IMPLEMENTATION OF STRATEGIK MANAGEMENT, HUMAN RESOURCES FOR THE INCREASE PERFORMANCE IN STATE OWNED CORPORATION ENTERPRISES (SOEs) IN INDONESIA

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Abstract: This study aims to determine the dominant factors in implementation of strategic management for the increase performance in SOEs, Indonesia. The study was conducted in organization company with my country Indonesia, in state owned corporation (SOE’s) will make SOE more transparent reliability between clean SOE with land agencies SOE’s prosecutor of state owned. Definition SOE’s UU No.19. 2003 years SOE’s source of wealth the country for the prosperity Indonesia people. The description of SOE’s so far has not been in line with what is expected to still be a lot of politicization and birocracy managing’s, this can still be seen from the low level of profitability, not market-oriented, low quality, productivity, and results of performance need to be improved, to improve performance and productivity then there is a need for strategic management in order to improve the performance of towards a better direction. This is influenced by human resources, strategic management, and performance organizations.

Keywords: Strategic management, human resources, performance organization, SOE’s

Introduction

The Implementation of SOE’s (State Owen Corporation) based strategi management is a topic widely discussed by business practitioners and academic in Indonesia. An organization is defined as the container of a group of people who work together to achieve a purpose, so "people" is the key ingredient in an organization. Besides a group of people, it also has other input input such as information, production materials, energy, and capital. This is line with the government’s determinan to carry mental revolution in human resources in the industrial era 4.0 in the world of higher education, the mental revolution of human resources needs to be assessed, especially in relation to the implementation of strategic management in SOE’s. Therefore we need more information and understanding through research on several aspects below:

1. The still low implementation of strategic management based on the unity of Indonesia in the SOE’s (State Owen Corporation).
2. The low implementation of strategic in the human resources for the SOE’s (State Owen Corporation).
3. The still low implementation of strategic management in operational performance SOE’s (State Owen Corporation).
4. The low implementation of strategic management on the values increase profit in the SOE’s (State Owen Corporation).
5. The low implementation of strategic management can be prosperity Indonesia people
6. The low implementation of strategic generic in S0E’s Indonesia

Background of the Study

The research is motivated by the still low implementation strategic management, human resources, for the increase performance organization business S0E’s Indonesia of research especially in the implementation points below.

1. The still low implementation of the principle strategic management in setting the missions, vision, tactic, strategis, goals, and efforts in the S0E’s in Indonesia
2. The low Implementation of human resources in setting for the work diciplinly, work ethic, antusiasm, in the S0E’s in Indonesia.
3. The low implementation of performance organization are restrukturisasi, profitalisasi, privatisasi
4. The low implementation of strategic generic for the increasing performance S0E,s in Indonesia.

Statement of the Problem

1. How to implementation of human resources for the S0E,s (State Owen Corporation) in Indonesia
2. How to implementation of strategic management for the S0E,s (State Owen Corporation) in Indonesia
3. How to implementation of strategic generic in operational performance S0E,s (State Owen Corporation)
4. How to implementation of strategic management, and human resources in the S0E,s (State Owen Corporation).
5. How to implementation of human resources, strategic management, strategic generic, management on the performance S0E,s in Indonesia.
Condition State-Owned Corporation in pandemic covid-19 in Indonesia

▶ From the result of data from the Ministry of State-Owned Corporation in Indonesia, information was obtained that during the decade 2020 to 2020 the condition of the pandemic covid-19, was still threatening human life and its predicted that an early 2022 economic condition will increase and will continue until 2025 and experience a peak of glory in 2030.

▶ The condition of (state owned corporation) during covid-19 has decreased quite drastically this his made the government inject fresh funds into SOEs so that they can survive in the pandemic era, which means reducing state income and having an impact on the social life of the community which has also decreased due to the covid-19 pandemic.

