



ANALYSIS OF BUSINESS DEVELOPMENT STRATEGY OF PT MCS INTERNATIONAL: FORMULATION AND IMPLEMENTATION

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ABSTRACT

Despite strong competition in the maritime HR management sector, MCS has successfully maintained its leading position. However, future business development remains a key focus for MCS, given the significant market potential and projected shortage of ship crew by 2025. Competitors are also pursuing the maritime HR management market, posing a threat to MCS's leading position. This quantitative study aims to analyze the formulation and implementation of PT MCS International's business development strategy.

Keywords

Business Development Strategy, Human Resource Management, SWOT, Conceptual Model.

INTRODUCTION

Human resources (HR) are the most crucial asset for a company due to their role as the executors of company policies and operational activities. While resources like capital, methods, and machinery are important, they cannot achieve optimal results without the support of human resources with optimal performance. Hartatik (2014) notes that training and development are frequently conducted for both new recruits and existing employees to enhance their performance. To achieve satisfactory performance, professional capability is required, which cannot be attained through formal education alone. Therefore, employees' capabilities need to be empowered through training, education, and development. According to Marwansyah (2010), HR management involves utilizing human resources within an organization through functions such as HR planning, recruitment and selection, HR development, career planning and development, compensation and welfare, occupational health and safety, and industrial relations.

Optimal HR development is expected to improve company performance, making HR management activities crucial for a company's future. In modern business contexts, HR management can also be outsourced to other companies, covering aspects from planning and recruitment to development and performance evaluation. This is prevalent in various sectors, including the maritime sector. PT. MCS Internasional (MCS), established in July 2012, operates in the maritime HR management sector as a crewing agent. Previously, since 1986, the company was a division of PT. Humpuss Intermoda Transportasi Tbk, specializing in crew management services. MCS aims to be a reliable and internationally standard-compliant ship crew provider and maritime training center. It employs competent officials and evaluators to ensure safe and efficient operations of managed vessels in accordance with MLC 2006 standards and other relevant regulations.

MCS has become a market leader in Indonesia for companies holding the Ship Crew Recruitment and Development License (SIUPPAK), capturing a 3.6% market share in 2019 and increasing it to 10% in 2020. Despite strong competition in the maritime HR management sector, MCS has successfully maintained its leading position. However, future business development

remains a key focus for MCS, given the significant market potential and projected shortage of ship crew by 2025. Competitors are also pursuing the maritime HR management market, posing a threat to MCS's leading position.

LITERATURE REVIEW

A. Human Resource Management

Human Resources (HR) are vital to the functioning of any organization, as they are responsible for implementing and managing various policies and operational processes. HR professionals ensure that the human capital within the organization is effectively utilized to achieve the company's strategic goals. According to Bintoro and Daryanto (2017), Human Resource Management (HRM) is an essential discipline that focuses on efficiently and effectively managing the relationships and roles of employees to support the overall objectives of the company, its employees, and society at large. This management approach seeks to optimize employee performance and satisfaction, thereby contributing to the organization's success. Sofyandi (2013) further elaborates that HRM involves applying core management functions—planning, organizing, leading, and controlling—to all aspects of HR operations. This includes recruiting and selecting the right talent, training and developing employees, managing their placement and career progression, evaluating their performance, providing fair compensation, and handling industrial relations and termination processes. This comprehensive approach ensures that human resources are aligned with the organization's strategic goals and are effectively contributing to its success.

The scope of Human Resource Management encompasses a range of systematic and structured processes designed to manage all aspects of the HR function within an organization. Effective HR management is crucial for aligning human resources with organizational goals, ensuring that all HR activities support the company's strategic objectives. According to Bintoro and Daryanto (2017), HR management functions are categorized into several key areas: Planning involves the creation of HR programs and strategies that align with the company's goals and objectives; Organizing includes designing organizational structures and defining roles and responsibilities to ensure efficient task execution; Directing focuses on motivating and guiding employees to achieve high levels of performance and job satisfaction; and Controlling encompasses monitoring and evaluating HR activities to ensure that objectives are met and adjustments are made as needed. These functions are interconnected and essential for maintaining an effective HR system that supports organizational success and employee well-being.

