

## SWOT analysis as HR development and performance assessment PT. Santosa Kurnia Jaya

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### ABSTRACT

This research was conducted at PT. Santosa Kurnia Jaya to determine the company's business strategy by analyzing the company's strengths, weaknesses, opportunities, and threats. The type of approach taken is to use qualitative methods through SWOT analysis, then analyzed using IFAS and EFAS matrices to get the right business strategy for PT. Santosa Kurnia Jaya. Based on the results of the SWOT analysis in this company improving human resource development and employee performance is good, because refers to the results of the IFAS and EFAS matrices, from the internal factor analysis (IFAS), namely, the company shows that the quality of production results has a major effect on the survival of the company. The results of the IFAS table, found that the high market demand and company image greatly affect the company. At this time the company is in the business development phase because its in the I SO quadrant position (2.572; 2.277). PT. Santosa Kurnia Jaya is also trying to maintain the development of human resources following the company. For employee performance and tries to improve the performance of its employees to achieve the goals following the company's expectations. The right strategy that must be used is the Strength-Opportunities strategy.



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## INTRODUCTION

In facing a situation of rapid technological development, good quality human resources make a company strong to survive in the surge in business competition between companies (Legge, 2014; Obiekwe, 2018). Human resource development planning must be planned in a structured manner to get satisfactory results and under what is expected by the company (Stone et al., 2020). The implementation of human resource development in small and medium enterprises previously had to analyze what type of development is needed by employees. Choosing the right method can help smooth the process of implementing human resource development. A proper and structured implementation process can help smooth the process of implementing human resource development (Martínez-Jurado et al., 2014; Sunyoto, 2017). The evaluation of implementation of the human resource development process is essential to be able to find out whether the results that have been obtained are following the expected goals (Nurbiyati, 2015; Sunarsi, 2018).

Human resource development is basically the effort of equipping a person with the knowledge, skills and attitudes necessary to perform the day-to-day tasks or activities of an organization, an employee or a member. Organizational staff can be more confident in solving problems encountered in the task (Karim et al., 2019; Townley, 2019).

In a target that has been determined by the company, it is necessary to establish an assessment as a form of caring for employee performance. At the same time, employees need this assessment as feedback on their work (Elnaga & Imran, 2013). Performance appraisal is the most commonly used method of evaluating and appreciating employee performance in companies. In performance appraisal, an employee who has performed his duties in a company can be evaluated and identified through a performance appraisal tool. Performance appraisal focuses on assessment as a process of measuring the extent to which employee work can be useful to achieve company goals (Albrecht et al., 2015; Anitha, 2014).

PT. Santosa Kurnia Jaya is a company engaged in the textile industry and fabric manufacture, where the products of this company have penetrated the international scene such as Japan. The textile and fabric manufacturing business has been running for more than 17 years. To compete with many competitors, this company continues to grow and advance every year in the use of machines and must

improve the company performance. What greatly affects the company's performance is the human resource itself. This company has staff and employees who are people who live around this company. The problems faced by PT. Santosa Kurnia Jaya is related to human resource development and traditional employee performance appraisal system, which makes the company's business strategy less good.

Research by Istiqomah (2017) regarding Human Resource Development Strategies as an Effort to Improve Village Apparatus Performance in Pinggan Village states that a human resource development strategy needs to be carried out to improve village apparatus performance. Then, in Suksup et al. (2020), it was found that work on human resources and positioning plans contains the most threats and weaknesses. Based on the explanation described above, this research was conducted at PT. Santosa Kurnia Jaya to determine the company's business strategy by analyzing the company's strengths, weaknesses, opportunities, and threats.

## RESEARCH METHODS

This research uses qualitative research with the SWOT analysis method. Rangkuti (2013), A SWOT analysis is one of the tools used to formulate strategies based on employee and company circumstances that can affect company performance. These factors are classified as internal and external factors, namely the relationship between the organization and the community that creates and supports it.

Then the type of data needed is Primary Data, where primary data is data obtained directly without intermediary people as third parties, primary data is obtained from interviews through respondents. In this study, primary data was conducted utilizing direct interviews with the business owners of PT. Santosa Kurnia Jaya. This research was conducted at PT. Santosa Kurnia Jaya, whose address is at Jl. Anyar No.68, Rancakasumba, Kec. Solokanjeruk, Kab. Bandung. This research was conducted from July 15, 2022 to July 16, 2022.

