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Science, Engineering and Social Science Series
ISSN/e-ISSN: 2541 – 0369/2613 – 988X
Vol. 4, No. 3, 2020, Printed in the Indonesia

Human Capital Strategy Implementation for Start-up Business Over Islamic Boarding Schools (*Pesantren*) Noor Halal Minimarket

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The rapid growth of the retail industry affects the mindset of the people so that people change their consumption style by choosing to shop at minimarkets, supermarkets, or hypermarkets due to more comfortable compared by traditional stores. The growth index value of minimarkets in Indonesia is based on data released by APRINDO (Indonesian Retail Employers Association) in January 2019 is increased 15%. Thus, the magnitude of potential retail business opportunities over Noor Halal Minimarket was established and focuses on Islamic Boarding Schools (*Pesantren*) area which is have a new business model and cannot explored by the national minimarket network. Based on the calculation's analysis and business strategy analysis, Noor Halal Minimarket has a profitable business opportunity. Noor Halal Minimarket develops business starting in 2020 by opening 10 minimarkets in the period of 1 to 2 years, increasing to a total of 22 minimarkets in the period 3 to 4 years and increasing to a total of 36 minimarkets in the 5th year period all of which are located in Bogor Regency, West Java, considering that Bogor Regency has the highest number of *pesantren* and students in Indonesia. Noor Halal Minimarket uses the concept of competency-based human capital management to achieve company goals so as to provide optimal service to customers. The key to the company's success refers to human capital management in developing business is supported by competent employees who have high work motivation to provide excellent service to customers.

Keywords: Minimarket, Noor Halal, *Pesantren*, Human Capital

1. INTRODUCTION

Traditional stores today are mostly in a weak position [1]. This is due to the rapid growth of the retail industry affecting the mindset of the people so that the people change their consumption style by preferring to stores at minimarkets, supermarkets, or hypermarkets that provide a more comfortable atmosphere. The growth of modern retail can also influence consumer behavior in buying goods with relatively cheaper price preferences [2]. The culture of shopping, indeed, is one of the characteristics of the developing, not least in Indonesia. This was proven by several sales figures released by APRINDO (Indonesian Retail Employers Association). In 2016 sales figures that occurred were actually quite large around at Rp.205 trillion. To increase welfare level in modern retail sales Indonesia people has begun from 2017 (Rp212 trillion), 2018 (Rp.233 trillion) and in 2019 (Rp.256 trillion). Currently the most developed retail industry of minimarkets compared by supermarkets and -

hypermarkets due to market driven by three main considerations from consumers, including good product diversity, competitive prices, and easy access from residential areas. Many researchers have a survey according the third quarter of 2018 minimarket sales rose by 7.4% while supermarkets dropped by 5.2% [3, 4]. Minimarket growth in Indonesia is above 15% based on data released by APRINDO in January 2019 [4, 5]. Other data showing retail growth in Indonesia in January 2020, Indonesia rose three ranks to the top five positions among 200 developing countries in the 2019 Global Retail Development Index [5, 6]. Looking at the large business potential of minimarkets from the data presented above and also see that the Islamic concept minimarket is not yet entered into Islamic Education Institutions, this is a business opportunity where it is a niche market that has not been touched by big players in the national minimarket network. Thus, in this study we intend to establish and develop a halal minimarket with a focus on Islamic educational institutions.

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2. METHODOLOGY

Noor Halal Minimarket started its business in the area of Bogor Regency, West Java Province where the number of Islamic Boarding Schools (*Pesantren*) and the number of students was highest in Indonesia [7]. Penetration for the West Java region, especially Bogor Regency is 23% of the potential population of the number of students in West Java of 71,750 people [8, 9]. Analysis of the business environment is important to do by a business that will be built. Important strategy formulation techniques can be integrated into the three stages of a decision-making framework, namely:

A. Stage 1, the input stage, summarizes the basic input information needed to formulate a strategy.

a) EFE Matrix

Analysis of external factors includes PEST analysis and Competitive Forces [10, 11]. Here, PEST analysis was used to evaluate the impact of political, economic, social and technological factors on a business in the short, medium and long term. Competitive Forces Analysis by analyzing Porter's 5 Forces to determine the level of business competition in it. External factors to determine and determine Opportunity (O) and Threat (T). Based on the analysis and calculation the EFE value is 2,675 which is above average, this means that Noor Halal has taken advantage of the opportunity and reduced the threat in running its business [12, 13]. The value of the Competitive Porter's 5 Forces obtained a value of 1.62, with the distribution of rivalry values among existing firms (1,4), bargaining power of suppliers (1.7), bargaining power of buyers (1), threats of substitute products (1, 7) and threats of new entrants (2,3), it can be concluded that the competitive power in the *pesantren* retail business is low and this means that business opportunities are still very open.

