Human Resources Strategy on The Rice Business with McKinsey 7 S Model (Business Plan)

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Abstract: *Main food Necessity has become basis thing for every person who lived today. One of main food is hulled rice. Hulled rice has become one of prime commodity in Indonesian. Indonesian is one of among countries in a world that became hulled rice producer. Its people consumes rice in their daily life. We see this condition as oppurtinity to start hulled rice business by give service that focus on operational excellent. Operational excellent strategy will focus on best service giving to consumer start from hulled rice buying until its saving in hulled rice saving place. To make these thing go well, it need supported by an appropriate human resources.*

I. Preface

We see Indonesian people's situation that consume rice as their prime food as an oppurtunity to start our business. Another important reason is service that done by hulled rice entrepreneur to consumers isn't yet founded. Today we see sitution that hulled rice consumers will do a plot transaction start from hulled rice purchase until its saving by theirselves.

We also see this condition as an oppurtinity to make hulled rice supplies trade that focus on high service quality. People loves to go shopping with comfort condition, so if we give service as they wish, it will make hulled rice entrepreneurship that we build get developed.

Today technology development is becoming more advance because almost every activity that people do related to technology situation. For example is smartphone utilizing. Every person must have one smartphone in their daily life today. We can also see that many business field use technology to create many oppurtinities. So we can also use technology to develop our hulled rice entrepreneurship.

Technology development must be supported by excellent human resources. If it not, it will be useless although we have advance technology. Every human resources unit have their own strategy. One of human resources strategy that we know is McKinsey 7 S Model.

II. Literatur Review

Kotler (2000) said that retailing is activity that involve direct goods and service selling to end consumer. Many kind of retail business that appeared make tight competition. Otherwise, company must have marketing strategy program to win the competition. Retail business is one of business fields that has direct goods and service sales to consumer for daily life needs (Kotler danAmstrong, 2001:51).

Kotler and Keller (2009) said that shop situation is planned situation that related to target market and can attract consumer's attention to buy. The front side of shop has influence that might not be trifled. If consumers want to buy something, first they must see the front side of the shop, then inside part from the shop like goods placement, wall colour, light intensity, and music that also can give contribution to increase consumer's activity.E-commerce is all kind of electronic mediator that become information changing between companies or organization with outer side as stakeholder (Chaffey:2002). It also become spreading, purchasing, sale, marketing activity of goods and service with electronic media (Asing Cashman, 2004). Turban (2004) also said e-commerce is concept that appeared from explanation drawing about purchasing, sale or changing of products, services, and information by computer network like internet network.

Business in manage resources need employee organization arrangement, motivate, lead, communicate employee, manage work group, and evaluate performance with management function (Royat, 1994). Human resources management strategy is a key for companies in receive a continue competition with integrate human resources management and business strategy. Competence increase in companies like human resources is prime element to get success companies and human resources involvement in development and business strategy implementation that create organization effectiveness in industry (Karami, 2001).

Human resources management is art activity to get organization destinations pass through arrangement by people to execute various job (Follet 1999). With exact human resources management system, business will go on well and correct. Direct or indirect management makes border that might not be done by every people. Fisher (1993) told us that human resources management function is making every person executes excellently until result optimum contribution and success organization in the end. Human resources management is system that consist of many interdependent activity.