The Priority Ministry State-Owned Corporation Indonesia

Economic and Social Value for Indonesia

1. Increase economic value and social impact, especially in the fields of food security, energy and health.
2. Business Model Innovation
   Restructuring the business model through ecosystem development, collaboration, developing stakeholder needs, and focusing on core business.
3. Technology Leadership
   Leading globally in strategic technology and institutionalizing digital capabilities such as data management, advanced management, big data, artificial intelligence, and others.
4. Increasing Investment
   Optimizing asset value and creating a healthy investment ecosystem.
5. Talent Development
   Educating and training the workforce, developing quality human resources for Indonesia, professionalizing governance and HR selection systems.
History of the Ministry of SOE,s Indonesia

Government Organizations that have Main Duties and Functions (Tupoksi) carry out guidance for State Companies / State-Owned Enterprises in the Republic of Indonesia since 1973. Initially, this organization was part of a work unit within the Ministry of Finance of the Republic of Indonesia. Furthermore, the organization has undergone several changes and developments.

1973
Echelon II Unit
From 1973 to 1993, the unit that handled the development of BUMN was at the Echelon II level unit. The organizational unit is called the Directorate of Persero and PKPN (State Company Financial Management). Subsequently, there was a change in name to the Directorate of Persero and SE (State Enterprises). Then this organization changed to become the Directorate of Development of SOE,s (State-Owned Enterprises) until 1993.

1993
Echelon I Unit
In the 1993 to 1998 period, the organization, which was originally only at the level of Directorate / Echelon II, was upgraded to the level of Directorate General / Echelon I, with the name of the Directorate General of State Enterprise Development (DJ-PBUN). In the period 1993-1998, there were 2 (two) Directors General of SOE,s Development, namely Mr. Martiono Hadianto and Mr. Bacelius Ruru.

1998
- Ministry of SOE,s In 1998, the government of the Republic of Indonesia changed the form of an SOE supervisory and management organization to the level of a Ministry, with the name of the State Ministry for SOE Empowerment / Head of the SOE,s Development Agency. From 2000 to 2001, the organizational structure of the Ministry was abolished and returned to echelon I level within the Ministry of Finance. However, in 2001, when there was a succession to the leadership of the Republic of Indonesia, the SOE development organization was restored to its function at the level of the Ministry until now.

Main Duties and Functions of the Ministry of SOE,s

Main Duties of the Ministry of SOE,s

The Ministry of SOE,s has the task of carrying out government affairs in the field of State-Owned Enterprises, hereinafter referred to in this Ministerial Regulation as SOE,s, to assist the President in carrying out state governance. The development of these state-owned enterprises includes fostering entities controlled by SOE,s, either directly or indirectly according to the provisions.

The function of the Ministry of SOE,s

In carrying out the tasks referred to in Article 2, the Ministry of SOE,s carries out functions:

1. Formulating and enacting policies in the field of strategic business initiatives, strengthening competitiveness and synergy, strengthening performance.
2. Creating sustainable growth, restructuring, developing business, and
increasing the capacity of SOE business infrastructure.

3. Coordination and synchronization of policy implementation in the field of strategic business initiative formulation, strengthening competitiveness and synergy, strengthening performance, creation.

4. Supervising the implementation of tasks within the Ministry of SOEs

II.

Organizational values of the Ministry of SOEs

In their daily behavior, every State Civil Apparatus of the Ministry of SOEs must be based on values, and the Code of Ethics and Code of Conduct. The values referred to include the basic values of the State Civil Apparatus, and the values of the Ministry of SOEs which are summarized in the AKHLAK.

AKHLAK

1. Trust
The Code of Ethics and Code of Conduct The Amanah Value consists of:
  a. carry out duties and responsibilities as ASN in the Ministry of SOEs in accordance with the applicable laws and regulations;
  b. responsible for the implementation of duties, decisions and actions taken;
  c. consistent in keeping promises and maintaining commitment / trust in carrying out tasks and actions;
  d. adhere to moral and ethical values in carrying out the duties and actions taken;
  e. speak and act honestly and properly in accordance with the facts and truths as applicable;
  f. convey opinions and ideas either orally, in writing, or through social media in a manner that is in accordance with statutory regulations, morals and ethics;
  g. uphold the oath of office of ASN in the Ministry of SOEs
  h. avoid conflicts of personal, group or group interests;

