

Strategy to Enhance Company's Excellent Performance Case Study: PT Sakalaguna Semesta

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Abstract- The purpose of this study is to determine the appropriate strategy should the firm to improve excellent performance of Sakalaguna Semesta as one of the distributors of Indosat. The analytical method used is quantitative method with AHP (Analytical Hierarchy Process). There are five recommended strategy alternatives that are created to enhance Sakalaguna's excellent performance which are investment in human capital, acquisition process, training and development process, employees' KPI with monitoring system and leadership quality in the branches.

Index Terms- excellent performance, analytical hierarchy process, investment in human capital.

I. INTRODUCTION

Rapid developments in terms of economy and technology that are happening today turn products of communication, such as phone credit (either the electronic one or the physical one), sim card and mobile phones (handset), into people's basic needs.

Based on the situation that is explained above, the need for either electronic or physical phone credit makes the phone credit business rise. In order to ensure that the phone credit network can be enjoyed by people, the operators entrust the distribution to phone credit distributors or, as we may know them, cellular telecommunication distributors. The function and the role of the cellular telecommunication distributors is to ensure that the

distribution of phone credit and the penetration of other products can be delivered and enjoyed by people.

According to Kotler (1991), distribution channel is a group of companies or individuals that have the ownership of products or help transfer the ownership of products or services when it is going to be transferred from the producer to the consumer. Sakalaguna Semesta is one of the cellular telecommunication distributors that distribute Indosat's products in Indonesia. In the competition among distributors (cluster administrator partners) of Indosat, Sakalaguna Semesta's performance revenue and reload in 2015 until the year to date of May 2016 is in the top five in a list of around thirty distributors (cluster administrator partners) of Indosat in Indonesia right now. Here is an illustration of the revenue sales performance of PT Sakalaguna in the last three years: in 2013 it successfully reaches Rp 855,8 billion, in 2014 it reaches 856,1 billion, in 2015 the revenue performance reaches Rp 949,12 billion. For the performance in 2017, PT Sakalaguna Semesta aims to reach a spot in the top three of the performance reload of distributors (cluster administrator partners) of Indosat in Indonesia, in order to reach the performance reload, high performance revenue sales as well as tight and strong quality of the product distribution are needed so that Indosat Sakalaguna's performance reload can keep growing consistently with the minimum growth of 25% every year. In Table 1, the performance reload of the distributor of Indosat is explained, where, until the year to date of May 2016, distributor Sakalaguna Semesta is in the top five national distributors of Indosat list.

Table 1 List of the top ten of the reload of Indosat distributors' ytd May 2016

| No | Name of the Indosat Distributor | Amount of Reload |
|----|---------------------------------|-----------------------|
| 1 | PT. N T P | ≥5 billion/day |
| 2 | PT. P N | ≥4 billion/day |
| 3 | PT. M M S | ≥3 billion/day |
| 4 | PT. T T S | ≥3 billion/day |
| 5 | PT. Sakalaguna Semesta | ≥2 billion/day |
| 6 | PT. M P S | ≥2 billion/day |
| 7 | PT. P M S | ≥2 billion/day |
| 8 | PT. D K P P | ≥2 billion/day |
| 9 | PT. E N | ≥1 billion/day |
| 10 | PT. G | ≥1 billion/day |

Source: A trustworthy person in a telecommunication operator in Indonesia

In order to reach the goal of being in the top three Indosat distributors, contributions from every party in the organization, from the leaders to the employees in the lowest levels, are needed. There are 430 human resources or employees of Sakalaguna Semesta at the end of 2015, where 360 of them are contract employees. There are 255 employees who are high school graduates and, on the average, they have the responsibility as the salesperson in the field (canvasser). The career path of a

salesperson or canvasser in Sakalaguna is quite good, which is proven by the fact that there are sales supervisors and Branch Heads who start their career from the low level.

Details regarding the development of the number of employees in Sakalaguna Semesta can be seen in Table 2, which explains in details the number of employees, the gender as well as the employees' educational backgrounds in the last 2 years.