b) IFE Matrix

Internal factor analysis includes the analysis of resources and capabilities. Internal factors for knowing and establishing Strength (S) and Weakness (W) [14,15]. Based on the analysis and calculation of resources and capabilities, the categories of Key Strength and Key Weaknesses are determined, based on the results of the weighting of the IFE matrix, the value is 3.075, meaning that it is internally above average but there are still some weaknesses that must be addressed [16]. Based on the results of strength analysis, it can be established that competitive advantages are to have a good and maintained relationship and are very broad with the community of Islamic educational institutions so this is what makes Noor Halal Minimarket able to enter and monopolize the minimarket business within the *pesantren* and Islamic educational institutions.

c) CPM Matrix

This matrix helps compare Noor Halal Minimarket with what competitors are its advantages [16, 17]. The Halal Minimarket Noor value based on weighting value 3 is still superior when compared to its two main competitors 212 Mart 2.2 and KITA Mart 2, therefore, minimarkets that have operated in *pesantren* are not used as competitors.

B. Stage 2, the matching phase, focuses on generating viable alternative strategies by aligning key external and internal factors. Here, in phase 2 the techniques use the Internal-External Matrix (IE) and the SWOT Matrix [17, 18, 19].

a) IE Matrix

IFE 3.075 matrix and the results of the EFE 2.675 matrix show that the internal or external position of the Noor Halal Minimarket is above average, which is in cell IV, Grow and Build [20]. This is a situation where the company can be managed in the best way by using market penetration, market development and product development strategies (see Figure 1).

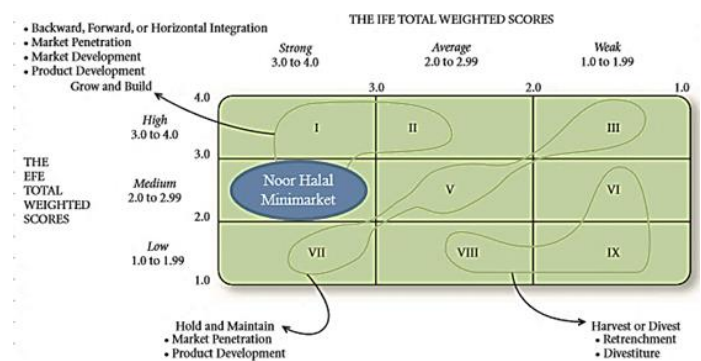


Figure 1. IE Matrix

b) SWOT Matrix

The results of the SWOT matrix show Noor Halal Minimarket has advantages that can provide opportunities to be able to develop even better, namely selected in the category of SO (Strength Opportunity) [21, 22]. Here, SO have 3 selected strategies in determining the most important strategic decisions as follows:

- i. Having access to Islamic education associations making it easy for market penetration,
- ii. Making price strata to implement products that are relatively affordable,
- iii. Having a vending machine that makes Noor Halal Minimarket more modern.

C. Stage 3, decision stage uses the Quantitative Strategic Planning Matrix (QSPM) which reveals the relative appeal of alternative strategies and thus provides an objective basis for choosing a particular strategy [25].

a) QSPM Matrix

The QSPM matrix is used to analyze which business strategy based on 3 alternative strategies in stage 2. Here, the calculation results, Internal factors of the value of the vending machine (0.88), price strata (1.30) and access to educational associations Islam (1.58) while external factors value from vending machines (1.05), price strata (1.10) and access to Islamic education associations (1.95). It is seen that for the strengths and weaknesses as well as opportunities and threats, the maximum and the main strategy for Noor Halal Minimarket in carrying out its business activities is to build access to Islamic education associations. Noor Halal Minimarket define concepts, customers, infrastructure and finance so that the team can work effectively to achieve the goal by creating a Business Model Canvas [23]. An organization must be able to foster enthusiasm when working. If employees are full of enthusiasm or have optimal work awareness, organizational goals will be more easily achieved. At the present a human resource is not only seen as a resource in the company, but as capital where this is an important component for running and moving the organization. An effective organization consists of productive individuals as assets whose abilities are continuously built. Here, Human Capital Management manages and develops human ability to achieve significantly higher levels of performance. Thus, organizational performance depends on individual performance or in other words individual performance will contribute to organizational performance. Behavior of organizational members both individually and in groups provides power over organizational performance because motivation will affect organizational performance [24]. The role and contribution of employees to achieve a successful company is measured through its performance [25]. Noor Halal Minimarket in order to improve and maintain the performance of its employees therefore applies the concept of competency-based human capital in the management of its human resources (see Figure 2).

