

THE EFFECT OF LEADERSHIP STYLE TO THE COMPANY PERFORMANCE IN PT. TERA MULTI WAHANA, INDONESIA BASED ON 7S MCKINSEY THEORY

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Abstract- In this study, researchers analyzed about the leadership style of the leader who built that own business and has a leadership style that is unique and different from other leaders. To see how much influence the leadership style in the company of researchers using the McKinsey 7s theory where the theory can provide an assessment of the power of a leader's style and impact on the performance of the company. With the results of the analysis of PT Astra International were formed questions for PT Tera Multi Wahana. In addition to the question researchers also compared the Astra with Tera when their leaders set up a new company. From the analysis of PT Tera Multi Wahana the impact of Ramos Sihombing led a major have influence on his employees. This is seen from the view of the staff against his self and the impact of making them work in accordance with what had been determined by the company.

Keywords: human resource, leadership, 7s McKinsey Theory, entrepreneurial leader, servant leadership

Business as usual

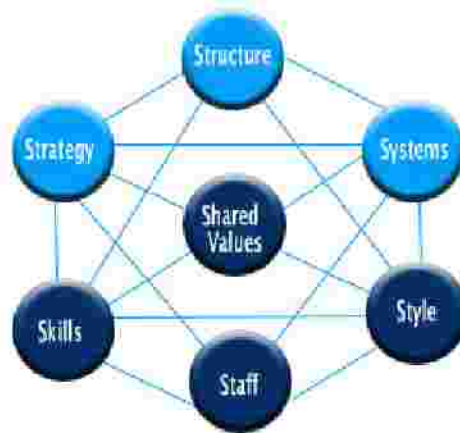
Companies generally have many rules and steps to be followed, including the taking of a decision. As the company in general, PT. Muara has been standing since 62 years ago as a holding company established by Reinhardt Muara Sihombing, the father of Horas Leonard Sihombing and the grandfather of Mr. Ramos. PT Muara, as a holding company, has a funding source of its shares in PT Nestle Indonesia. PT Muara led by Mr. Ramos Sihombing which serves as the Director at the beginning of 2001 to 2004 and opened a new company in the field of plastic production for domestic use, ie PT Tambun Old Brothers (TTB), and PT Muara Prima Creations (MPK) that runs in field of design and printing. The opening of the company also initiated by Reinhardt Muara, considering himself as the entrepreneur who must provides legacy for his children, grandchildren and great-grandson to the company's future. By the time he became a director, his grandfather Reinhardt Muara as the founder served as President Director of PT Muara. After his grandfather died in 2004, he became president director of PT Muara until the year 2007. Mr. Ramos felt that what he did in the company was his responsibility as the representative of the grandchildren, for the great family which also rely on this company as a source of funds for daily life. Tera Multi Wahana is a company engaged in the field of information technology that focuses on custom web based application development. It was established on September 18, 2007, by Ramos Sihombing as the director and Marganda L Tobing as commissioner. Tera Multi Wahana started their business as a channel of a national company in the sale of broadband internet access.

7s McKinsey Theory

McKinsey 7S Framework is a management model used to see how effective the organization in achieving the desired goal. Indeed, there are several models and analysis that can be used to determine in which position the

organization stands; whether it uses an external analysis, internal or both. One model that is believed and survives to this day by using the internal approach is the McKinsey 7S framework. Application of the concept of McKinsey 7S can be a way to diagnose how advanced a company and how efficiently and effectively the company can run. McKinsey 7S concept covers Structure, Strategy & Systems, Shared Values, Skills, Staff, and Style. The effort of understanding the concept of 7S as an approach management strategy is necessary with the sample of the application in each of the 7S components in an organization/company, so that the definition and implementation of each component can be compared with each other. Improving the company's performance. A good company has a goal to make it a benchmark, to see how to achieve these goals and this is related with the performance in the company where there is a leader and employees who supposedly have the same goals and desires. With this 7s leaders and employees are expected to have aligned values so that the performance of the company becomes better.

7s McKinsey Model



1. Style: The management style (leadership) of organization is the result of a combination of the five elements before. The five elements are determining what kind of leadership style most appropriate to the organization in order to achieve its goals and objectives effectively and efficiently. Leadership style that is not quite right with the five elements will cause the organization to fail or even to destruction. Style refers to the style used in the organization's leadership. Management style (leadership) of organization is the result of a combination of five other elements.

These elements determine what kind of leadership style most appropriate to the organization in order to achieve its goals and objectives effectively and efficiently. Strong leadership at all levels, and especially in the ranks of top management, will provide a dramatic impact on business performance improvement. Strong leadership is also expected to make an important contribution to the growth and flowering of the organizational that is oriented on the achievement or performance-based culture.

2. Staff: Based on the existing shared values, the organization formed therein personnel (manager). Organization will determine the prerequisites of people like what is considered as appropriate to the existence and objectives of the organization. As known, if the organization goals and individual goals are not unidirectional, it will be very difficult for the organization to be able to grow and develop properly.