Human Resource Management aims to achieve several critical objectives that are fundamental to the success of any organization. According to Hasibuan, S.P (2014), these objectives include determining the optimal quality and quantity of employees needed for various positions, ensuring that there is a steady supply of labor both now and in the future, and avoiding issues such as mismanagement or overlapping responsibilities. HRM also aims to enhance coordination and synchronization within the organization to improve overall productivity. Additionally, it seeks to prevent issues related to employee shortages or surpluses by maintaining appropriate staffing levels. Furthermore, HRM provides a framework for managing the recruitment, selection, development, compensation, integration, maintenance, discipline, and termination of employees, ensuring that these processes are conducted in a fair and efficient manner. This comprehensive approach helps organizations achieve their strategic goals while fostering a productive and positive work environment.

B. Strategy

A business strategy is fundamentally about setting long-term objectives and determining the optimal way to allocate resources to achieve these goals. According to Ramadhan and Fivi (2013), strategy is a comprehensive plan involving critical decisions on how to effectively deploy resources and execute a series of actions necessary to achieve desired outcomes. This involves not only identifying and leveraging competitive, comparative, and synergistic advantages but also aligning these strategies with the company's long-term vision. The strategic planning process should account for market trends, organizational strengths and weaknesses, and external opportunities and threats. This holistic approach ensures that all aspects of the business are aligned towards achieving sustainable success and long-term growth.

Strategy has a role in setting long-term goals and utilizing resources to meet these goals. Understanding strategy requires a grasp of several related concepts. "Distinctive Competence" refers to the unique strengths of a company that are difficult for competitors to replicate, giving it an edge in its operations and market positioning. "Competitive Advantage" involves developing specific activities and strategies that allow a company to outperform its competitors. This could be through innovative processes, superior technology, or effective management practices. Together, these concepts help in formulating strategies that are not only effective in achieving business goals but also resilient against competitive pressures.

Porter outlines three primary strategies that companies can use to gain a competitive advantage. The "Cost Leadership" strategy involves becoming the lowest-cost producer in the industry, allowing the company to offer lower prices to customers while maintaining profitability. "Differentiation" focuses on offering unique products or services that provide added value to customers, such as superior quality, performance, or innovative features. Finally, the "Focus" strategy targets a specific market segment or niche, allowing the company to tailor its offerings to meet the unique needs of that segment better than competitors. Each of these strategies provides a distinct path to achieving competitive advantage and ensuring market leadership, though they require careful implementation and ongoing evaluation to remain effective in a dynamic market environment.

C. Ship's Crew

A ship's crew consists of individuals employed on a vessel and are considered essential workers who possess specific rights under maritime law. According to Law Number 17 of 2008 on Shipping and Government Regulation Number 51 of 2007 on Shipping, ship crew members are those employed or hired by the ship's owner or operator to perform duties aboard the vessel, as outlined in their certificate book. The certificate book contains a list of crew members, their positions, and their embarkation and disembarkation dates, and is authorized by the Harbor Master (Syahbandar). This legal framework ensures that crew members' roles and responsibilities are clearly defined and regulated.

The organizational structure aboard a ship is divided into various departments. The Deck Department includes key positions such as the Captain or Master, Chief Officer, Second Officer, Third Officer, and Radio Officer. The Engine Department comprises the Chief Engineer and other engineers, including the First, Second, and Third Engineers. Ratings or subordinate roles are categorized into deck and engine departments, with deck ratings including the Boatswain, Able Bodied Seaman, and Ordinary Seaman, while engine ratings include positions like the Oiler and Fitter. The catering department features roles such as Cook and Mess Boy. This structure outlines the hierarchy and roles required for effective ship operation and management.