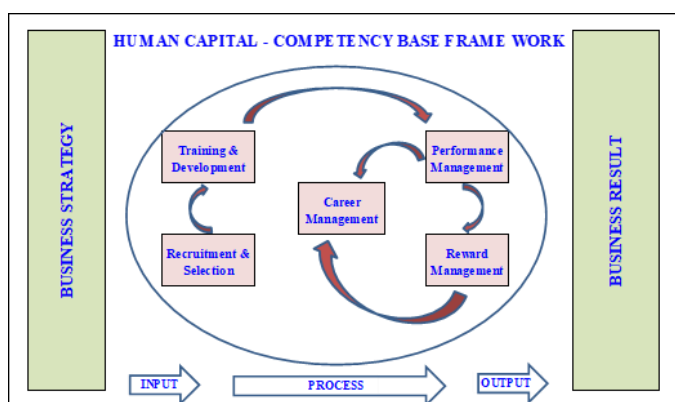


Figure 2. Human Capital Frame Work

3. RESULT AND DISCUSSION

Specifically, this article will only discuss the planning, implementation, and evaluation human capital program with using competency concept at Noor Halal Minimarket.

A. Human Capital Objectives and Targets

The objective of human capital planning at Noor Halal minimarket is to support the company's operations by increasing employee productivity to contribute optimally by providing the best service for customers. Human capital targets are to compose an organizational structure that is in line with the company's vision, prepare and provide employees who are highly motivated to work based on good attitude and character and wish to continue to improve their performance, provide planned and continuous training including hard skills and soft skills, conduct performance evaluation as a form of review and appreciation for the achievement of performance, and also important is to create a comfortable environment and working place. Planning human resource development is a good strategy needed to survive in the era of globalization. The development strategy set by Noor Halal Minimarket consists of seven phases. The first phase is training, aiming to improve individual performance through teaching new skills, additional knowledge, and attitudes. The second phase is education, this is related to the formal career advancement of employees. The third phase is supervision, this is done by organizing and supervising employees through a planning and evaluation program. The fourth phase is recruitment, where employees are employed based on classification according to company needs. The fifth phase is to change the system, to adjust the organization's systems and procedures as a solution to anticipate threats and opportunities from the external environment. The sixth phase is to provide opportunities, the company is open for employees to share ideas, employees will be more motivated to contribute to their business. The seventh phase is rewards and punishment, the company gives rewards to employees with the best performance and provides penalties to those who violate the company's code of ethics.

B. Company Culture

Culture determines the organizational structure, strategies, policies, work programs, determining the budget and for the implementation, evaluation, control, feedback for improving the vision, mission and strategy of the company. The organizational culture influences employee performance due to Noor Halal minimarket in terms of building a culture of dividing it into 3 levels, namely artifacts, values and assumptions. Artifacts are the most visible dimension of organizational culture which includes the physical environment and organizational environment such as logos, shop design, language and symbols.

The value of the organization at Noor Halal minimarket is stated in JUNINOSA which is the acronym of the organization to build a business that focuses on providing the best service for customers. Here, JUNINOSA means Honest (think, behave, act trustfully, transparently, with integrity); service (providing excellent service by understanding the needs of consumers, done wholeheartedly, proactively, professionally and on time to meet customer satisfaction); Innovative (a culture of curiosity, encouraging and evaluating all new ideas related to product innovation, process, organization, or business model innovation so that the company is always ready to face future market changes); team work (can be interpreted as the spirit of unity, heart, mind and responsibility in carrying out organizational activities).

C. Organization Structure

Organization as the structure of the division of labor and the structure of work relations between groups of people holding positions that work in a certain way to jointly achieve certain goals. Thus, Noor Halal minimarket in the short and medium term uses a line type while in the long term uses a functional type.