3. Skills: The skills of each individual in the organization are very important elements for the success of the organization to achieve its goals and objectives effectively and efficiently. If the skills of the implementing organization less in accordance with the needs of the organization to accomplish its mission, the organization is likely to be counterproductive. Therefore, skills are a reflection of the core competence of the organization, because the strategy is also a reflection on existing skills. Its essence is how an organization is constantly developing skills, work attitudes and knowledge of its employees.

Referring to the best practice in Asia, every company should provide a minimum 40 hours of training (5 days) each year for every employee. Of course, training and skills development must also be accompanied by systematic monitoring scheme to ensure that the skills can be applied to jump-start the business performance.

4. Strategy: The strategy of an organization intended to enable an organization to have a clear direction and firm about the ways it uses to achieve the goals and objectives of the organization. Without a clear strategy, each organization will be in a condition such as a ship that sailed without ever knowing where to be anchored. In a business organization, strategy reflects an accurate assessment of the business environment, especially the current and future activities that will come from competitors.

5. Structure: The organizational structure is a reflection of the shared values of the organization in the achievement of organization goals and objectives optimally. Structure which could well reflect shared values will empower organizations to achieve these goals and objectives.

6. System: If a company has a good management system, it will be easier for the company to conduct daily operational. This system includes planning, implementation, control and evaluation, budget, and rewards. The system implemented by the organization is based on the existing shared values.

7. Shared Values: It is a work value that exists within the company. It is a guideline for organization members to grow and develop.

Based on the seven factors above, we can see that the styles of leadership of a leader is the result of a combination of the five elements before, how a leader takes a role in achieving the targets of the company effectively and efficiently. A good leader must also have a good style in leading where the employee is no longer seen as an asset but as a capital. A good leader does not just think of the interests of the company or himself, a good leader also serves for others as a figure of William Soerdjaya who will be a guideline for comparison between him and his company, and the leader of PT Tera Multi spacecraft and its leader. Leaders who see the employees as the capital where they must be treated and maintained so that it grows and can be useful for the country and the company later on is one of the traits of a servant leadership.

Servant Leadership

The term servant leader is used for the first time by Robert K. Greenleaf in 1970 in his book entitled *The Servant as Leader*. This book is the first of a dozen books on leadership posts which sold more than 500 thousand pieces. Greenleaf used most of the time in his life to work at AT & T in the field of management education. After a 40 year career in the giant corporate communications, he then underwent a second career for 25 years by working as a consultant for several institutions in education/research. In this story, described a group of people who make a spiritual journey, it might be Hesse's experience. The central figure in this story named Leo who joined the group as a minister (servant) in charge of doing things that seem small and insignificant. In addition to all the little things, Leo also sustains the members of the group with his spirit and his songs. Leo was a person with extraordinary presence. Everything went well, until the time when Leo disappears. Since then, the group went messy and the spiritual journey was canceled

It turns out they could not carry out the spiritual journey without a maid named Leo. A few years later, Leo was found and he was invited to join the Order which sponsored the spiritual journey. Then, the narrator in the story became aware that Leo, who had been known as a "servant", in fact was the real leader of the Order, spirit guide, a great and honorable "leader". For Greenleaf, this story clearly says that "the great leader is first seen as a servant" and this fact is the key to the greatness. Leo was actually the leader of all the time, but he was a servant first because that's his true identity.

Methodology

In this study the researcher will use qualitative research methodologies to analyze and search for information that is useful for this paper. In this paper, the researcher will find data and information about the leadership style of the leader in PT Tera Multi rides and process the McKinsey 7S model which is derived from a collection of some of the results of the McKinsey 7s model in PT Astra International. To support the information and data required, the researcher uses the following ways.

Analysis Result 7s McKinsey Theory di PT Tera Multi Wahana

Mr. Ramos Sihombing. Born in Jakarta, March 30, 1967, his wife name Dewi Hutabarat the couple has three children first Gaby (Daughter), Timothy (Son), Christabel (Daughter). He is the founder and leader of the company Tera Multi Wahana. In his business career as an entrepreneur he has leave the family company, but due to its internal problems in his family he resigned and decided to open a new business and his company's name is Tera Multi Wahana. The staff of the TMW Company must have specialty in IT Program, then after that there is with a specialization in marketing, and finance field. The staff they needed depends from the project that they do from large scale or small. Not just the quantity of staff that they need when the project getting bigger but the quality of the staff is required in company. According to Mr. Ramos his spirit in establishing this company is not followed by the spirit of the new staff when they enter TMW. According to him it's because employees have different interests with its self who wants to build this company, it's because financial matters. TMW need to be a focus also on IT skill. However, the program created must be sell and need someone who can sell the it, this part assigned to the marketing team and also in the finance team for finances. According to Tommy as the general affairs of the company that known about the company so well, he said that there are no gaps in the skills staff when working in TMW's. A company must have a strategy in their business, so the business that company run can be clear to achieve the target. According to Mr. Ramos his strategy is to give confidence to the consumer from the product, the service after sales, and finish the project as fast as they can from deadline. When the confidence and satisfaction increase, a bigger project will follow. Taking a project must be not greedy, doing the project must suitable with they capability so the worker can focus in every project that they do.

