

Implementation of Human Resource Management Using McKinsey 7S Pada Start up Sky Garden

Aris Hawari¹, Tantri YanuarRahmatSyah², Semerdanta Pusaka³, Rhian Indradewa⁴

Faculty of Business Economics Esa Unggul University Indonesia

Abstracting: Sky Garden is a new organization that provides comprehensive grieving therapy. Where, in order to increase the company's performance, excellent Human Resource Management must be implemented in line with current circumstances. The goal of this study is to look at the function of human resource management in the implementation of HRD for new Sky Garden companies using the McKinsey Model. Given this, Sky Garden attempted to evaluate the McKinsey 7S model in depth, as well as its application to Resource Management, in order to determine the company's success in surviving in this business. Man from the Sky Garden. The McKinsey 7S technique was used, which included Share Value, Strategy, System, Skill, Style, Staffing, and Structure. The findings of this research reveal that the McKinsey model has a significant impact on Sky Garden HR's performance as well as the company's overall success.

Keywords. McKinsey Model, Human Resource Management; Human resource management practices; New HR Company, Arena Corner.

I. INTRODUCTION

In a startup or called a new company Organizational structure is also an important part in running the pace of the company, whether the structure is large or small with maximum effectiveness. Regardless of the size of the business, competitive advantage is critical to its sustainability. Because of the enormous industry competition in today's modern world, every business needs to have a competitive advantage in order to stand out (Lewis, 2017). Thus, the way of achieving competitive advantage is changing every day and traditional methods such as market position are no longer robust. This is because new challenges such as economic-political shifts, technological changes and changes in customer attitudes affect strategies such as market position strategies (Gikang'a, 2016). Other approaches such as the use of the McKinsey model are at the center of attention to competitive advantage analysis. Therefore, the purpose of this paper is to test the application of the model in gaining a competitive advantage in the telecommunications sector in Kenya. This work tends to focus on four elements of the framework especially strategy, systems, structure and staff. (Gikang'a, 2016) observes that strategy, branding, and marketing are the three main factors that ensure Safaricom's emergence over its competitors in the telecommunications industry. The system and structure of the company always informs its brand whereas the staff will have a key role in marketing hence the need for research to focus on those four key elements because they are the main elements that have ensured the success of the research population.

The high competition ahead in the industry threatens the competitive advantage of players in the industry. The McKinsey 7s Framework has become a globally relevant field that interests researchers. This has been associated with competitive advantage before. As a result, there is a need to know its effect on the competitive advantage taken by Grief Service companies. The study also focused on filling knowledge gaps from previous studies. (Mitchell, 2015) conducted a study of the McKinsey Framework in the National Basketball Association (NBA) franchise. Studies are focused on strategy, staff and skills. The research focuses on structure, systems, strategies and staff so that it differs in aspects of the McKinsey elements that the research focuses on. The Ravanfar study (2015) only focused on organizational structure as a McKinsey element in Qeshm's free zone that was noted unfavorable. In addition to this research structure will focus on systems, strategies and staff so that it differs also in terms of the elements McKinsey is in focus. (Alshaher & Alshaher, 2013) assesses the use of the McKinsey 7s Model to show how ready companies are to implement e-learning systems but only focus on four of the seven elements of McKinsey so that it differs in terms of focused concepts. Maru (2015) seeks to solidify the implementation of the McKinsey 7S model in the strategy implementation process in the Kenya Revenue Authority in the public sector. The knowledge gaps identified motivated the research to establish the influence of the McKinsey Framework on the Competitive Advantage of companies in the Telecommunications Industry in Kenya.

