & T.F, 2017). The higher the level of employee competence, the greater their contribution to company performance.

Although the construction sector employs a relatively large workforce, HR management within it often remains suboptimal. Therefore, it is important to identify HR management issues in sustainable development projects and formulate improvement strategies to enhance company performance. Previous studies have emphasized that HR management plays an important role in supporting organizational performance through training, performance appraisal, and work motivation (Khaeruman et al., 2023; Supriyadi et al., 2020). However, most of these studies remain general and have not highlighted specific recruitment approaches within the construction sector.

This study offers a new contribution (novelty) by exploring a two-stage recruitment model, consisting of an initial interview conducted by HRD and a follow-up interview conducted by a technical supervisor. This approach has

proven more effective in selecting workers suited to field project requirements. The model is expected to serve as a more selective, adaptive, and applicable recruitment strategy for other construction companies facing high project risks, while also strengthening the role of HR management in supporting project success and corporate sustainability.

## **B. THEORETICAL REVIEW**

### **Human Resource Management (HRM)**

Human Resource Management (HRM) is a strategic process that focuses on managing individuals within an organization, beginning from recruitment to retirement. HRM is not merely an administrative function but a comprehensive approach aimed at optimizing the potential of the workforce to align with organizational goals. Over time, the term “personnel management” has evolved into “human resource management,” reflecting a paradigm shift in organizations that now regard employees as their most valuable assets rather than merely labor (Onsardi & Fintahiasari, 2016; Marnis & Priyono, 2008). HRM encompasses various activities such as workforce planning, competency development, performance evaluation, and the provision of compensation and rewards.

In the context of organizational policy, HRM is viewed as a means to optimize organizational effectiveness through synergy between corporate objectives and employee welfare. Guest (1987) explained that human resource management consists of a set of policies designed to maximize organizational integration, employee commitment, flexibility, and work quality. This means that HRM effectiveness can be measured by how well an organization aligns its work units, fosters loyalty, adapts to change, and achieves optimal quality outcomes. Therefore, HRM possesses a strategic dimension that focuses not only on efficiency but also on strengthening organizational culture and enhancing long-term competitiveness.

### **Roles and Objectives of Human Resource Management**

The role of HRM has undergone a significant transformation from a purely administrative function to a strategic partner of the organization. According to Rahardjo (2022), the modern HRM function encompasses various roles, including serving as the conscience of the company, employee counselor, conflict mediator, organizational spokesperson, problem solver, and change agent. Through these roles, HRM actively contributes to creating harmonious industrial relations, upholding ethical values, and promoting organizational adaptation to changes in the business environment. This approach highlights that human resource management not only supports business processes but also shapes the company's resilient character and culture.

The main objective of HRM, according to Husaini and Utama (2021) in Tambunan and Pandiangan (2024), is to ensure that the organization has competent, motivated, and committed personnel dedicated to achieving the company's vision. This function includes formulating HR policies, developing internal communication, resolving labor relations crises, and supporting the organization's overall strategic goals. Thus, HRM acts as a bridge between individual and corporate interests and serves as a catalyst for enhancing productivity, innovation, and organizational competitiveness.

### **Dimensions and Variables of Human Resource Management**

Effective HR management cannot be equated with the traditional administrative personnel function. HRM comprises several measurable dimensions, including:

1. Recruitment and selection, referring to the process of planning workforce needs according to required qualifications;
2. Training and development, which aims to improve technical competence and work behavior;
3. Employee placement, involving the alignment between individual capabilities and job requirements;
4. Performance appraisal and promotion, which evaluate work achievements and reward performance; and
5. Rewards and sanctions, referring to the fair provision of compensation and work discipline to regulate organizational behavior.

These five dimensions are interrelated, forming a comprehensive and sustainable HR management system. David Guest's (1987) Strategic Human Resource Management Theory serves as the conceptual foundation for understanding these dimensions. The theory emphasizes that HR policies should be designed to maximize organizational integration, employee commitment, work flexibility, and quality of output. In the context of PT. Asuka Engineering Indonesia, the implementation of a two-stage recruitment model administrative selection by HRD and technical interviews by supervisors reflects the practical application of this theory. This approach demonstrates how HR policies based on integration and work quality can improve the alignment of the workforce with project needs and enhance overall company productivity.

### **Corporate Performance**

Corporate performance refers to the extent to which an organization achieves its predetermined objectives through the effective utilization of available resources. The Performance Measurement System (PMS) began to develop in the 1990s as an approach emphasizing the interconnection among performance indicators and the systemic role of data collection and processing (Zarkasyi,

2018). PMS is not merely a collection of indicators but a system that supports objective and sustainable managerial decision-making. Through this approach, companies can assess the effectiveness of their strategies, operational efficiency, and the contribution of each business unit to overall corporate goals.