2. Competent
The Code of Ethics and Competent Value Code of Conduct consists of:
  a. complete assigned tasks of the highest quality;
  b. think creatively to solve problems by taking into account the prevailing laws and regulations, morals and ethics;
  c. discipline in utilizing working time to carry out productive activities;
  d. caring and committed to helping others learn;
  e. be a role model according to their expertise;
  f. increase skills and competency abilities to carry out the assigned tasks; and
  g. improve self-competence to respond to ever-changing challenges

3. Harmonious
The Code of Ethics and Code of Conduct for Harmonious Values consist of:
  a. respect and value everyone regardless of their background;
  b. creating a conducive work environment through cooperative and communicative
attitudes with fellow colleagues in carrying out tasks;
c. does not take actions that can lead to conflict that leads to the division of national unity and integrity;
d. mutual help likes to help and have a sense of care and empathy for colleagues and the surrounding community;
e. do not impose opinions and respect the differences in opinions and ideas of others;
f. willing to share solutions, information and / or data according to the authority to resolve work-related problems; and

g. behave and dress in accordance with applicable ethical standards and regulations.

4. Loyal
The Code of Ethics and Code of Conduct for Loyal Values consist of:

a. willing to sacrifice and loyal for the interests of the nation and state;
b. loyal and obedient to the institutions of the Ministry of SOE,s in accordance with the laws and regulations as well as applicable norms;
c. maintain the image, dignity and dignity of oneself, fellow colleagues, leaders, the Ministry of BUMN, the nation and the state; and
d. completing duties and responsibilities with integrity, commitment and dedication;

5. Adaptive
The Code of Ethics and the Adaptive Value Code of Conduct consist of:

a. constantly innovating in order to quickly adapt to changes in the work environment;
b. enthusiastic and proactive in adjusting themselves and looking for solutions to any changes and new things;
c. open to creativity / ideas / opinions that add value to the progress of the organization;
d. proactively looking for opportunities to make improvements following developments in technology, information and new knowledge;

6. Kolaboratif

The Code of Conduct and Collaborative Value Code of Conduct consists of:

a. cooperate and synergize with fellow colleagues, between work units, other ministries / agencies, BUMN, and / or the surrounding community;
b. shared use of various resources for the achievement of common goals;
c. open and willing to provide opportunities for colleagues and various parties to contribute in order to create and increase shared added value.

Management Strategic

What is Strategic Management?

Good strategic management is essential for long-term business success. It involves defining a business strategy with clear objectives, creating clear plans as to how these objectives will be achieved, aligning business activities to support the objectives, and allocating the resources needed to achieve the objectives.

Beyond improving business results, good strategic management also contributes to a
company's social license to operate - an increasingly important business aspect in today's ever-more informed multi-stakeholder environment. Consumers are now more aware and more interested not only in a company's products, but also in the way it conducts its business from an ethical and environmental point of view. These elements should be included at the heart of strategic management to help ensure the long-term survival of the business.

Skills for effective strategic management

To start with, strategic management requires highly developed analytical skills. Business leaders involved in strategy development need a wide, interconnected view of their company - including the business environment in which it operates, global trends, the competitive landscape, customer needs and stakeholder expectations. Strategic management can only be successful if it starts with a clear and honest understanding of the internal and external factors that will determine the company's success - today and in the future.

Strategic management also requires strategy skills to go from business analysis to business strategy - that is, identifying opportunities from the business analysis, choosing which ones to follow, and then developing a strategy that defines how the company will leverage the chosen opportunities.

Finally, strategic management requires strong leadership skills for implementing the business strategy. Business leaders need to engage with stakeholders both inside their organization and out, be aware of challenges to strategy implementation, and have the personal leadership skills to overcome these.

Human Capital

Human capital is the stock of habits, knowledge, social and personality attributes (including creativity) embodied in the ability to perform labour so as to produce economic value.\[1\]

Human capital is unique and differs from any other capital. It is needed for companies to achieve goals, develop and remain innovative. Companies can invest in human capital, for example, through education and training, enabling improved levels of quality and production.\[2\]

Human capital theory is closely associated with the study of human resources management, as found in the practice of business administration and macroeconomics.