The data collection techniques used in this study are:

Interview, Interviews allow researchers to collect diverse data from respondents in various situations and contexts (Sarosa, 2017). The purpose of the interview is to obtain direct information about the situation and conditions of a particular company, complete a scientific investigation and obtain data to influence certain situations or parties. The interview method must be carried out with related parties and those who are competent in their fields.

Literature Study, A literature study is an activity to collect information relevant to the topic or problem that is the object of research. The literature study aims to obtain the theoretical basis and definitions used in case analysis. These theories are obtained from the literature, as well as other writings that are related to the problem to be studied.

### Data analysis method

#### Internal & External Factor Analysis

SWOT analysis is used to find out what strategy will be used After looking at the company's strengths, weaknesses, opportunities and threats (Gürel & Tat, 2017; Sarsby, 2016). A SWOT analysis compares external factors of opportunities and threats with internal factors of strengths and weaknesses. Internal factors are entered into a matrix called the Internal Strategic Factor Matrix or IFAS (Internal Strategic Factor Analysis Summary). External factors are entered into a matrix called the External Strategy Factor Analysis Summary (EFAS) matrix.

#### SWOT Analysis

The tool used to develop a business strategy is the SWOT Matrix.

**Table 1 SWOT Matrix**

	Strength	Weaknesses
Opportunities	SO Strategy Generate strategies that use strengths to take advantage of opportunities	WO Strategy Generate strategies that minimize weaknesses to take advantage of opportunities

	Strength	Weaknesses
Threats	ST Strategy Generate strategies that use strengths to address threats	WT Strategy Generate strategies that minimize weaknesses and avoid threats

Source : Rangkuti, 2013

A SWOT matrix is used to develop a corporate strategy that articulates the opportunities and threats facing the company along with its strengths and weaknesses (David et al., 2019). His SWOT matrix above produces four possible alternative strategies:

- a. S-O (Strength-Opportunities) Strategy  
This approach is primarily based totally at the company`s mindset, particularly through making use of all strengths to capture and take benefit of possibilities as a good deal as viable
- b. W-O (Weaknesses-Opportunities) Strategy  
This approach is carried out primarily based totally at the usage of present possibilities through minimizing present weaknesses.
- c. ST Strategy (Strengths–Threats)  
This approach makes use of the company's strengths to conquer threats.
- d. W-T Strategy (Weaknesses–Threats)  
This approach is primarily based totally on sports which can be shielding in nature and try and limit present weaknesses and keep away from threats.

## RESULTS AND DISCUSSION

### Business Overview of PT. Santosa Kurnia Jaya

PT. Santosa Kurnia Jaya is a company engaged in the textile industry and fabric manufacture, where the products of this company have penetrated the international scene such as Japan. Textile and fabric manufacturing business located on Jl. New No. 68 District of Solokan Jeruk Kab. Bandung has been running for about 17 years. Which is managed by Mr. Dudi Gumelar the founder of this company. Has more than 200 employees and staff working at PT. Santosa Kurnia Jaya. To compete with many competitors, this company continues to grow and advance every year in the use of machines and must improve the company performance. What greatly affects the company's performance is the human resource itself. This company has staff and employees who are people who live around this company. The problems faced by PT. Santosa Kurnia Jaya relates to human resource development and employee performance appraisal system which is still traditional so the company's business strategy is not good.

### Formulation of MSME Business Strategy PT. Santosa Kurnia Jaya

Following internal and external factors, the following strengths, weaknesses, opportunities and threats can be identified:

- Strength**
1. The quality of the production of PT. Santosa Kurnia Jaya.
  2. Product pricing.
  3. Availability of labor.
  4. Production results according to market demand.

#### Weaknesses

1. Employee culture.
2. Lack of management on Human Resources development.
3. Lack of promotion.

#### Opportunities

1. Market demand.
2. Technological developments.
3. The government has paid attention to business development in terms of coaching.

### Threats

1. Increase in the price of goods (inflation).
2. Rising commodity prices.

Identification of internal and external factors at PT. Santosa Kurnia Jaya are as follows:

### IFAS Matrix (Internal Factor Strategic Analysis Summary)

These internal factors influence the formation of strengths and weaknesses (S and W). These factors are related to conditions within a company that can also influence the formation of corporate decisions. These internal factors include all types of functional management such as marketing, finance, operations, human resources, research and development, management information systems, and corporate culture.

