Design of Organizational Structure and Job Description for Human Capital Management Strategy for Small Medium Enterprise in Creative Industry: RA Planner Company Case

Bagja Auzan Karami and Aurik Gustomo

Abstract — RA Planner is a publisher company that focusing themselves in developing product design to produce a journal and planner. They able to sell 23,000 planner in 2018 and generate almost 2.1 billion rupiah in their 4 years after established. However, the human resources in RA Planner starting to fail keeping up with the rapid growth because their lack of structuration and formal organizational design, resulting their inability to achieve target in 2019. This study uses a mixed method research model, consist of interview to current employee and ex-employee of RA Planner after the decision of firing employee have been made in January 2020 and the conversion of said interview to become quantitative data using BARS methods. Both of this methods are carried out to get the HCM maturity level that consist of 5 dimension that can help determine company maturity state and predict the company performance, and the difference between business process mapping of the company compare to PCF APQC using gap analysis to create RACI Matrix. Then, based on HCM maturity level and RACI Matrix, the author proposes a new organizational structure and job description that can ultimately corresponding with RA Planner need to further answer company strategic initiative and solve the current issues that emerge in the company.

Index terms — APQC; HCM Maturity; Organizational Structure; Small Medium Enterprise (SME).

I. INTRODUCTION

Creative Industry has been one of the emerging contributors to Indonesia National Gross Domestic Product (GDP), with almost 852 trillion rupiah, or 7.38% of Indonesia national GDP in 2015, and been forecasted to growth even more to achieve GDP contribution up to 11% [1]. Out of 16 subsectors of creative industry, publishing subsector begin to show their potential in the recent year with the emerging of new technology and population behavior that heavily depend on such technology, in which the trend of using digital content to write a memo and reminder began to became a norm among young people, and making the act of writing in physical journal book as an old-school activities. Those label doesn’t affect the fact that physical journal and planner was still popular to be use by young adult and adult alike to help them organize their work, but instead helping to form a new mindset in today youth’s toward mundane activity such as writing a journal as nostalgia trip and ‘hype’ by youth that like old-school theme, and changing the perspective of journal and planner from a practical item, to novelty item that appealing to be own and use.

RA Planner is a publisher company that focusing themselves in developing product design to produce a journal and planner. They able to sell 23,000 planner in 2018 and generate almost 2.1 billion rupiah in their 4 years after established. However, the human resources in RA Planner starting to fail keeping up with the rapid growth because their lack of structuration and formal organizational design, resulting their inability to achieve target of 3.2 billion using only Annual Agenda Book edition 2020, which is 1.5 times bigger that previous year. But at the end, RA Planner able to achieve those targets by adding the sales of the other product in their portfolio [2]. After that incident, there begin to spring up an issue between employee and manager. Some of the issues was employee inability to see manager as their supervisor and seeing them as nothing but a friend, employee begin to talk behind manager back and continually creating baseless rumor, then ending up creating unhealthy relationship between the two. Because of this, The CEO decide to fire every single employee other than original manager. This problem occur because the company doesn’t have any organizational structure nor job description, resulting employee unable to perform as intended simple because they only do the task that they been ordered to do at the time, but not the task that their position intend to do.

II. LITERATURE REVIEW

A. Human Capital Management Maturity

The Human Capital Maturity Model [3] is an assessment model that consist of five stage of HCM maturity level degree from nonexciting, poor, adequate, superior, and excellence. The HCM maturity itself is consist of 5 dimensions, namely Leadership, Employee Engagement, Knowledge Accessibility, Workforce Optimization, and Learning Capacity. Every dimension has their own unique
indicator to further help us to determine the level of each dimension. Take the sum of the five subtotals from the sections above (note that the sections with five categories are multiplied by 0.8 in order to weight them equally with the sections that have four categories).