D. Recruitment and Selection

Planning the amount of human resources needed must be in accordance with the needs of the organization in the short term, medium term and long term by employing permanent and non-permanent employees so that the burden of employee costs is not too large because of the flexibility of the number of active employees. The calculation of employee needs in Noor Halal Minimarket is based on the calculation of workload analysis so that the number of employees in the short term with 10 stores and 18 employees while a medium term with 22 stores as many as 33 people and long term with 36 stores as many as 57 people. Back ground from the boarding school environment or alumni boarding school where the store is located inside school. The recruitment process through the stages of administrative selection, interviews, medical tests and psychological tests. Employees who pass the selection will receive offers containing work status, compensation and benefits. Every position in the organizational structure has prepared a description of the duties, responsibilities and authority.

E. Training and Development

Training is activities designed to give learners the knowledge and skills needed for their current work while development is learning that goes beyond current work and has a more long-term focus. Noor Halal Minimarket prepares and evaluates training and development evaluations per period of 1 calendar year which includes hard skills and soft skills.

F. Performance Management

Performance is influenced by several factors from employees, namely ability, motivation, support received, the existence of work done, and their relationship with the organization. Here, Employee performance indirectly affects the image of the organization to get the quality of human resources and the best performance of employees, of course there are many ways done by the organization. Providing the right motivation so employees can do as much as possible in carrying out the tasks and objectives requested, thereby increasing company performance. Noor Halal Minimarket in implementing performance management that is through evaluation and monitoring which is conducted regularly every 3 months and once a year by each direct supervisor and N + 1 which includes aspects of work behavior and competence.

G. Reward Management

In the form of compensation and benefits obtained by employees based on the results of their performance and the scope of duties and responsibilities that are given routinely every month or non-routine if there are achievements shown by employees such as granting promotions or positions, increasing wages received.

H. Career Management

Employees survive as members of the organization because of the awareness that commitment to the organization is something that must be done. The career path of Noor Halal Minimarket employees is based on consideration of tenure, work performance, customer service and satisfaction, and performance appraisal.

I. Business Prospect

Noor Halal Minimarket provides direct and indirect compensation. Direct compensation (direct compensation) in the form of fixed wages, variable wages and other things such as basic salary, position allowances, tenure benefits, attendance benefits, overtime, communication allowances, bonuses, and THR. Indirect compensation (indirect compensation) in the form of other matters as part of providing a sense of calm and security for employees such as income tax paid by the company and Health insurance (BPJS).

4. CONCLUSION

The human capital planning function allows Noor Halal Minimarket to achieve its goal which is to reduce uncertainty in human capital management in the company. This planning function is related to other fields of management such as marketing management, operations management, financial management, and risk management. Human capital action and planning steps

focus on implementing human resource policies and programs. Noor Halal Minimarket implements a comprehensive strategy management which includes several stages namely the input stage consisting of EFE matrix analysis, Porter's 5 analysis, IFE matrix analysis and CPM matrix; adjustment phase consisting of IE matrix and SWOT matrix analysis; the decision-making stage is QSPM analysis. Based on the 3 stages in carrying out the Noor Halal Minimarket strategy, it has been able to take advantage of opportunities and reduce threats, business opportunities are still very open due to the competitive strength of retail businesses in low *pesantren*, the strength analysis results in the IFE matrix for competitive advantages are to have a good and maintained relationship and very broad with the community of Islamic educational institutions with minimarkets that already operate in *pesantren* are not used as competitors, the internal and external positions of Noor Halal Minimarket are above average which are in cell IV with Grow and Build. Here, the strengths and weaknesses as well as opportunities and threats in the maximum and main strategy for Noor Halal Minimarket in carrying out its business activities to build access to Islamic education associations. This has made Noor Halal Minimarket able to enter and monopolize minimarket business within Islamic boarding schools and educational institutions. This business is a new business model in Indonesia, which is a modern minimarket in *pesantren*. Noor Halal Minimarket uses the concept of competency-based Human Capital Management to achieve company goals so as to provide optimal service to customers. In accordance with the business plan in this article, Noor Halal Minimarket has a profitable business opportunity. The support of competent employees who have high work motivation to provide excellent service to customers is the key to the company's success in developing business.

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Received: 28 June 2020, Accepted: 25 July 2020