After the organization's internal strategic factors are identified, an IFAS (Internal Factor Strategic Analysis Summary) table is compiled to formulate these internal strategic factors into a framework of organizational strengths and weaknesses.

**Table 2 IFAS Matrix**

Internal Factors	Weight	Rating	Weight X Rating
<b>Strength</b>			
Quality of production	0.195	4	0.78
Product pricing	0.155	3	0.465
Availability of manpower	0.180	3	0.54
Production results according to demand	0.164	3	0.492
<b>Amount</b>			<b>2.277</b>
<b>Weaknesses</b>			
Employee culture	0.096	2	0.192
Lack of management on Human Resources development	0.085	2	0.17
Lack of promotion	0.125	2	0.25
<b>Amount</b>			<b>0.612</b>
<b>Total strengths and weaknesses</b>	<b>1.00</b>		<b>2.889</b>

Give the weight of each strategic factor in the weight column, On a scale from 1.0 (very important) to 0.0 (not important). All of these weights do not exceed a total score of 1.00. These factors are weighted based on the impact of strategic position (Rangkuti, 2013). Multiply the weight by the rating to get the weighting factor in the Weight x Rating column. The results are weighted scores for each factor ranging from 4.0 (extremely) to 1.0 (weak).

Add up the weighted scores (column of weights x rating), to obtain the total score of the weights of the analyzed factors. This total value shows how the variables analyzed react to internal strategic factors.

The total weight x strength factor score in Table 1 is 2.277 and the weakness factor is 0.612. This value serves as an indication of the current state of the company.

### EFAS Matrix (Eksternal Factory Analysis Summary)

Indicate the weight of each strategic element in the Weight column on a scale from 1.0 (very important) to 0.0 (not important). All of these weights do not exceed a total score of 1.00. These factors are weighted based on the impact of strategic position (Rangkuti, 2013). Multiply the weight by the rating to get the weighting factor in the Weight x Rating column. The results are weighted scores for each factor ranging from 4.0 (extremely) to 1.0 (weak).

Add up the weighted scores (weights x rating), to obtain the total score of the weights of the analyzed factors. This total value shows how the variables analyzed react to internal strategic factors.

The total weight x rating in table 1 for the strength factor is 2.277 and the weakness factor is 0.612. This value is used as a reference point for the company's current condition.

**Tabel 3 EFAS Matrix**

<b>External Factors</b>	<b>Weight</b>	<b>Rating</b>	<b>Weight X Rating</b>
<b>Opportunities</b>			
Market demand	0.233	4	0.932
Market development	0.170	3	0.51
Government regulation	0.185	3	0.555
Company image	0.190	3	0.76
<b>Amount</b>			<b>2.752</b>
<b>Threats</b>			
Existence of similiar competitors	0.098	3	0.294
Inflation	0.125	2	0.25
<b>Amount</b>			<b>0.544</b>
<b>Total Opportunities and Threats</b>	<b>1.00</b>		<b>3.296</b>

Indicate the weight of each strategic factor in the Weight column on a scale from 1.0 (very important) to 0.0 (not important). All of these weights do not exceed the total score = 1.00. These factors are weighted based on the impact of strategic position (Rangkuti, 2013). Multiply the weight by the rating to get the weighting factor in the Weight x Rating column. The results are weighted scores for each factor ranging from 4.0 (extremely) to 1.0 (weak).

Add up the weighted scores (column of weights x rating), to obtain the total score of the weights of the analyzed factors. This total value shows how the variables analyzed react to external strategic factors.

The sum of weight x rating in the Opportunity Factors table is 2.752 and the Threat Factor is 0.544. This value serves as an indication of the current state of the company.

