

The Analysis of Strategic Management of Fajar in Increasing Corporate Income

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The Analysis of Strategic Management of
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Abstract- PT. Fajar Media Koran 8 a company that manages the newspaper business. This study aims to describe the internal and external conditions of the company which has problems with income downward trend and corporate organization structure. SWOT analysis and TOWS matrix are formulated as an alternative strategy for the company. This study used a qualitative approach with primary and secondary data collection techniques. The result showed that there must be internal corrections (improving the system, efficiency and effectiveness, empowering the human resources, improving the service quality, building business unit synergy), and external improvements (strengthening the network, developing the business unit and relations). Internal and external improvements are in line with Information and Technology (IT) development, market needs, and business trends. Meanwhile, the applied organization structure is the line organization structure which is centered on the supreme leader.

Keywords: Strategic Management, SWOT Analysis, Organization Structure

I. INTRODUCTION

The development of mass media in South Sulawesi has increased since the reform era in 1998. Previously, mass media space was limited. However, today anyone is allowed to manage it. South Sulawesi is one of provinces which utilize the freedom of the press with the presence of mass media in this region. Dozens of mass media appear and run journalistic activities. The Office of Information and Communication for South Sulawesi (2018) recorded that the number of television broadcasting institutions in South Sulawesi reached 25 institutions for earlier this year [4]. All of them spread in all regencies and cities throughout South Sulawesi.

Moreover, [4] also recorded the existence of radio broadcasting institutions in South Sulawesi that reached 35 radio stations. Meanwhile, the number of daily newspapers reached 11 newspapers that are published regularly. Those 11 newspapers are members of the media group, namely Fajar Group, Kompas Group, MNC Group, and Go Media Group.

Television, radio and newspapers have become an important medium for the people of South Sulawesi to gain access to information. But at this time, there is a new media that attracts the attention of readers. The new media is a portal. The development of communication and information technology encourages the presence of portals. Many people consume news through the portal service.

The development of the portal even goes beyond television, radio, and newspapers. Since the *www.republika.co.id* portal was first released in Indonesia in 1994, a lot of people have an interest in managing the portal [7]. Many people establish portals to provide easy information for the community. In only a short period, portals have become the number one of reader's information source.

The Minister of Communications and Information, said that there are 43,000 portals which operate in Indonesia. Meanwhile, the Chairman of the Press Council, stated that the number of portals in this country reached 43,400 portals [16]. Those portals provide the variety of important and interesting information to the public. They broadcast reports of events that occurred in the community both locally and nationally. Moreover, they also broadcast the international events. In a matter of minutes, they have provided news to their readers.

The growing number of the portal affects the development of newspaper business. It results the newspaper is getting less interested and replaced by the portals. The existence of newspapers is not as strong as two or three decades ago. Currently, newspapers are no longer the primary information source for readers. It has been taken over by the portals.

The presence of a portal really does affect the survival of the newspaper. The survey agency, Nielsen (2015) recorded media consumption in Makassar [9]. The result indicated that internet (37%) was higher than newspapers (21%). Meanwhile, Morgan (2016) recorded media consumption for the urban community [8]. The result indicated that internet (43%) is higher than newspapers (30%). Moreover, this decline had

occurred in the last four years (2014-2016). From the reader side [10], Nielsen (2017) recorded a decrease in the number of Fajar readers who declined in the last three years (2015-2017).

The newspaper business in Makassar also suffered the decline in the last year. Fajar and Tribun Timur are the two main newspapers in South Sulawesi that the number of its readership decreased. In the second quarter of 2017, the readership of Fajar reached 231,000 readers, whereas in the first quarter of 2017, it was 308,000 readers. Likewise Tribun Timur, in the second quarter of 2017, its readership was 191,000 readers, whereas in the first quarter of 2017, it was 225,000 readers [8].

Moreover, the existence of newspapers is influenced by not only portals but also television. Rivers said that many newspaper companies in big cities were unable to operate due to the strong influence of television in people's lives. Newspapers are difficult to compete so that the golden period of newspaper will be ended soon. Various factors could be the cause of the newspaper industry declining. One of them is the technological revolution that produces the portal media. In addition, another cause of the decline of newspaper business is the administrators' inability to manage the company. The classic reason for this problem is called mismanagement.