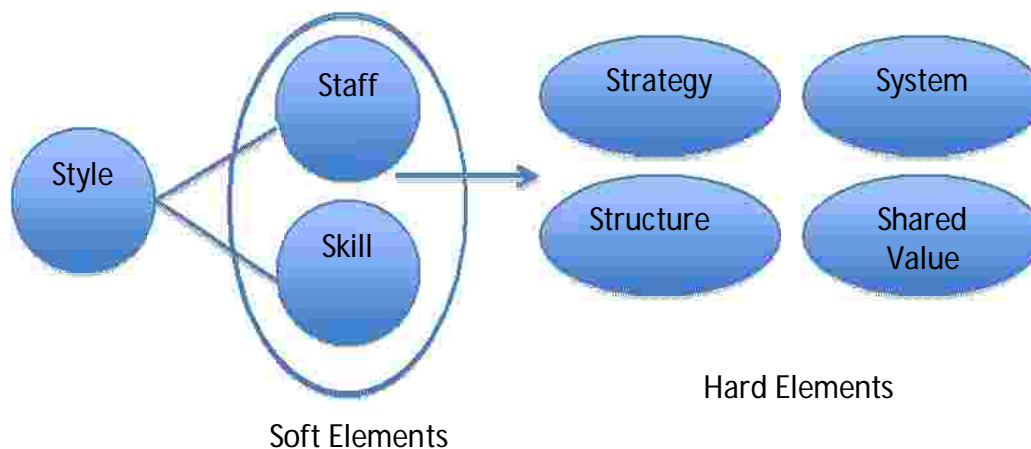
Many competition in the IT business, however this competition not make Mr. Ramos down and still confident with his business. Many similar companies are "greedy" taking tender or other jobs that make his workers overwhelmed and unfocused his said. TMW not just sell IT products, in the early 2014's TMW try to cooperate with Japanese Company - Oukpak that produce Oxygen Absorber for food. TMW has desire to be the distributor in Indonesia, but it is still in the negotiation. This cooperation come from Mr Ramos desire to expand his businesses. He hopes that if the business became big the can increased the employment, and especially to increase the company trusts and capability as professional company with cooperate with foreign companies. The organizational structure of Tera Multi Wahana Company can be seen is not too complicated so the possibility marketing and finance work performed more heavy because in addition to taking care of their selling program and also take care of the cooperation with Japan Company. According to Mr. Ramos this structure made to get efficient and there is no idle staff so workers have a big responsibility when they take care of project. Coordination of work starting from the President of the director and the director decided against making project or customer-related companies, and marketing team started to work on the example programs for the percentration name "program trial" for consumers. The general affairs telling to IT head and next IT his head delivered to the programmer. After the custom program done, they try to present it again to the consumer. The Tera Multi Wahana company has a philosophy which is based on the name TeRa (TEman RAmos) "Ramos Friends" meant that the company is expected to help their family or friends of his own in the job or financial. According to Mr Ramos, the name that he gave is based on his dad Mr Leonard.

Conclusion

The Company generally has the strategy in running the business. After the research I did, turned out strategy can be seen from many different sides. Like PT Astra where the strategy comes in thinking his company built a macro that develops when the Indonesian economy growing Indonesian economy because if the economy develops as society is also increased so that it becomes revenue for the company Astra International, which became the first company in the Indonesian automotive leader. By thinking broadly economic strategy will indirectly have an

impact on how they (staff) pursue it so that the mental and spirit awakened and mental well when awakened spirit staff will feel comfortable in working and eager in the pursuit of their targets not only because of the salary or simply needs other. B. In starting the important one is having not wide business organizational structure. This statement prove by 2 companies, namely Astra and Tera who have undergone initial business with a not wide organization so that the effectiveness and efficiency of work going on. Not wide organizational structure is not enough, the workers must have sufficient capability in performing his duties not only employs many people who are not competent in his field. The Company has a different way of evaluating the performance of its staff. Astra at the beginning of business has a staff that is capable in what they are doing, it looks from the first 4 people who work in the Astra that they do have a good background to support their efforts, especially their family member that work on company so that the same spirit and purpose and the evaluation can be delivered in informal way. With the same period like Astra, Tera have minim people who have the same focus and purpose with the owner. Core values are very important to know what desires to be achieved by the leader / founder and his company so that they understand you know how to reach that point. PT Tera Multi Wahana has value to present its products and its services in a high level so that the customers are satisfied with their jobs. As the leader of Tera Multi Wahana Mr Ramos has believes to serve from many side God, Staff, and Consumers. As he told that "My Life To God and Peoples" that our lives depend on God. Serving to God does not mean not in hard way or in soft way while working, but with attention and give you as an example for his staff make themselves have an impact for the progress of individual staff.

New 7s McKinsey Flow



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