Corporate performance is influenced by various factors, including social responsibility practices, internal management, and stakeholder relationships. According to Grimmer and Bingham (2013), socially irresponsible corporate behavior (Corporate Social Irresponsibility) may lead to internal sanctions such as decreased employee motivation and external sanctions in the form of reputational decline. Therefore, performance measurement should encompass financial, operational, marketing, human resource, and sustainability dimensions (Alamsyahbana et al., 2024). This comprehensive approach ensures that organizational performance is not assessed solely based on profits but also on efficiency, innovation, and the social value it creates.

Schematically, the conceptual framework can be illustrated as follows:

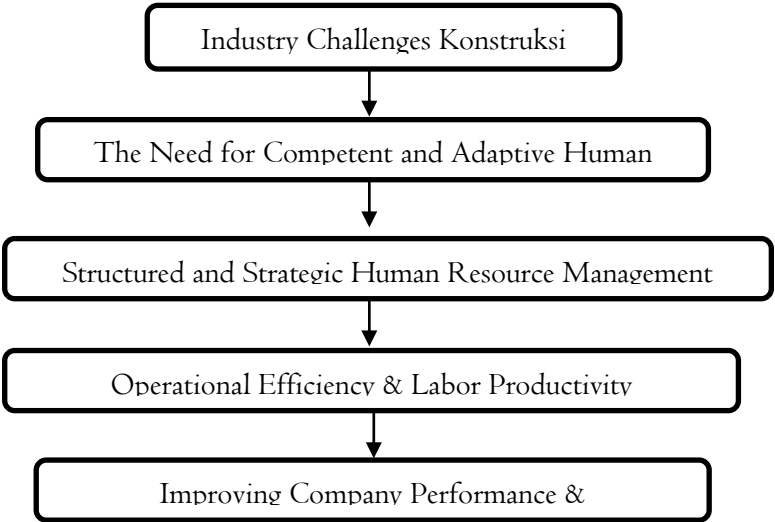


Figure I. Research framework

### C. RESEARCH METHODOLOGY

This study employs a qualitative method with a case study approach, aiming to explore in depth the human resource management (HRM) practices that enhance company performance within the specific context of PT. Asuka Engineering Indonesia. The case study approach was chosen because it allows for a holistic understanding of the phenomena under investigation in a real-life context particularly regarding how HR policies and strategies such as the two-stage recruitment process, project-based training, and performance evaluation systems are implemented and how they influence the productivity and efficiency of a construction company.

The informants in this study were determined through purposive sampling, selected based on their knowledge of and direct involvement in HR management processes at PT. Asuka Engineering Indonesia. The three main informants include:

1. The Head of the HRD Division, who understands HR managerial policies and practices;
2. A field project supervisor, involved in the technical selection process and employee training; and
3. A permanent employee who has undergone the recruitment process and has at least one year of service.

Data were collected through in-depth interviews, direct observation of managerial and operational activities at both the head office and project sites, and document analysis of internal archives such as HRD Standard Operating Procedures (SOPs), recruitment forms, and performance evaluation reports.

Data analysis was conducted thematically, following the stages of data reduction, data presentation, and inductive conclusion drawing. To ensure the validity of the findings, triangulation of sources and methods was applied by comparing data obtained from interviews, observations, and documentation.

## D. RESULTS AND DISCUSSION

The discussion focuses on two main aspects: first, the human resource management (HRM) strategy, and second, corporate performance at PT. Asuka Engineering Indonesia.

### **Human Resource Management at PT. Asuka Engineering Indonesia**

#### *HR Management Process and Implementation*

PT. Asuka Engineering Indonesia places human resource management (HRM) as a fundamental pillar in maintaining the company's sustainability and operational effectiveness. The HR management process begins with a transparent and technologically adaptive recruitment system. Recruitment is conducted through job vacancy postings on the company's official social media platforms, such as Instagram, and on job search sites like SEEK.

Each applicant is screened based on competencies, work experience, and skill relevance to project requirements. The interview process consists of two stages: an administrative interview conducted by the HRD team and a technical interview conducted by the project supervisor. This approach ensures that the selected candidates are not only academically qualified but also capable of handling dynamic field challenges. As stated by the HRD Head:

*“We don't just look for smart people we look for those who can handle pressure and adapt to changing project conditions.”*

After passing the selection process, prospective employees are invited to the head office for document submission and a salary agreement. This stage is followed by a work orientation session, covering project placement, work schedules, safety standards, and professional ethics. This process demonstrates the company's commitment to preparing employees mentally, administratively, and technically before being deployed to the project site.

### Facilities and Operational Support

PT. Asuka Engineering Indonesia also supports HR management through the provision of facilities that enhance employee productivity. Based on field observations, the company provides Wi-Fi access, HP laptops for the HRD team, and standard work uniforms for all field employees. These facilities facilitate interdepartmental coordination and improve administrative efficiency and project communication.