Fajar is a media group that runs the company through a strategy designed according to the company's vision and mission. Management develops strategies as a guide in achieving company's goals. Management has five functions, namely designing, organizing, instructing, coordinating, and controlling. Meanwhile, the function of management is the basic elements inherent in the management process which is used as a reference by managers in working and achieving goals.

Fajar implements a scalable working system because it is backed by a reliable management team. Each division performs the role according to their main task and function. Employees work systematically according to the standard operation procedure (SOP) and the given job descriptions. Although, the fact is Fajar is not able to increase the revenue. Therefore, this study will discuss the strategic management of Fajar and its organization structure in increasing the corporate income.

A. Problem and Purpose of the Research

This research highlights the problem of strategic management and management structure of Fajar to increase the corporate income. The purpose of this research is to describe the strategic management and the management structure of Fajar to increase the corporate income.

B. Literature Review

The strategy is the long-term goals and objectives set by the company. It is also the

direction of action and the allocation of resources needed to achieve goals and objectives [1]. For another opinion, the strategy is the fundamental decisions and actions set by the top management and applied by all staffs to achieve goals [11].

Moreover, for the strategic management, according to David and Wheelan in Great [3], it is all decisions and managerial actions taken by the company to determine the company's performance for the long-term. Meanwhile, according to Dess and Miller [12], the strategic management is a combination of three activities at once namely strategy analysis, strategy formulation, and strategy implementation. David divided strategic management processes into three, namely formulating, implementing, and evaluating the strategy [2].

Rustiana and Cupiadi analyzed the strategic management of PLN in Garut Regency [14]. His research used SWOT analysis to observe the problems internally and externally. They concluded that the company must provide the professional service. People as a customer must get good service to satisfy them.

Limbang analyzed the marketing management strategy of PT. Bess Central Insurance [6]. His study used the qualitative research by exploring and understanding the internal and external condition of the company. His research analyzed the strengths, weaknesses, opportunities and threats in BCI. In conclusion, BCI has strengths, such as a good track record and a good service. Moreover, its weaknesses are lack of promotion and the strong position of the intermediaries. BCI has an external environment that covers industrial environments and distant environments. For opportunities, it includes market potency, dynamic social, cultural, and demographic environments, and ever-growing technologies. Meanwhile, for threats, it is associated with unstable economic conditions, political effects, strong government policies and laws, and tough competition.

Robbins said that an organization is a social unity which is coordinated consciously with identified boundaries and working to achieve common goals [13].

C. SWOT Analysis

SWOT is an analytical technique used to observe problems in a company. SWOT is an acronym of strength, weakness, opportunity and threat. This approach is often used to balance the strength and weakness from the organization's internal environment with the opportunity and threat from the organization's external environment.

Strength is a company's condition in which the company is able to perform all its duties very well (above the average of industrial performance). Weakness is a company's condition in which the company is less able to perform its duties properly

due to insufficient facilities and infrastructure. Opportunity is a business potential or all profitable opportunity which can be achieved by a company that is still not controlled by the competitor and still has not been explored by any party. Threat is a situation in which a company has a difficulty caused by competition that if ignored, it will make the company suffer in the future.

Rustiana and Cupiadi (2016) stated that SWOT analysis is used by analyzing and sorting various things encountered by a company [14]. The implementation of the SWOT analysis is how the strength is able to take advantage from the existing opportunities, and how to overcome the weakness that prevents the advantages from the existing opportunities. Moreover, it is also how the strength is able to deal with the threat and how to overcome the weakness that can make the threat become real or create a new threat.

II. DISCUSSION

TOWS MATRIX

	Strength	Weakness
	Holding company	Unstable
	Having networking	policy
	Having a strong brand	Printing & operational costs are high
	Having young and skilled human resources	Double standard of advertisement pricing
	Good working organization	Paper dependency
	Experienced	Having a large number of employee
	Having sufficient welfare standard	Working condition is disharmony
	The career path is clear	Low service quality
	Varying business units	Low maintenance performance
	Having Adequate infrastructure	Employees' in and out Family company