Table 2 The number of employees in Sakalaguna Semesta in the last 2 years.

| No | Category | 2014 (December) | | | 2015 (December) | | | | |
|--------------------|-----------------|-------------------|----------------------|-------|-----------------|----------|-------|-----|-----|
| | | Permanent | Contract | Total | Permanent | Contract | Total | | |
| I | Employee Status | | | | | | | | |
| II | Gender | 1 Male | 53 | 231 | 284 | 48 | 297 | 345 | |
| | | 2 Women | 26 | 25 | 51 | 22 | 63 | 85 | |
| | Total | 79 | 256 | 335 | 70 | 360 | 430 | | |
| III | Education | | | | | | | | |
| | | Male | 1 JUNIOR HIGH SCHOOL | | 2 | 2 | | 3 | 3 |
| | | | 2 SENIOR HIGH SCHOOL | 19 | 190 | 209 | 16 | 255 | 271 |
| | | | 3 DIPLOMA | 6 | 6 | 12 | 6 | 8 | 14 |
| | | | 4 BACHELOR | 28 | 33 | 61 | 26 | 31 | 57 |
| | | | 5 OTHERS | | | - | | | - |
| | | Total Male | 53 | 231 | 284 | 48 | 297 | 345 | |
| | | Women | 1 JUNIOR HIGH SCHOOL | | | | | | |
| | | | 2 SENIOR HIGH SCHOOL | 11 | 17 | 28 | 9 | 45 | 54 |
| | | | 3 DIPLOMA | 2 | 1 | 3 | 2 | 2 | 4 |
| | | | 4 BACHELOR | 13 | 7 | 20 | 11 | 16 | 27 |
| 5 OTHERS | | | | - | | | - | | |
| Total Women | 26 | 25 | 51 | 22 | 63 | 85 | | | |
| Total | 79 | 256 | 335 | 70 | 360 | 430 | | | |

Source: HRD of Sakalaguna Semesta

According to Mayo (2000) as quoted by Endri (2010), measuring a company's performance from the financial perspective is very accurate but, actually, the one that boosts the value of the finance is the human capital with all the knowledge, ideas and innovation that they have. Besides that, human capital is the core of a company.

Human resource (HR) is one of the factors that are essential and cannot be abolished from any organization, whether it is an institution or a company. HR is also the key to determine the development of a company. Essentially, HR takes the form of a person who is employed by an organization as a booster in order to reach the goals of the organization. According to Schermerhon (2005), human capital can be described as the economic value of HR that is related to their abilities, knowledge, ideas, innovation, energy and commitment.

As a distributor (cluster administrator partners) of Indosat, positive performance from the company is highly expected. The company performance is reflected in the employees' performance productivity. The company needs to know the factors that can influence the employees' performance. According to Mangkunegara (2011), the factors that influence performance achievements are ability and motivation. There has

to be strong commitment from all the policy makers, in this case, it is the Sakalaguna Semesta organization, to give the best performance contribution, so that the trust that has been given by Indosat can be maximized in order to create business growth as well as the company's revenue sales. Sakalaguna Semesta's positive performance will become a point credit for the operator for more reliance that will be given in the future.

II. RESEARCH METHODOLOGY

The research was done in Sakalaguna Semesta, Jakarta. The location of the research is mostly in the central office of Sakalaguna Semesta in Senayan residence area in Jakarta, where the responsible people of the organization such as the Director of Sales & Marketing, Director of Finance and Support as well as the National Sales Manager support such as HRD Manager Work to run the company's organization.

In order to get more information regarding the company, the writers conducted a direct research in the central office of Emtak Group that supervises Sakalaguna in Menara Batavia Jakarta, where the President Director of Sakalaguna Semesta as the representative of Emtak Group works. The data collection was done by doing in-depth interviews with each policy maker as

well as the operational supervisors as mentioned, who are: President Director of Sakalaguna, Director of Sales and Marketing, Director of Finance and Support, National Sales Manager, HRD Manager as well as Experts or Professionals who are considered capable of giving suggestions in the research that is conducted by the writers. In order to complete the research, the writers created AHP questionnaire and gave it to nine experts