B. Business process Mapping

The value-chain analysis is an analysis tools that try to break down organization activities in all the sequential process that they do to create value or adding value [4]. RA Planner current business process can be breakdown to few levels based on company current value chain:

| TABLE 1: EXISTING BUSINESS PROCESS |
|----------------------|----------------------|----------------------|----------------------|
| Level 0 | Level 1 | Level 2 | Level 3 |
| Order | Receiving order | Order verification | Recording order and information detail for each purchase |
| Preparation for production | Calling the printing company | Making an appointment to with the printing company, in this case PT. Gramedia Asri Media |
| | Negotiation | Negotiation regarding price |
| | Material checking | Checking the material of the item that will be use for the production |
| Production | Verification or production order | Checking the quantity of the material that order for the production |
| | Quality control | Confirming the verification from the director |
| | Storage | Confirming the detail of production order |
| Delivery | Confirming order | DO the payment |
| Packaging | Confirming purchases and payment | Receiving invoice order from printing company |
| | Payment verification | Confirm the payment deferment for the reseller |
| | | | | |
| | | | | |

C. GAP Analysis

Gap analysis is used to develop the quality of a job to produce the best product or service, therefore to get the best results, the work activities used in the gap analysis process must be more advanced and developed than the existing work that being compared to [5] so that the analyzed process experiences quality development and produces the best process [6]. The difference between current business process mapping of the company compare to PCF APQC version 721 will be analyses using gap analysis to create RACI Matrix, therefore capturing the real condition of whether the work performed is as expected or not.

D. RACI Matrix

The RACI matrix is an acronym that derives of Responsibility, Accountable, Consulted, and Informed, in which every one of them is four different types of roles that are considered. [7]

E. BARS Method

BARS is a performance appraisal method that aims at combining critical incidents and ratings (quantified ratings) by using a scale that draws specifically about good and bad performance [8]. To achieve more objective rating for the necessary BARS, author will be using Focus Group Discussion (FGD). FGD is a data collection technique generally done in qualitative research with the aim of finding meaning a theme according to the understanding of a group.

The FGDs was conducted at 13 February 2020, with 4 people as the participants that are consist of 3 manager and 1 director of the company that have been working at RA Planner from the first time the company had been established. The FGDs in this research is used to create concrete and objective description of each level that consist from level 1 to 5 for each indicator in HCM Maturity of the company that based on 5 HCM maturity level by Bassi and McMurren [3].

F. Internal Factor Analysis

RA Planner internal analysis was carried out using SWOT Analysis. SWOT Analysis is an analysis that is based on logic that can maximize strengths and opportunities, but simultaneously can minimize weaknesses and threats [9]. RA Planner SWOT analyses can be summarizing as:
G. External Factor Analysis

External analysis aims to determine the opportunities and threats in the macro environment, industrial and competitive that occur in a company. RA Planner external analysis was carried out using PEST Analysis and Porter’s Five Forces.

PEST Analysis is a method to explain environmental condition information. This also provides a framework for summing up the external environment of company operations. The business must comply with four factors, such as political, economic, socio-cultural, and technological [10]. Through this method, the industry scope that will be analyzed are personalized journal or planner in creative industry and in publishing subsector.

At the moment, Badan Ekonomi Kreatif (Bekraf) are the sole political group that officially been assign by Indonesia Government, with the responsible to managing and governing all aspect in creative industry. RA Planner have is print in Bandung, and in Bandung, there are two large printing presses that can be partner with, which their printing partner can make good quality product while only paying a minimum amount they ask before they can produce your product, they will set a minimum amount of printing in each session for each product, and usually the thousands. A cheaper option indeed rather than buying new equipment, but they must comply with four factors, such as political, economic, socio-cultural, and technological [10]. Through this method, the industry scope that will be analyzed are personalized journal or planner in creative industry and in publishing subsector.