7-S McKinsey Model was developed by Peters and Waterman (1982) in their book "In Search of Excellence". 7S McKinsey is diagnosis changing tool that had beeing used since 1979 by one of biggest global consultant and today iit still be used as manajerial analysis tool. 7S McKinsey has two aspect hard and soft variable where soft variable become prime obstacle (leadership and shared value (culture)). In book "In Search of Excellence, Peters and Waterman (1997) explain two things about organization development. First they assuming there is a form of ideal organization and explain precisely. Second, humanism important value in organizational development that implicited in organization form that suggested by Peters and Waterman. However analyzing tool that developed by author is a most relevant in organization building because explain mant things about fundamental things in development organization. McKinsey and Company (in Peters and Waterman 1986) explain that there are seven variables influencing to successfulness of organization that summarized in 7-S McKinsey. These variables are strategy and structure (hardware of organization), style, system, staff, skills, and shared values (organization culture) that is software of organization. This analyzing tool known as the Seven S model and displayed like this.
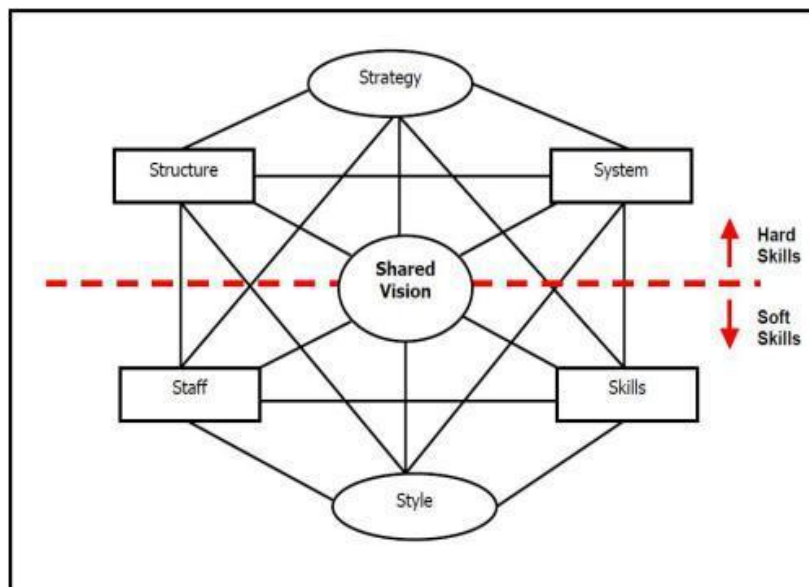

Figure 1 McKinsey 7S Model

McKinsey Model that we used is McKinsey Model 7S adapted from Harvard Business Review (HBR). The different located from model form displayed in figure 2.
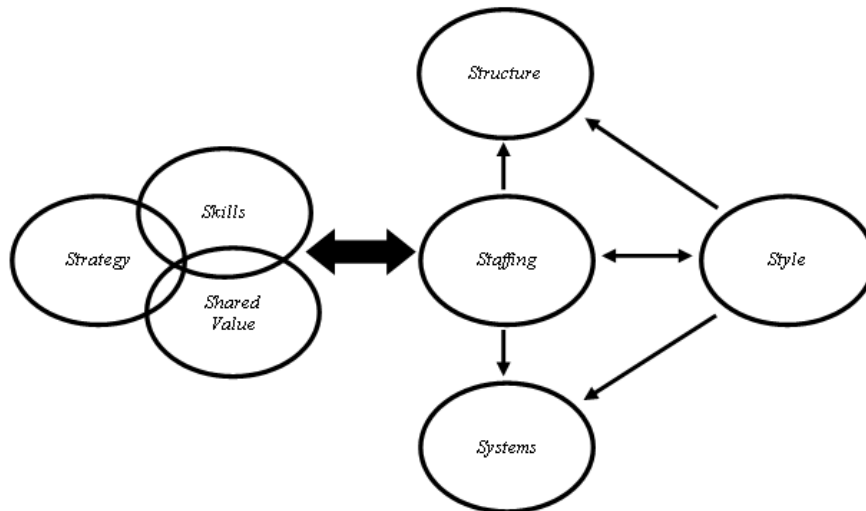
Figure 2 Model McKinsey 7 S (HBR)

McKinsey 7S Model consist of strategy, skills, shared valued, structure, staffing, system, and style. Each of these components related each other and form unity. If there are changing in one of component, it will influence the other. Strategy definiton is way that chosen by organization for its development in future; a plan that formulated by organization to reach excellent competitive that makes link. Plan to allocate resources to reach identified destination

In structure organization can be defined as formal job structure organization with job structure that has be divided and coordinated (Robbins dan Coulter, 2007:284). This structure also can be defined as big picture about command or coordination plot between division or leader and subordinate. With this structure, there won't be happened confusion in employee to report a problem that they experience. In system, formal and informal procedures, include inovation system, compensation system, management information system, capital allocation system that control daily life activity.