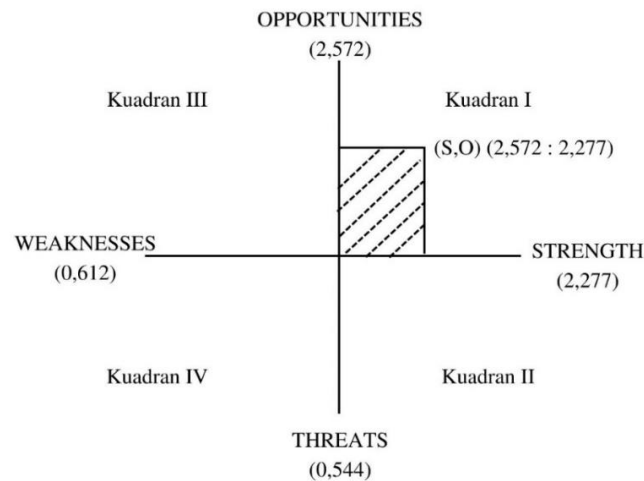
### SWOT Analysis Quadrant Diagram

Rangkuti (2013), the SWOT analysis is divided into 4 main quadrants which have different strategies for each quadrant.

- **Quadrant I**  
Indicates a highly profitable business condition. Where there are opportunities and strengths where the business can grow effectively. The strategy applied in this state is to support aggressive growth policies (growth-oriented strategies).
- **Quadrant II**  
It shows the state of a company that maintains its internal strength in the face of various threats from the outside. The strategy that must be applied is to take advantage of long-term opportunities in a diversification strategy (product or market).
- **Quadrant III**  
Companies facing huge market opportunities can minimize internal problems and seize good market opportunities.
- **Quadrant IV**  
Condition of the company which is in quadrant IV position is not profitable, the company faces various threats from outside and has internal weaknesses owned by the company.

This matrix is based on two dimensions of organizational position, the position of the results of the IFAS and EFAS analysis in the larger strategy matrix to indicate whether the IFAS and EFAS touchpoints are in the 1st, 2nd, 3rd and 4th quadrants.

Evaluation of internal and external factors owned by PT. Santosa Kurnia Jaya can be obtained from the total score, which is the sum of the weights and scores from Tables 1 and 2 above multiplied by the total internal factors score of 2.889 and the total external factors score of 3.296. In the next stage, the total score achieved by the company in the table of internal and external factors can be used with a SWOT diagram to describe the company's position to execute strategies according to the current situation.



**Figure 1 Quadrant Diagram**

## CONCLUSION

In determining the business strategy of PT. Santosa Kurnia Jaya is trying to improve the development of human resources and the performance of its employees. The process of developing human resources is carried out following what is required by the company. Starting with the existence of training (training) or the provision of education based on the job desk or career level contained in the company. Then the employee performance appraisal process is carried out based on employee needs. For employee performance appraisal at PT. Santosa Kurnia Jaya is the same as evaluating employee performance in other companies, but in this company, the performance appraisal system is very simple. Where only the division head or section head can assess the performance of his subordinates, then report it to the HRD or supervisor.

The type of approach taken by the researcher to use a qualitative approach through SWOT analysis, then which is analyzed using the IFAS and EFAS matrices to get the right business strategy for PT. Santosa Kurnia Jaya. Based on the results of the SWOT analysis of PT. Santosa Kurnia Jaya is in improving human resource development and employee performance is good, because it refers to the results of the IFAS and EFAS matrices, from the internal factor analysis (IFAS) which is obtained from the sum of ratings and factors of strength and weakness, the company shows that the quality of production has a big effect to the survival of the company. The total weight x rating in the IFAS table for the strength factor is 2.277 and the weakness factor is 0.612. This value is a reference for the current state of the company. On the other hand, External Factor Analysis (EFAS) results from a combined ranking of opportunity and threat factors identifying high market demand and the company's image greatly affect the company. As for the threat factor, there are competitors in the textile industry, this shows that the textile company PT. Santosa Kurnia Jaya must be prepared for various external threats that exist at this time. The total weight x rating in the EFAS table for the opportunity factor is 2.752 and the threat factor is 0.544. This value is used as a reference point for the company's current condition.

So the results of this study indicate that PT. Santosa Kurnia Jaya is currently in the business development phase because it is in the Strength - Opportunities Quadrant I position (2,572: 2,277). And PT. Santosa Kurnia Jaya is also trying to maintain the development of human resources following the company. Then to assess the performance of employees at this company, PT. Santosa Kurnia Jaya strives to improve the performance of its employees to achieve the goals and results following the company's expectations. The right strategy is used to determine the MSME business strategy of PT. Santosa Kurnia Jaya based on the SWOT Analysis is to implement the S - O Strategy, where this strategy provides benefits and takes advantage of all the strengths that exist in the company and takes advantage of the company's opportunities as much as possible to be able to maintain human resource development that is right for the company.

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