At the other hand, technology actually bringing harm to creative industry, especially in sub sector of product design, printing company can become one of the important players in the industry, especially for a company that doesn’t have their own printing equipment, such a case will be analyzed are personalized journal or planner in creative industry. RA Planner need for their printing partner can make good quality product while only paying a minimum amount they ask before they can produce your product, they will set a minimum amount of printing in each session for each product, and usually the thousands. A cheaper option indeed rather than buying new equipment, but they must comply with four factors, such as political, economic, socio-cultural, and technological [10]. Through this method, the industry scope that will be analyzed are personalized journal or planner in creative industry and in publishing subsector.

Threats in the macro environment, industrial and competitive include:

1. Threat of the substitutes: High
2. Threat of new entrants: Low
3. Bargaining power of suppliers: High

Now we will discuss about the Threat of the substitutes in detail: High

Substitute product are goods or services from outside a given industry that perform similar or the same functions as a product that the industry produces [15]. A journal or planner in any kind of shape are began to circulate in the market with their own twist and unique identity, especially in the shape of mobile based applications that have the same function as journal or planner, such as Google Calendar, Pregnancy+, Day One, Diarium, Excel etc. Because of this, there is wide variety of application or software that can be a substitute to all the product.
PT. Gramedia Asri Media and PT Granesia. At the end, RA Planner build a partnership with PT Gramedia Asri Media because they able to fulfil the requirement that they needed. There are more than 50 publishers in Bandung, and most of them have the same condition with RA Planner, in which they don’t have their own printing equipment, making them much more depended to suppliers, in this case printing company. Because of this, two printing company that mostly become their main choice to be partner with, have a much more control to set a price for a production, making the publisher enable to gain bigger profit. Based on that, we can conclude that the power of suppliers in journal and planner product are high.

d) Bargaining Power of Buyers: Medium

According to Rothaermel [14], the power of buyers is high when:

1) There are a few buyers

   Everyone can use a journal or planner, but sadly not everyone wants to use it. Customers can easily change their purchasing decisions of buying a journal or planner because not everyone is persistent enough to write all the details of the activity or all the planning that they have in a book.

2) The industry’s product is standardized or undifferentiated commodities

   In principal, all products offered by RA Planner and other publisher in journal or planner industry are essentially a same product, in which people use the product to write and record certain information and plan in a journal. However, each product has their own personality and uniqueness that make their product different than others, such as:

   - Not every journal are yearly agenda or scheduling tools, some journal or planner can be developed to be difference type that can cater specific need, such as a financial planner for people that need financial planning in their daily life, or a baby journal that specifically use by pregnant mother and mothers with infant to record their child development.
   - Difference format of content for each type of journal that doesn’t following a certain standardized system, making every journal or planner unique
   - Different design and color that differentiate them with other

3) Buyers face low or no switching costs

   Customers can buy other product without have to worry about switching costs, thus, if a journal or planner have higher price or poor design, customers can easily move to competitors.

e) Rivalry among Competitors: High

   The existing company in personalized journal and planner market is indeed creating their own unique product to attract more customers, creating diverse option to choose for the potential customers, making it harder for a certain product to stand out. The most troublesome competitors in this industry came in the form of social media influencer or a major celebrity that began to utilize their fame as an influencer to advertise their own journal or planner to their wide audience. Because of their high engagement with their followers in social media, they able to facilitate easier way to advertise their product.

III. RESEARCH METHODOLOGY

The conceptual framework used in this study is consist of 3 steps. The first one, preliminary data, was to conduct business issues exploration using interview and observation, then analyze them to identify the root cause. Secondly, after gathering the necessary data, the author begin to do an organizational assessment that consist of 3 aspect, namely Human Capital Maturity to capturing the weakness in HCM maturity drivers, analyzing business process mapping using gap analyzes using existing business process and PCF APQC version 721 of strategic initiative plan that management have, mainly their intent to build or buy a printing factory and creating new unit that focused on developing new product, and the development of strategic formulation using SWOT, PEST analysis, and Porter’s 5 Force Industry Analysis. Using the 3 aspect, which is Human Capital Maturity, business process mapping, and strategic formulation, then the new strategic plan can be proposed, in this case the proposed strategic was to create organizational structure and job description. Lastly, in the third step, the conclusion can be formulated, and the implementation plan can be introduced. The Conceptual framework used for this research shown in Fig. 2.
never provide a necessary information regarding any training module that they can use to improving their capabilities, and the employee felt that for the most part, managerial rarely asking them to solve a problem via teamwork.