Style talks about how to leadership can be placed in organization. From this definition, it show that leadership comprise influence and influence each other. Second element from thid definition explain that leadership also talk about how important communication process. Good explanation and right communication will influence employee behavior and achievement. The other element focus on reaching destination. The effective leader will care to destination of individual, group, and organization. Leadership's effectiveness are measured in how far achievement stage or combination from objectives. Leadership's approach from top management and operational approach entirement organization, and how organization employee presence theirselves into world to consumer. Manager's way to behave collectively in time use, attention, and symbolic act.

Skills's definition is organization's capability as unity. Clearly, skills are explained by Peters and Waterman (1982 : 71) as capability in manage organization by employee entirely, and not individual capability. Organization's capability is different with quantity employee that have skill. Smarter employee doesn't always more succes at work than ordinary employee. The key is employee who always want to learn can get success.

Shared values (culture) becomes deciding factor to refer employee behavior (Pascale & Athos, 1981).Amstrong(1994: 14) gave definition about organization score system as organizazion personality, but Schein (1985) said that score system as basic assumption pattern that had been found and developed by group to study solving adaptation problems from outside and how to intergrate that has valid function well. Therefore must be taught to every new employee as a right way to set view, think and feel the problems. The related confirmation between shared values also be expressed by IndaSmircich (1983). She believed culture as a system and together conviction that result behavior norm. same with that Robbins and Coulter (2004: 76) said that organization culture as same purpose system in the organization which decide how employee act.

Method

Moleong (2007) said that qualitative research is research that has purpose to understand phenomenon about subject characteristics like behavior, perception, motivation, action, and other things holistically and descriptively in words and languages form on native special context by using various natural method. Bogdan and Taylor (1975) said that qualitative method as research procedure that resulting descriptive data like written or spoken words from people who are observed.

In qualitative research like case study has some research design forms. First research form is field research. In this form we analyze datas and facts about related theory and give explanation academically from

datas gained (Williams 1995). Second research form is desk research. In this form we do some research based on resources that have provided in public medias like newspaper, magazine, research report, and journal. Last research form that be used is arm-chair. This research is a case study that have been made based on writer's knowledge and imagination (Koentjaraningrat 1993). In this research we use desk research method.

Desk Research
Desk research is secondary data collection from internal sources, internet, library, trade association, government institution, and published report (B2B international, 2004). These thing often be done in the beginning in study as platform gate to see do more expensive prime research is valid or not.

Analysis
Human resources is important factor in business running. With McKinsey 7S, we build human resources. This model is one of management models that has function to know organization effectiveness in reaching desired objectives. McKinsey 7S model was developed by Tom Peter and Robert Waterman in 1980s. This model was used to increase companies performance, research probability future effect to company, and decide best way to apply strategy.

Strategy that had been used is Operational Excellence where that strategy propose on maximum service and repress on business operational process. For implementation in McKinsey 7S model like skills, shared valued, staffing, and the other thing must relevant or related to strategy that had been used. So the planned strategy will run well as we hope.

Strategy
One of strategy in business running is operational excellence. This process purpose is eliminate all activity that don't have impact in score increase consumer, minimize cost, and optimize business process between function and internal organization relationship.
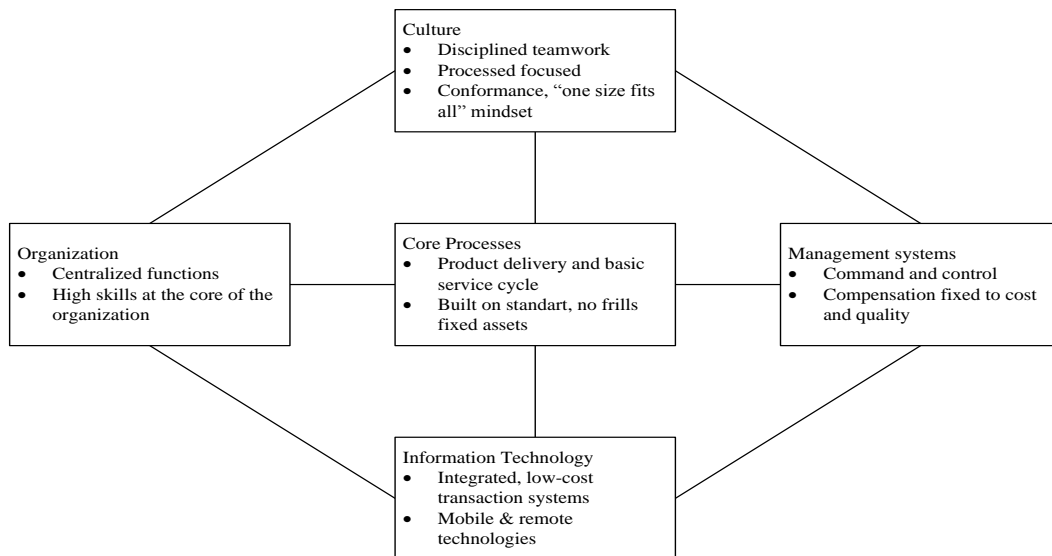