Opportunity	Strength - Opportunity (SO) Strategy	Weakness - Opportunity (WO) Strategy
Broad working range Broad relationship Varied business units Great manpower Utilization of mass media for advertising Sufficient infrastructure and equipment	Media convergence (printing, TV, radio, online) Synergy between internal business units Online business development is booming Implementation of the package advertisement system	Optimizing the printing and operational costs Maximizing the sale of e-Paper Revising the system
Threat	Strength - Threat (ST) Strategy	Weakness - Threat (WT) Strategy
There are many competitors Limited paper material Prohibition of government socialization advertisements in newspapers The economic-political situation from the center impacts the region The infrastructure will be ruined by the time The debt increases The decrease of income, newspaper circulation and number of readers	Restructuring the organization Improving the service system Optimizing the human resources Upgrading the system Maximizing the e-Paper	Monitoring and evaluation (MONEV) Employee audit Division audit

A. The Analysis of Vision, Mission and Goal

Fajar has the vision to grow together in unity. In addition, its mission is to make Fajar as the largest newspaper company outside Java. Therefore, the goal of the company that is to improve the prosperity of its employees can be achieved. Referring to that vision, mission, and goal, the management of Fajar has a long-term view. Management wants to elevate the degree and quality of employees' life and to keep the company being sustainable amidst the competition of the business world. The important things to do to

achieve these goals is by building the team spirit and togetherness, fixing the weaknesses, sharpening superiority, improving the management system and creating working programs in line with the market needs.

B. Analysis of Strength-Opportunity (SO) Strategy

The implementation of this strategy requires qualified employees. Employees must have expertise, field experience and being supported by a visionary person and able to work in teams. Skilled and trained employees will work on company's working programs that are relevant to the company's vision and mission. Employees will empower all potential and existing opportunities, including the internally and externally synergies. Because of media as the main business, the management of Fajar is able to make a breakthrough by conducting media convergence.

C. Analysis of Strength-Threat (ST) Strategy

In order to implement this strategy, the management of Fajar is required to consider the market opportunity and global conditions. Online and paperless development is an offer that becomes the answer to the limitations of paper as the newspaper raw material. The company's acceleration and differentiation must be improved in line with the boom of information access in the cyber world. Government policy that is not pro-media in the campaign and the socialization of the program must be addressed with the creativity in creating advertising packages.

D. Analysis of Weakness-Opportunity (WO) Strategy

This section emphasizes the management internal condition. Management must have the courage to take decisions for implementing efficiency and effectiveness, such as adjusting operational costs with the company's financial condition. In addition, the management systems must be ideal by implementing the win-win solution for companies and employees.

E. Analysis of Weakness-Threat (WT) Strategy

The implementation of this strategy is more emphasized on the management policy in conducting auditing both in personal and in division. The effectiveness of individual and division working performance must be emphasized. Do not let there is any overlapping jobs between employees or between divisions. Periodically, management should conduct supervision and evaluation to measure the effectiveness of the company's working performance.

F. Implementation of the Strategy

In this strategy approach, the management of Fajar implements the revised system. The crucial points must be corrected and adjusted with the company's vision - mission, corporate culture, and

the external challenge adjustment. All formulated programs are performed by still carrying out the management main principles, namely planning, organizing, implementing, and supervising. In addition, it is by applying the concept of the right person in the right place with working on the main tasks and function according to the job descriptions.

G. Management Organization Structure

The model of organization structure which is run by Fajar prefers to the line organization structure which is centered on the supreme leader. Explicitly, the management of Fajar has the organization structure with staff model which separates the leader and employee. There is a straight line that separates the daily employees' main task and function. However, the strength of the line organization structure causes the staff model organization not working properly. The supreme leaders decide all policies. Meanwhile, the subordinates just follow the orders. In this model, the management creates a layered structure through managers, however, decision-making is in the hands of supreme leaders.

III. CONCLUSION

This study concludes that Fajar as a private company needs to make internal corrections and external improvement. Besides the efficiency and effectiveness policy, the built system is revised based on the present conditions, opportunities, and challenges. Management creates a working system in line with business trends. Meanwhile, the possessed potential becomes a synergy. Furthermore, the line organization structure works monotonously because it ignores the authority delegation or its leadership is centralized.

Suggestion

The study provides suggestion to the management of Fajar to synergize between business units, conduct the integrated cooperation, improve the human resources, and develop the service quality. Moreover, the applied organizational structure should incorporate top down and bottom up models to create a two-way communication structure. It may also use the functional organization that provides task and roles to the employees based on their respective functions.

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