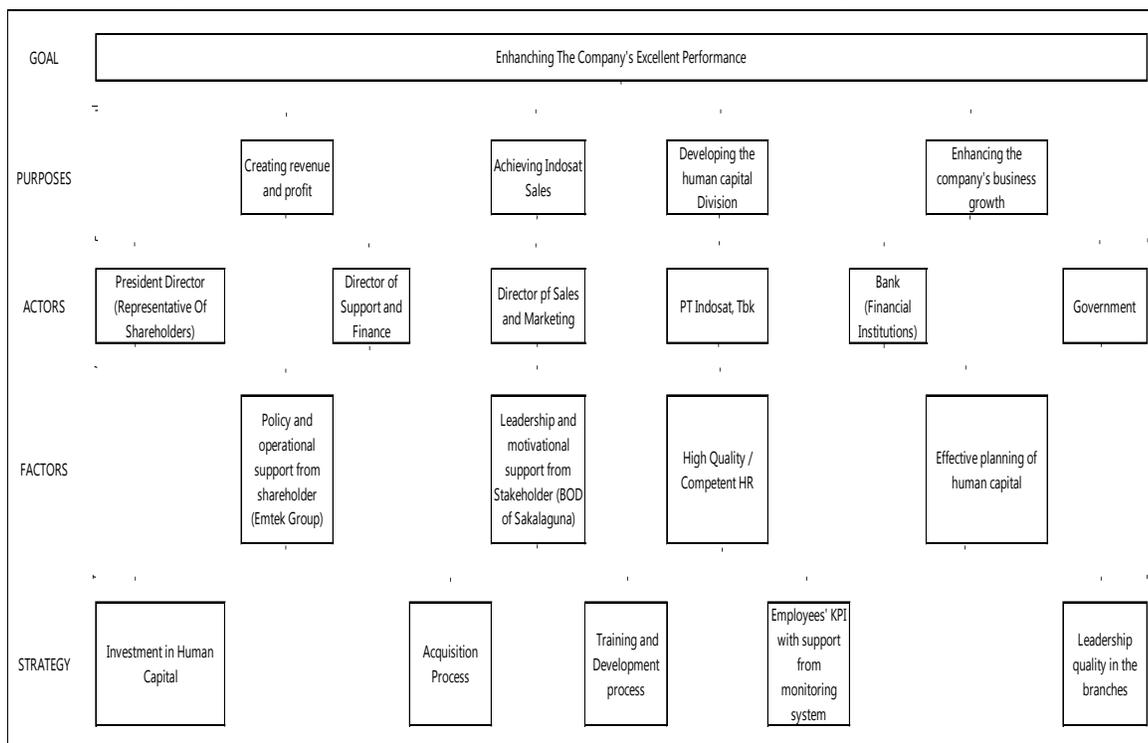
who are considered capable from both inside or outside Sakalaguna and professionals who are excellent in their fields who can help giving suggestions for the research. The complete information regarding experts' respondents can be seen in table 3 below.

Table 3 List of Experts

| Name | Title | Company |
|--------------|---------------------------------|----------------------|
| Mr Kintarwan | President Director | Sakalaguna Semesta |
| Mr Bondan | Director of Finance dan Support | Sakalaguna Semesta |
| Mr Utama | Director of Sales and Marketing | Sakalaguna Semesta |
| Mr Yunus | Director of HCM | Sierad Produce, Tbk |
| Ms Ripy | Chief HR Officer | Indosat Ooredoo, Tbk |
| Mr Thomas | Head Culture Transformation | Indosat Ooredoo, Tbk |
| Ms Henny | Sr Branch Manager | Bank Danamon, Tbk |
| Ms Ade | Section Head of PTSP | Pemda DKI Jakarta |
| Ms Dini | Section Head of PTSP | Pemda DKI Jakarta |

There are three principles in problem solving with explicit logical analysis, which are hierarchy arrangement, determination of priority and logical consistency (Marimin, 2010). Hierarchy arrangement is done by identifying knowledge or information that is being observed. The arrangement is started from complex problems that are deciphered into the basic elements, these basic elements will be deciphered again into other sections, and so on

hierarchically. The number of the sections is around five to nine. Besides indentifying important factors in the hierarchy structure that influences the results of a decision, we also need a way to decide whether those factors have the same influence to the results or whether some of them are very dominant while the other are not very influential so that they can be ignored. This is achieved through the determination of priority process. The data



analysis technique in the AHP method aims to choose an alternative strategy that is the best and the one that experts prefer most through survey that has been processed and concluded, (Udo 2000), (Tam 2001), (Tahriri 2008) in Dachyar (2013).

For the results of the AHP research method in terms of enhancing the excellent performance of Sakalaguna, the hierarchical structure can be seen in Figure 1 below.