Figure 2 *Operating Model of Operational Excellence*

Based on figure 3, prime process from operational excellence is give quality service to consumer and right goods service time, and build standard without do extravagance. Prime process implementation in operational excellence is comfort and clean shop or outlet; ease in order, by phone or application; direct goods delivery after consumer order or purchase; and measurement or comparison hulled rice that always same.

Skills
Continous improvement can be created in three skill that must be owned by employee like innovation, problem solving, and customer service. With these skills,every employee are expected to do operational excellence well.

Each skills are developed and implemented in every employee. Inovation skill must be owned by every employee to makechanging and development in our business.

Problem solving is skill that needed for every employee to not depend on their leader and can solve every problem related to their duty and responsibility. Hopefully every employee not alwaysvdepend on their

leader to solve the problem.Customer service is skill that must be owned by every employee so they can serve consumer related to standard that placed by manager. Some people don't have character to serve the other in fact. If these thing happened, the goal will not happened.

Shared Valued

Core value gives maximum service to reach satisfaction to people in business process. So shared value placement is discipline teamwork, processed focused, and conformance mindset.Every employee must have habit to work as a team and not individually. This culture is needed in every person so they can help each other to reach a goal and vision of company.nProcessed focused is habit that focus on every employee to work focus on process. Not only focus on result, but also focus on process for team balanceness

Conformance mindset is unity in thinking as a team to reach vision and mission from company. One vision that given to every employee to gives best service to every customer and minimizing cost. Core of operational excellence strategy is give best service to consumer.

Staffing

Staffing is something related to recruitment, selection, placement, development, and discontinue process of employee. Recruitment that are done related to every position offers. First thing that must be done to do recruitment is employee needs analysis. This analysis will compare job load with quantity of man power that needed. Before that, branch leader can submit request employee addition.

Employee selection are done to get best and right future employee. There are two ways to do the selection. There are psychology test (carefulness and DISC test) and interview. Employee placement are decided after candidates have passed psychology and interview test. New occupied Employee won't be placed to their desired division directly, but they will do some training first for couple of days.

To get right company employee, employee development are needed. These will useful to get every employee has skill to reach company vision and mission. Human resources development related to human resources training. With this action, hopefully employee skill will increase, but there are needed such a thing like employee evaluation before and after training. If these thing isn't done, it will make employee lack skills.

Employee discontinue are needed in some reason executed by management staff or special reason come from employee theirselves. This thing are done as a company development step to get better employee. Hopefully if gets a new employee, we will get their experience and knowledge to increase company development.