The original idea of human capital can be traced back at least to Adam Smith in the 18th century. The modern theory was popularized by Gary Becker, an economist.
and Nobel Laureate from the University of Chicago, Jacob Mincer, and Theodore Schultz. As a result of his conceptualization and modeling work using Human Capital as a key factor, the 2018 Nobel Prize for Economics was jointly awarded to Paul Romer, who founded the modern innovation-driven approach to understanding economic growth.

In the recent literature, the new concept of task-specific human capital was coined in 2004 by Robert Gibbon, an economist at MIT, and Michael Waldman,[3] an economist at Cornell University. The concept emphasizes that in many cases, human capital is accumulated specific to the nature of the task (or, skills required for the task), and the human capital accumulated for the task are valuable to many firms requiring the transferable skills.[4] This concept can be applied to job-assignment, wage dynamics, tournament, promotion dynamics inside firms, etc.

### Strategic Generic

Porter's Generic Strategies - Task Management Information Systems. 3 generic strategies porter, is an idea put forward by Michael Porter which explains the 3 types of strategies commonly used by companies in achieving and maintaining their competitive advantage.

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**Skema Research**

- **Strategic management (X1)**
- **Human Capital (X2)**
- **Strategic Generic (X3)**

Performance SOE, Indonesia

Strategic management, Human capital, strategic generic (X1), (X2), (X3)
Hipothesis

1. H1 : It is suspected that strategic management has an effect on SOE,s performance.
2. H2 : it is suspected that human capital has an effect on SOE,s performance
3. H3 : it is suspected that strategic generic has an effect on SOE,s performance
4. H4 : it is suspected that strategic management, human capital, and strategic generic has and effect on SOE,s performance

Analisis skala likert

Tabel 1
Responden Strategic Management (X1)

<table>
<thead>
<tr>
<th>Skala Likert</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
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<th>Persentase</th>
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<tbody>
<tr>
<td>SS</td>
<td>50</td>
<td>34</td>
<td>46</td>
<td>50</td>
<td>37</td>
<td>33</td>
<td>33</td>
<td>42</td>
<td>421</td>
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</tr>
<tr>
<td>S</td>
<td>23</td>
<td>19</td>
<td>27</td>
<td>21</td>
<td>14</td>
<td>13</td>
<td>18</td>
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<td>RG</td>
<td>5</td>
<td>7</td>
<td>5</td>
<td>3</td>
<td>5</td>
<td>1</td>
<td>6</td>
<td>4</td>
<td>34</td>
<td>5.52%</td>
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<td>1</td>
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<td>2</td>
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<td>17</td>
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<td>0</td>
<td>0</td>
<td>0</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
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<td>77</td>
<td>77</td>
<td>77</td>
<td>77</td>
<td>77</td>
<td>77</td>
<td>77</td>
<td>616</td>
<td>100%</td>
</tr>
</tbody>
</table>

(Source: Primary data processed, 2020)

Based on table above, the respondents stated that the answers to Strongly Disagree (STS) had the smallest number, namely 0 points (0%), then Disagree (TS) amounted to 14 points (2.27%), Doubt (RG) totaled 34 points (5.52%), Agree (S) answers 147 points (23.86%), and Strongly Agree (SS) answers have the largest number of 421 points (68.34%). So it can be said that almost all respondents Strongly Agree if strategic management is needed in every company.

Tabel 2
Responden Human Capital (X2)

<table>
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<th>8</th>
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<th>Persentase</th>
</tr>
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<tbody>
<tr>
<td>SS</td>
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<td>45</td>
<td>46</td>
<td>43</td>
<td>42</td>
<td>43</td>
<td>44</td>
<td>49</td>
<td>396</td>
<td>64.77%</td>
</tr>
<tr>
<td>S</td>
<td>23</td>
<td>26</td>
<td>26</td>
<td>18</td>
<td>14</td>
<td>22</td>
<td>12</td>
<td>16</td>
<td>157</td>
<td>25.49%</td>
</tr>
<tr>
<td>RG</td>
<td>6</td>
<td>4</td>
<td>3</td>
<td>4</td>
<td>6</td>
<td>5</td>
<td>6</td>
<td>3</td>
<td>37</td>
<td>6.01%</td>
</tr>
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<td>4</td>
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<tr>
<td>TOTAL</td>
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<td>77</td>
<td>77</td>
<td>616</td>
<td>100%</td>
</tr>
</tbody>
</table>