The Love Service Foundation which is hereinafter called Sky Garden is a company engaged in the field of grief services. "Yayasan Pelayanan Kasih" offers a *one stop* concept to facilitate consumers in enjoying grief services. Sky Garden tries to bridge the problems and complaints of consumers to the service of grief by offering several solutions in providing the capacity of the funeral room that can accommodate up to 200 people so that

families and relatives who come can do more grief activities. In addition, Sky Garden also provides crematoriums and ash houses with complete and modern facilities with ease in estimating the costs to be taken and become the only crematorium and ash house located in the middle of Jakarta. Lodging facilities and one stop service with easy payment and credit facilities, then facilities that include decorations, body management, ambulances, funeral homes to crematoriums become the advantages of sky garden. Direct competitors are still not many who start one stop service so it has more value to consumers, but over time it is necessary for *Sky Garden* to make a strong strategy to survive. But along with the development of technology and increased needs it will result in very stiff competition. The competition caused *Sky Garden* as a new company to need to implement proper HRM. HRM in a new Company can have a variety of visions and missions on which the life of the new Company depends on its human resources (Nascimento, 2017). In addition, HRM practices should be more scientific and tailored to the needs of the company to increase the impact of individuals on the new Company.

Today, the biggest challenge facing new companies is attracting and retaining top talent. When new companies compete with large organizations to attract and retain top talent, these companies' HRM practices can attract top talent and retain them in the best way to continue their activities. Therefore, challenges within the new Company include failures and obstacles in HRM practices such as weaknesses of the new Company in various aspects of recruitment, incentive systems, performance assessments, etc., and in a competitive environment, HRM can add value to the organization. Understanding the growth and success of a new company can increase the motivation of a new generation to create a new Company. However, sufficient attention is not paid to HRM to the new Company for various reasons. This problem exists globally and can be seen for real within our country. Understanding the perspectives of employers and employees about the role of HRM in the growth of new companies can help employers to take steps to align employee perspectives with the company's HRM mission and practices. On the other hand, employers' awareness of deficiencies in corporate HRM practices cannot be a way to strengthen HRM practices in companies. In addition, the Company needs reliable human resources to improve the company's operations. Therefore, the approach to managing the benchmark model of the company's operations is effective and efficient. In this study, we used success factor analysis in this organization using the McKinsey 7s Framework (Putra et al., 2019).

Human Resource Management Strategy is the best step to consider all factors related to human resources in *The Sky Garden*, this is because Human Resource Management is part of the process to manage the most valuable human resource assets and ensure everything needed to meet the goals, suggestions, vision and mission of the company in the scope of HR management. Based on the explanation that has been described above about the phenomenon of Human Resource Management in *Sky Garden*, the application of the McKinsey Human Resource Management model becomes an important issue in winning the competition of the current Grief service business that can cause there's a gap. So that makes the background of researchers to conduct a study entitled "Implementation of a Human Resource Management using McKinsey model pada Business *Sky Garden*" (Case Study on *Sky Garden*). The purpose of this study is to examine the role of HRM in the McKinsey Model in the initial process of the new Company until the process of its development.

II. LIBRARY REVIEW

Human Resource Management

The concept of *Human Resource Management* (HRM) was first developed in academic work in the United States and then increasingly applied (Mahdiraji et al., 2019a). HRM is a strategic, integrated, and comprehensive approach to the recruitment, development, and well-being of people working in organizations and includes a set of policies designed based on management decisions to achieve the organization's desired goals (Mahdiraji et al., 2019). A company's HRM practices must manage human resources to achieve optimal goals and a sustainable society. Assuming that the primary purpose of any business is to increase profits or generate and detail desired services, HRM practices can be a strategic and efficient way to recruit employees who match, motivate and engage them, increase flexibility, and increase profitability (Mahmoudi et al., 2019). Therefore, the goal of formulating HRM practices can be considered as managing people to achieve organizational goals and improve performance (Dana, 2017). HRM practices include job design, employee recruitment and selection, assessment performance, training and development, career planning, compensation, labor relations (Orakwue and Iguisi, 2020).