Structure

Organization structure is part in company that explain instruction plot related to job obigation and authority. Here is organization structure :
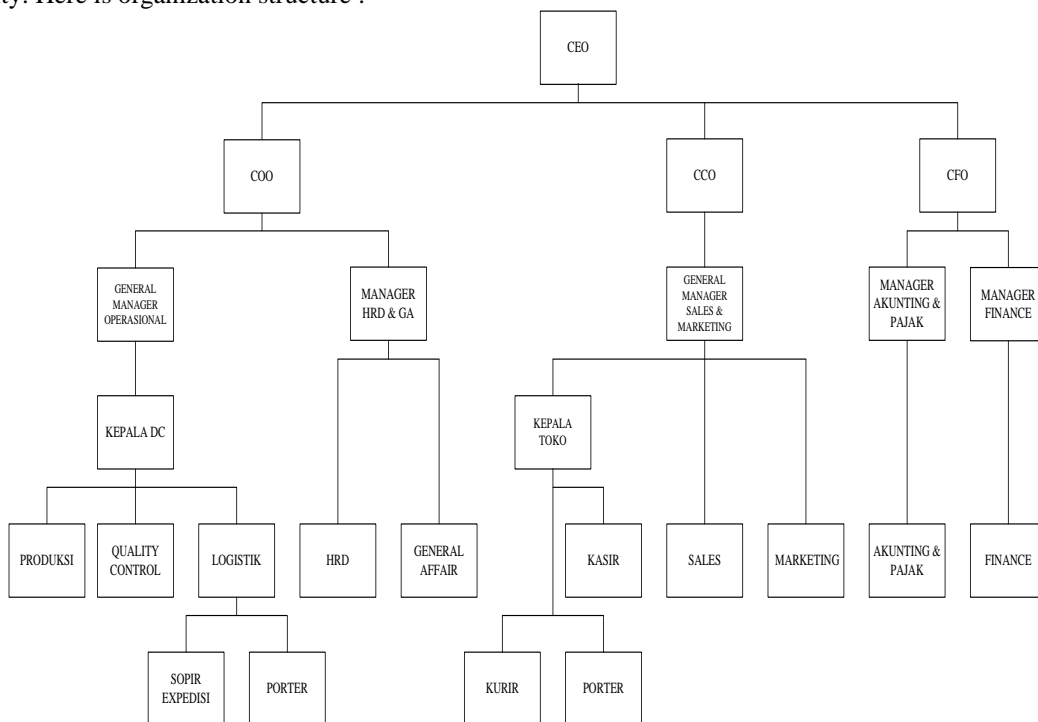

Figure 3 Organization Structure

Systems

System are executed to preserve job process stability. To get this operational excellence in human resources, there are two systems that must be done. There are command and control, and compensation fixed to cost and quality.

Command and control are needed to make sure every executed job becomes responsible for every employee. These orders are taken by fixed employee in structure. They gives instruction to subordinate to reach company vision and mission. These instructions are given appropriate with description in every job.

Control function also executed by fixed employee in structure. They supervise every executed jobs. This function will become focus from employee who has authority to minimize missed result jobs.

Compensation fixed to cost and quality related to compensation giving to employee based on their work quality. In business, it will be related to incentive and bonus that given to employee. The incentive's quantity for every employee will be different in the end.

It will be related on performance result that will be checked once in six months. This assessment will not have subjective result in the end and appropriate with job description that fulfilled. Every employee who execute job out from their job description will result negative point in their performance. Hopefully every employee will focus on his job process.

Style

Based on leadership style that has be done, it is competency perspective and transactional perspective style. Every leader who has capability as a example for employee has this style. They can develop employee skill and motivate subordinates if they are on bottom point in their performances. With this leadership style, leader must know direction of company vision and mission. It will focus on short, middle, and long time job process.

Meanwhile, transactional perspective leadership style are executed appropriate with company culture. Leader must decide performance result from subordinate then gives awards or punishment related to employee performances in company. Leader can do wise and fair in situation when employee gives idea and creativity for company development. Leader also must give award to employee who give good effect in company. It will make every employee do something more like advance idea for company development. This situation can be happened because their assumption tells that every good performances and idea that they give can result good repayment in financial or nonfinancial.

III. Conclusion

Human resources strategy on every business has different because related to kind of business strategy that be executed. Every business will be appropriate on right strategy to develop human resources.

McKinsey 7s Model is one of many kind human resources strategies that can be used in every executed business strategy. This model is consist of strategy, skills, shared valued, staffing, structure, systems, and style.

In the beginning McKinsey 7s implementation is started with appropriate strategy decision then McKinsey 7s model will do the rest.

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