(Source: Primary data processed, 2020)

Based on table above, the respondents stated that the answers to Strongly Disagree (STS) had the smallest number, namely 0 points (0%), then Disagree (TS) was 22 points (3.57%), Doubt (RG) totaled 65 points (10.55%), Agree (S) answers 173 points (28.08%), and Strongly Agree (SS) answers have the largest number, namely 356 points (57.79%). So it can be said that almost all respondents Strongly Agree if Human Capital is needed in every company.

Tabel 3
Responden Strategic Generic

<table>
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<th>Persentase</th>
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<td>54</td>
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<td>26</td>
<td>18</td>
<td>14</td>
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<td>12</td>
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<td>RG</td>
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<td>77</td>
<td>616</td>
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</table>
Discussion and Conclusion

From the above calculations, the following results can be obtained:

1. Effect of management strategic (X1) on S0Es, Performance (Y)

Based on the analysis that has been done, it is found that strategic management has an influence on S0Es, performance. This is evidenced by the value of tcourt 5.724 > ttable 1.992 with a sig value of 0.000 (sig 0.000 < α 0.05). So it can be concluded that strategic management (X1) has a positive influence on Performance of S0Es, Indonesia. Based on the coefficient of determination, the strategic management variable (X1) has an effect on S0Es, Performance (Y) by 29.5% and the remaining 70.5% is influenced by other factors.

2. The Effect of Human Capital (X2) on S0Es, Performance (Y)

Based on the analysis that has been done, it is found that integrity has a positive influence on employee performance. This is evidenced by the value of tcourt 5.842 > ttable 1.992 with a sig value of 0.000 (sig 0.000 < α 0.05). So it can be concluded that human capital (X2) has a positive influence on the S0Es, Performance of Based on the coefficient of determination, the variable human capital (X2) has an effect on S0Es, Performance (Y) by 30.4% and the remaining 69.6% is influenced by other factors.

3. The Effect of strategic generic (X3) on S0Es, Performance (Y)

Based on the analysis that has been done, it is found that strategic generic has a positive influence on S0Es,
Performance. This is evidenced by the tcount of 8.193 > t table 1.992 with a sig value of 0.000 (sig 0.000 <α 0.05). So it can be concluded that strategic management (X3) has a positive influence on the S0E's Performance. Based on the coefficient of determination, the strategic generic variable (X3) has an effect on S0E's performance (Y) by 46.5% and the remaining 53.5% is influenced by other factors.

4. Effect of strategic management (X1), human capital (X2), strategic generic (X3) on S0E's Performance (Y)

Based on the analysis that has been done, the results show that the strategic management (X1), human capital (X2), strategic generic (X3) of the increase have a simultaneous effect on S0Es Performance. This is evidenced by the value of Fcount 286.972 > Ftable 2.73 with a sig value of 0.000 (sig 0.000 <α 0.05). So it can be concluded that the strategic management (X1), human capital (X2), strategic generic (X3) simultaneously have a positive influence on the S0Es Performance. Based on the coefficient of determination of the variable strategic management (X1), human capital (X2), strategic generic (X3) have an effect on S0Es Performance (Y) by 52% and the remaining 48% is influenced by other factors.

Conclusions

I. Companies should monitor strategic management, human capital and strategic generic that already exist and are running so that the regulations and vision and mission of the company are achieved, as well as make various breakthroughs or innovations related to performance company, strategic management and human capital so that existing employees can obey, implement and comply with all existing regulations and employees can understand quality work, integrity and teamwork as a cultural value / corporate culture and can implement it in every work process.

II. Companies need to provide continuous education and training both internally and externally (continuous improvement) for employees, so that existing employees can understand and find solutions if problems occur in a job.

III. The company needs to conduct a performance appraisal so that employees can find out about deficiencies and mistakes and correct them in order to achieve the company goals that have been set.

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