Figure 1 Analytic hierarchy process of the research

Benefits of AHP

In general, the benefits of the use of the AHP method can be summarized as follows (Ma'arif and Tanjung, 2003):

- a. Unity: AHP gives one single model that is easy to understand and flexible for a variety of unstructured problems.
- b. Complexity: combine deductive design and design based on system in solving problems.
- c. Interdependence: AHP can handle interdependence of the elements in a system dan does not enforce the linear thinking.
- d. Hierarchy arrangement: reflects the natural tendency of the mind to segment the elements of a system in various different levels and group similar elements in every level.
- e. Measurement: gives a scale to measure an object in the form of a method in order to determine the priority.
- f. Consistency: AHP tracks the logical consistency of the considerations that are used to determine various priorities.
- g. Synthesis: AHP guides to an overall estimation regarding the good in each alternative.
- h. Bargain: AHP considers the relative priorities from various system factors and makes it possible for people to choose the best alternative based on their goals.
- i. Assessment and consensus: AHP does not enforce consensus, but synthesizes certain results that are representative from various different assessments.
- j. Process repetition: AHP makes it possible for people to make their definitions on a certain problem more subtle and revise their considerations and understanding through individuals.

III. DISCUSSION

Based on the interviews results and the results of the questionnaire filling with various experts regarding the strategy arrangement to enhance the excellent performance of Sakalaguna, it is found that there are several indicators that are classified into several levels, which are the goal level, the actor level, the factor level as well as the strategy level. On the goal level there are several indicators, such as creating revenue and profit, achieving Indosat sales, developing the human capital division, as well as increasing the company's business growth. On the actor level, based in the interview results, it is found that there are several actors that influence the strategy of the enhancement of the excellent performance of PT Sakalaguna such as the President Director as the representative of the Shareholders, the Director of Support and Finance, the Director of Sales and Marketing, PT Indosat, Tbk, Bank (financial institution) as well as the government.

There are several indicators on the factor level such as policy and operational support from Shareholders, leadership and motivational support from Stakeholders, high quality/capable human resources, as well as effective planning for human capital. There are several strategy alternatives that can be prioritized in enhancing the policy and operational support from Shareholders, leadership and motivational support from Stakeholders, high quality/capable human resources, as well as effective planning of human capital. The next stage is weighting on the priorities of each level by using the Analytical Hierarchy Process (AHP) method.

The results of the AHP analysis shows that on the level of the goal that is prioritized in the strategy to enhance the excellent performance of Sakalaguna company is achieving Indosat sales (the weight is 0,297). The goal that is the second priority is enhancing the company's business growth (the weight is 0,277). The goals that are the third and the fourth priorities are creating revenue and profit (the weight is 0,240) and developing the human capital division (the weight is 0,187). The results of the weighting and priorities on the goals level in the strategy of enhancing the excellent performance of Sakalaguna Company are delivered in Table 4 below.

Table 4 Weighting of the goals in the strategy of enhancing the excellent performance of Sakalaguna Company.

| NO | GOALS | WEIGHT | RANK |
|----|---|--------------|----------|
| 1 | Creating revenue and profit | 0.240 | 3 |
| 2 | Achieving Indosat sales | 0.297 | 1 |
| 3 | Develop the human capital division | 0.187 | 4 |
| 4 | Enhancing the company's business growth | 0.277 | 2 |

The results of the AHP analysis show that on the level of the actors that are prioritized in the strategy of enhancing the excellent performance of Sakalaguna company, the main actor that is prioritized is the President Director (the weight is 0,256), the actor that is the second priority is the Director of Sales and

Marketing (the weight is 0,255), the actor that is the third priority is the Director of Support and Finance (the weight is 0,182) and the actor that is the fourth priority if PT Indosat, Tbk (the weight is 0,152). The weighting result and the priorities on the actor

level in the strategy of enhancing the excellent performance of Sakalaguna Company are delivered in Table 5 below.