McKinsey Model

"The McKinsey 7s model is a tool that analyzes a company's organizational design by looking at 7 key internal elements: strategy, structure, systems, shared values, styles, staff and skills, to identify whether they align effectively and enable the organization to achieve its goals. purpose." The McKinsey 7s model was developed in the 1980s by McKinsey consultants Tom Peters, Robert Waterman and Julien Philips with help from Richard Pascale and Anthony G. Athos. Since its introduction, the model has been widely used by academics and practitioners and remains one of the most popular strategic planning tools. It seeks to present an emphasis on human resources (Soft S), rather than the traditional mass production of tangible capital,

infrastructure and equipment, as key to higher organizational performance. The goal of this model is to demonstrate how the 7 elements of a company: Structure, Strategy, Skills, Staff, Style, Systems, and Shared Values, can be aligned together to achieve effectiveness within a company. The key point of this model is that the seven areas are interconnected and changes in one area require company-wide changes in order to function effectively. Below you can find the McKinsey model, which represents the relationship between the seven areas and divides them into 'Soft Ss' and 'Hard Ss'. The form of the model emphasizes the interrelationship of elements.



In the McKinsey model there are seven areas of an organization divided into 'soft' and 'hard' areas. Strategies, structures, and systems are hard elements that are easier to identify and manage when compared to soft elements. On the other hand, soft areas, although harder to manage, are the foundation of the organization and more likely to create a sustainable competitive advantage.

Hard	Soft Strategy
Strategy	Style
Structure	Staff
System	Skill
	Shared Value

Strategy

A strategy is a plan developed by a company to achieve a sustainable competitive advantage and successfully compete in the market. What is a aligned strategy in mcKinsey's 7s model? In general, a good strategy is one that is clearly articulated, long-term, helping to achieve competitive advantage and reinforced by a strong vision, mission, and values. But it's hard to know if the strategy aligns with other elements when analyzed on its own. So the key in the 7s model is not to look at your company to find great strategies, structures, systems, etc., but to see if that company aligns with other elements. For example, a short-term strategy is usually a bad choice for a company but if aligned with the other 6 elements, then it can give strong results.

Structure

The structure represents the way divisions and business units are organized and includes information about who is responsible to whom. In other words, structure is a chart of a company's organization. It is also one of the most visible and easily changed elements of the framework.

System

A system is a company's processes and procedures, which reveals day-to-day business activities and how decisions are made. Systems are the areas of the company that determine how a business is conducted and should be a major focus for managers during organizational change.

Skill

Skills are abilities that company employees do very well. They also include ability and competence. During organizational change, questions often arise about what skills a company really needs to strengthen its new strategy or structure. Employee training is very important because the industry is constantly changing and new technologies and procedural breakthroughs lead to service improvements.

Staff

The staff element relating to Planning is a general activity of management concepts that can be applied in all areas, including the field of human resource management (Hashim et al., 2020). In addition to the type and how many employees the organization will need and how they will be recruited, trained, motivated, and rewarded.

Style

Style represents the way companies are managed by top-level managers, how they interact, what actions they take, and their symbolic value. In other words, it is the management style of the company's leaders.

Shared Value

Shared Values is at the core of the McKinsey 7s model. They are the norms and standards that guide employee behavior and corporate actions and as such, are the foundation of any organization. As we pointed out earlier, the McKinsey 7s framework is often used when organizational design and effectiveness are questioned. It's easy to understand the model but it's much harder to apply it to your organization because of a common misconception about what the elements should be like that align.

III. METHODOLOGY

In this research, qualitative research methods with study approaches as well as the application of the role of HRM in sky garden companies. Qualitative research is often used to find complex results of phenomena, which aim to describe and understand phenomena from the point of view of researchers (Leedy and Ormrod, 2005). Qualitative research deals with the meaning of phenomena rather than measuring and evaluating them. Yin (2003) states that case studies are used as empirical investigations that investigate contemporary phenomena in real-world contexts, especially when the boundaries between phenomena and their contexts are unclear. The reason for using case studies in this study is to provide new Company Analysis possibilities, analyze simultaneously more than one unit, and to increase confidence in results compared to a single case study (Pearce et al., 2014).