![Fig. 3. HCM Maturity Dimension BARS Result.](image)

The result of GAP analyzes can be seen through RACI Matrix in Table 2.

<table>
<thead>
<tr>
<th>Role</th>
<th>CEO</th>
<th>Creative Product Development</th>
<th>Finance, HR, &amp; General Affair</th>
<th>Sales and Marketing Unit</th>
<th>Production Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>R</td>
<td>11</td>
<td>7</td>
<td>28</td>
<td>21</td>
<td>15</td>
</tr>
<tr>
<td>A</td>
<td>24</td>
<td>6</td>
<td>35</td>
<td>16</td>
<td>15</td>
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<tr>
<td>C</td>
<td>13</td>
<td>3</td>
<td>36</td>
<td>23</td>
<td>18</td>
</tr>
<tr>
<td>I</td>
<td>53</td>
<td>71</td>
<td>38</td>
<td>49</td>
<td>60</td>
</tr>
</tbody>
</table>

Based on the current size of the company before the firing almost more than half of their employee, RA Planner is a small enterprise without any work unit, and only consist of one employee that represent one major task, but at the same time still given work outside of their initial task. To devise the suitable organizational structure of the company, the proposed organizational structure will be create based on 3 aspect that need to be considered, that aspect is consist of HCM Maturity level, the GAP analysis between existing and proposed business process mapping, and company strategic initiative that include all the managerial intent for the future of the company.

![Fig. 4. Proposed Organizational Structure.](image)

The proposed organizational structure was consisting of 4 layers, in which the Board of Director at the highest level with the task to creating a planning and policy decision, such as setting organizational direction (mission, vision, goals, and objectives), responsible for funding the planning and policy decisions, and monitoring the implementation of the planning and policy decision while providing sanction. At the second layer, there are CEO (Chief Executive Officer) that will be received direct instruction from the Board of Director. At RA Planner, CEO primary responsibilities include making major corporate decisions, managing the overall operations and resources of a company, acting as the main point of communication between the Board of Director and corporate operations. Other than that, CEO will be doubles as Creative Director, in which they will monitoring brand campaigns, revising presentations, and shaping brand standards along with the Creative Product Development.

CEO will overseer and provides instruction to 4 others unit, namely Research & Development Unit, Finance, HR, & General Affair, Sales and Marketing Unit, and Production Unit. The Research & Development Unit will have main responsibility in creating the overall design, visual style, and develop the artwork or the layout of the product, and creates engaging content that is disseminated across various product, and generating the content of the product, words, and slogans that accompany advertising visuals. The Finance, HR, & General Affair are directly responsible for the overall administration, coordination, and evaluation of financial status of the company, the human resource function in the company and all general affairs regarding to the company. The third unit is Sales and Marketing Manager, that responsible for researching and developing marketing opportunities and planning and implementing new sales plans. The Sales and Marketing Manager will also manage both the marketing and the sales staff and will perform managerial duties to meet the company’s operations goals, while maintenance partnership with registries reseller. The last unit is Production Unit, they mainly responsibility is for the technical management, supervision and control of industrial production processes, while still oversee the efficient receipt, storage and dispatch of a range of product from company warehouse.

V. CONCLUSIONS

Unstructured and unclear organizational structure and any job-related information of each position can affect the effectiveness of the productivity in RA Planner, which have been prove by the company inability to achieve the 2019 target revenue. It was proven in HCM Maturity Level, in which RA Planner actually already able to show adequacy related information. To solve the problem that RA Planner currently facing and preparing them to support their strategic initiative of purchasing a printing factory, author intended strategy is to formulate a new organizational structure and job description for the company.

REFERENCES


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