Table 5 The weighting of actors in the strategy of enhancing the excellent performance of Sakalaguna.

| NO | ACTOR | WEIGHT | RANK |
|----|--|--------------|----------|
| 1 | President Director (representative of shareholders) | 0.256 | 1 |
| 2 | Director of Support and Finance | 0.182 | 3 |
| 3 | Director of Sales and Marketing | 0.255 | 2 |
| 4 | PT Indosat, Tbk | 0.152 | 4 |
| 5 | Bank (Financial institution) | 0.083 | 5 |
| 6 | Government | 0.073 | 6 |

The results of the AHP analysis show that the weighting on the level of the factors that influence the strategy of enhancing the excellent performance of Sakalaguna company are, the main factor is leadership and motivational support from Stakeholders (the BOD of Sakalaguna) with the weight of 0,273, the factor that is the second priority is the policy and operational support from Stakeholders (Emtek Group) with the weight of 0,255, the factor that is the third factor is human resources with high

quality/competent (the weight is 0,243) as well as the factor that is the fourth priority which is the effective planning of human capital (the weight is 0,152). The results of the weighting and the priorities on the factor level in the strategy of enhancing the excellent performance of PT Sakalaguna are delivered in the following Table 6.

Table 6 The weighting of the factors in the strategy of enhancing the excellent performance of Sakalaguna.

| NO | FACTOR | WEIGHT | RANK |
|----|--|--------------|----------|
| 1 | Policy & operational support from Shareholders (Emtek Group) | 0.258 | 2 |
| 2 | Leadership & motivational support from Stakeholders (the BOD of Sakalaguna) | 0.273 | 1 |
| 3 | High quality/competent human resources | 0.245 | 3 |
| 4 | Effective planning of human capital | 0.225 | 4 |

The results of the AHP analysis show weighting on the strategy level that is prioritized to enhance the excellent performance of PT Sakalaguna which is strategy with main priority is investment in human capital with the weight of 0,260, the strategy that is the second priority is enhancement of the leadership quality in the branches with the weight of 0,255, the strategy that the third priority is training and development

process (the weight is 0,183) as well as the strategy that is the fourth priority is employees' KPI that is supported by monitoring system (the weight is 0,169). The results of weighting and priority on the strategy level in enhancing the excellent performance of PT Sakalaguna are delivered in the following Table 7.

Table 7 The weighting of strategy in enhancing the excellent performance of Sakalaguna.

| NO | ALTERNATIVE/STRATEGY | WEIGHT | RANK |
|----|---|--------------|----------|
| 1 | Investment in Human Capital | 0.260 | 1 |
| 2 | <i>Acquisition Process</i> | 0.151 | 5 |
| 3 | <i>Training and Development Process</i> | 0.183 | 3 |
| 4 | Employees' KPI supported by monitoring system | 0.169 | 4 |
| 5 | Leadership quality in the branches | 0.240 | 2 |

The complete summary of the results of the weighting analysis using the AHP method of the strategy to enhance the excellent performance of the Sakalaguna Semesta Company is as follows. The main goal of Sakalaguna in terms of enhancing the excellent performance of the company is to reach Indosat sales. It is essential for the company to reach the Indosat sales considering that the company organization is currently focusing on selling Indosat products as the main contribution for the business of Sakalaguna Semesta. The most dominant or influential actor in reaching the excellent performance is the President Director of Sakalaguna Semesta, even though from the percentage results the number only has slight difference compared to the percentage number of the actor Director of Sales and Marketing. Both have important roles in ensuring that the sales of Indosat products grow and increase rapidly.

The main factor that is very influential in terms of reaching the excellent performance of the company is the importance of leadership and motivational support from Stakeholder (the BOD

of Sakalaguna). The BOD's assertive, protective, wise and responsible leadership will really help the company to be ready in facing the challenge of business competitions that are getting tougher and tougher. The most recommended strategy in enhancing the excellent performance of the company is making investment in human capital, which means that the human investment places human resources or employees as valuable assets of the company that must be maintained and managed well and responsibly. The second recommendation is enhancing the leadership quality of the branch head. Strong leadership in the branches will help the company in controlling operational activities, ensuring profit and the company's business growth can be achieved.

To find out more, the weighting results can be seen in Figure 2 of the final AHP hierarchy of Sakalaguna Semesta.