In practice, the actual structure of a ship's crew may differ from the standard roles outlined above. Adjustments may be made based on the shipping company's policies to improve cost efficiency. Sometimes, positions are eliminated or combined to reduce expenses, which can lead to increased workload and overtime for remaining crew members due to staffing shortages. Consequently, it is important to understand that while the roles and hierarchy are defined, practical implementation may vary based on company decisions and operational needs. This flexibility ensures that ships can operate efficiently while adapting to various logistical and financial constraints.

D. Previous Research Related to Business Development Strategies

Sally and Indriyani (2015) conducted a study titled "Analisa Pengembangan Usaha Pada UD. Budi Veneer (Studi Kasus Pada Aspek Pemasaran)" focusing on the business development strategy of UD. Budi Veneer. Their research revealed that UD. Budi Veneer had various strengths, weaknesses, opportunities, and threats interconnected with each other. They used the SWOT matrix to propose a marketing development strategy, suggesting market expansion through product introduction in West Java. This recommendation was based on data from BPS showing an increase in the furniture industry in the region, presenting a growth opportunity (Sally & Indriyani, 2015).

Veronica (2017) examined the "Analisa Strategi Pengembangan Usaha Jasa Angkutan Laut Pada PT. Sari Ampenan Di Surabaya." The study identified several strategic alternatives for PT. Sari Ampenan, including: 1) Market penetration strategy focusing on marketing, 2) Market development to expand distribution networks into new markets, 3) Product development by exploring new types of maritime transport services, 4) Horizontal integration by diversifying into other business areas, and 5) Forward integration to enhance distribution efficiency and competitive pricing (Veronica, 2017).

Khonama (2015) analyzed the "Strategi Pengembangan Usaha Jasa Angkutan Laut Pada PT. Samudra Bahari Utama Di Surabaya," recommending that PT. Samudra Bahari Utama adopt a more effective business strategy. The suggested strategy focused on market development to open new service routes aligned with the company's vision, aiming to better position the company within the maritime transport industry (Khonama, 2015).

Saraswati et al. (2018) conducted research titled "Perencanaan Strategi Pengembangan Usaha Pada PT. Dok dan Perkapalan Surabaya," which utilized external (4C Diamond Analysis) and internal (Business Model Canvas) analyses to identify factors influencing the company's development. External factors included a weak exchange rate and capital sector issues, while internal factors highlighted poor project management and outdated production equipment. The company was in a "grow and build" phase, with a horizontal integration strategy recommended for its development (Saraswati et al., 2018).

Rohman and Hidayati (2021) studied "Rancangan Strategi Bisnis PT. Pel Berlian Pulau Mandangin Tahun 2021 – 2023," identifying strategic issues in the maritime industry. Opportunities included the development of sea toll roads and increased demand for maritime transport services, while threats included fluctuating oil prices and rising coal prices. The study noted that operational cost increases were minimal due to relatively stable inflation rates in Indonesia from 2020 to 2021 (Rohman & Hidayati, 2021).

METHODOLOGY

The type of research used for this study is a descriptive qualitative case study. The data used in this research is primary data sourced from informants selected purposively based on their knowledge of the issues being studied and from documentation such as written materials, interview transcripts, recordings, and photographs related to the subjects. The population is the entire set of subjects for the study, which in this case includes all employees of PT MCS International. The sample is a subset of the population being studied, and in this research, sampling is conducted using purposive sampling, where the researcher selects data sources based on the focus aspects and situations relevant to the study's objectives, considering limitations in time, resources, and cost. The criteria used for selection are (1) having more than 2 years of experience as an employee of PT MCS International, and (2) possessing knowledge and understanding of PT MCS International's business conditions and the crewing agent industry. This research employs several data

collection techniques, including observation, interviews, and documentation. The analytical method used in this research is SWOT analysis (Strengths-Weaknesses-Opportunities-Threats). SWOT analysis involves examining the micro environment to identify the company's strengths and weaknesses, and the macro environment to identify opportunities and threats to the company.

CONCLUSION

This research includes a background section, literature review, hypothesis, and research methodology for analyzing business development strategies. The application of this paper is beneficial for determining the SWOT analysis of business development strategies and human resource management.

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