In an interview, one supervisor stated that the company has become more attentive to employee welfare and comfort:

“We want employees to feel supported. When the facilities are complete, they can focus better on their work.”

This approach aligns with the principles of human-centered management, where productivity is seen as the result of balancing technical needs and employee well-being.

### *HR Management Strategies and Their Impact*

To enhance the effectiveness of its HR system, the company implements a set of integrated strategies from recruitment, training, and evaluation to motivation and incentive systems. The following table summarizes the HR strategies applied and their impacts on company performance indicators:

**Table I.** Company Performance Indicators Based on HR Strategies

HR Strategy	Implementation	Impact on Performance Indicators
Two-Stage Recruitment	Administrative selection by HRD and technical selection by supervisor	Improves employee placement accuracy and project readiness
Project-Based Training	Technical and safety training (K3) based on project type and location	Reduces work accidents and increases work efficiency
Periodic Performance Evaluation	Quarterly monitoring by HR and supervisors	Enhances productivity and strategic adjustment
Strategic Placement	Aligning technical competence with individual endurance	Improves job satisfaction and project completion success

Incentive and Motivation System	Performance-based bonuses and regular feedback	Increases loyalty and reduces turnover rates
Supportive Facilities	Office Wi-Fi, work laptops, and uniforms	Enhances work comfort and administrative efficiency

**Source:** Processed by the researcher (2025)

### Corporate Performance and HR Strategy Contributions

HRM practices at PT. Asuka Engineering Indonesia demonstrate high effectiveness in driving organizational performance. The systematic and adaptive HR strategies have contributed to improved operational efficiency, workforce productivity, and client satisfaction.

#### *Operational Efficiency*

Effective HR management enables the company to complete projects on time despite external challenges such as extreme weather or logistical barriers. This aligns with Maddeppungeng et al. (2017), who emphasized that strong HR management can minimize operational risks in the construction sector.

#### *Enhanced Competence and Productivity*

Project-based training has proven to improve technical capabilities and employee independence. A supervisor noted:

*“Employees who undergo training quickly understand work systems and rarely make technical errors.”*

This finding supports Maddepunggeng et al. (2017), who concluded that experience and training enhance construction worker performance.

#### *Contribution to Overall Performance*

According to Supriyadi et al. (2020), effective HR management helps companies identify performance gaps and develop improvement strategies. At PT. Asuka, this is evident through regular evaluations and HR supervision integrated with project targets. Internal company data show positive results: on-time project completion increased from 84% in 2023 to 92% in 2024, while employee turnover dropped from 18% to 9%. Additionally, client satisfaction reached 87%, reflecting improved cross-divisional coordination and stronger internal communication.

#### *HR Strategy Evaluation and Innovation*

This success stems from continuous efforts to refine HR systems. For instance, to address mismatched expectations among new hires regarding project conditions, the company now presents project simulation videos before signing employment contracts. This initiative effectively reduces early-stage adaptation failures and enhances candidates' mental preparedness.



The company has implemented a performance-based incentive system to improve employee motivation and loyalty, including additional allowances, recognition awards, and priority assignments for strategic projects. One permanent employee expressed:

*"When our hard work is recognized, we feel proud and want to give our best."*

The implementation of HR strategies at PT. Asuka Engineering Indonesia has successfully built an adaptive, communicative, and productive work environment. The two-stage recruitment process, contextual training, regular evaluations, and incentive systems complement one another to create synergy between organizational goals and individual development. This approach serves as a best practice model for other construction companies aiming to enhance competitiveness through human resource optimization.

## E. CONCLUSION

The results of this study show that the human resource management (HRM) strategies implemented at PT. Asuka Engineering Indonesia have been effective in enhancing company performance. The application of a two-stage recruitment process involving both the HRD department and technical supervisors has proven successful in selecting workers who meet project requirements in terms of both competence and work discipline. This approach has made the selection process more objective and targeted, directly contributing to operational efficiency and the quality of construction outcomes.

The implementation of HRM strategies is also reflected in the project-based training programs and periodic performance evaluation systems. The training programs are designed to meet field-specific demands, such as work safety, time management, and heavy equipment operation. Transparent, achievement-based performance evaluations foster a productive work culture and motivate employees to continuously improve. Moreover, the implementation of a proportional incentive system serves as a tangible form of company appreciation toward employee contributions, thereby enhancing loyalty and team morale.

The findings of this study can be applied more broadly as a best practice model for HRM in the construction industry. Similar companies can adopt this approach by adapting it to their specific project contexts and needs. Furthermore, government bodies and industry associations may use this model as a reference in developing HRM guidelines for the construction sector to make it more adaptive and competitive. Thus, this research not only provides theoretical contributions to strengthening the concept of HRM within the industrial context but also offers practical guidance for improving competitiveness and ensuring the sustainability of construction companies in Indonesia.

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