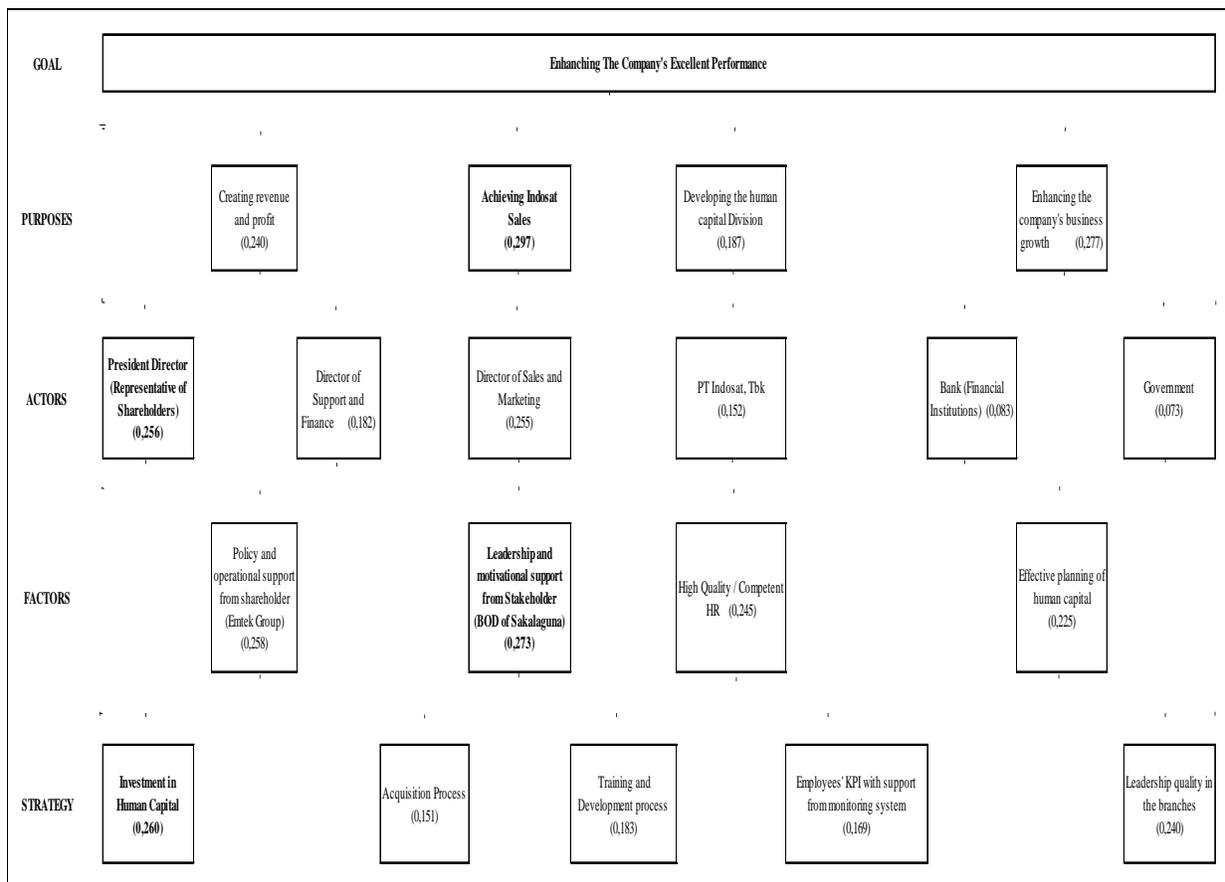


Figure 2 TheFinal AHP Hierarchy of Sakalaguna Semesta

IV. MANAGERIAL IMPLICATION

The company should make investment in human capital, which means placing Sakalaguna employees as assets of the company that are valuable which are maintained well and responsibly. Strong leadership and motivational support from Stakeholders of Sakalaguna are needed in order to ensure investment in human capital through the HCM division goes well. In order to plan the human capital precisely, the HCM division can have direct responsibility to the President Director of Sakalaguna as the highest leader of the Sakalaguna Company. The company must focus on achieving Indosat sales, after all Sakalaguna's current business is still dominated by the selling of Indosat's operator products.

V. CONCLUSIONS

The perfect strategy that has to be done by Sakalaguna Semesta in order to enhance the excellent performance of the company is making investment in human capital which is placing the employees of Sakalaguna as valuable assets of the company that are maintained well and responsibly in enhancing the excellent performance of the company.

VI. SUGGESTION

Strong commitment as well as active contributions from the highest policy makers of the company in making investment in human capital for the development of Sakalaguna's business is needed.

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