RESULTS AND DISCUSSIONS

Human Resource Management.

Human resource planning is a strategy or series of steps and approaches to manage or use human resources (HR) to achieve a goal / goal set by the company / organization. Human Resources determines the human aspects of management positions related to the process of acquiring, training, assessing and compensating employees. This includes paying attention to their working relationships, health, security and justice issues. Specialized human resources are filled with programs concerned with people (employees) performed in the most effective organizational functions, facilitating the use of people (employees) to achieve organizational and individual goals. Based on the results of analysis and implementation of the McKinsey Sky Garden method, here are the results.

Strategy

An organizational strategy is built on a shared vision and the four elements that surround it directly. The strategy of an organization is intended so that the organization can have a clear and firm direction about the ways used to achieve organizational goals and objectives without a clear strategy, each organization will be in a condition like a ship sailing without a strategy. I never knew where it was going to be anchored. In business organizations, strategies reflect an accurate study of the business environment, especially the current and future actions/activities of competitors. Two alternative strategies that will be carried out by Sky Garden are Product Development and Market Development, both of which must be considered by the company, Sky Garden with its grief services to determine product development strategies in accordance with strategy opportunity analysis. From the matrix that has been explained, Sky Garden must carry out a strategy to create a service of grief with the concept of *one stop service* by providing all consumer needs, the other thing, the maturity of the strategy is also supported by products that have a competitive advantage to increase competitiveness against competitors. Then there is the price factor that determines the purchasing decision of a product, strategic pricing can win the product in competition in the market.

Structure

Organizational structure that governs the system of work, communication, authority and responsibility and delegation of tasks to a particular work unit or person to achieve organizational goals. A structure is a visible element so it is easy to adjust or change it. In addition, with this structure, you can find out some of the specializations of work, channel orders, and report delivery (Fryandini et al., 2021). Organizational structure is an arrangement and relationship between each part and the position that exists in an organization or company in carrying out operational activities to achieve the expected and desired goals. Organizational structure clearly describes the separation of working activities from each other and how relationships of activities and functions are restricted. Organizational structure, we can see the division of labor and how different functions or activities can be properly coordinated. In addition, with this structure, we can find out some specializations of a job, command channels, and report submission. In the explanation of the structure there is a relationship between the component and its position and all of those components experience interdependence. That is, every component in it will affect each other which will ultimately affect an organization as a whole. Sky Garden's organizational structure is designed in accordance with the functions that exist in the development of the company's business, organizational design is directed towards the organization of the company that adopts a comprehensive business process. Sky Garden consists of commissioners, managing directors, operations directors, marketing directors, human resources directors, and finance directors where the chief director is responsible for leading and running

the company, as well as selecting, assigning, overseeing the duties of employees and section heads (managers) or deputy directors for the company's approved annual budget.

System

The system used by Sky Garden is a Company Process and Procedure that contains daily operational activities and decision making in the company. This system becomes the main focus of management in the event of organizational changes in a sky garden company will conduct planning and development of human resources to bring the company forward and successful. To that end, the human resources division will do several ways in developing human resources, including recruitment, training and development, compensation system and job evaluation. Standard Operating Procedures (SOPs) related to the company's operational activities, such as customer service standards, product quality standards, contract reviews, budgeting and financial statements, inventory, employee procurement, employee selection process, work evaluation system. The purpose of this function is to reduce uncertainty in managing human resources to achieve our company's goals. These functions are related to various other areas of management, such as operations management, marketing management, financial management, and there is also human resource management itself. In addition, Sky Garden also created a performance-based system in terms of body management and program preparation based on proposals from each division.

Skill

Skill is the employee ability needed by Sky Garden so that the company can perform well as expected so as to help the company in achieving its goals. These skills or skills also include Capabilities and Competencies. The skills required by Sky Garden employees are reliable, integrated human resources, loyalty and the spirit of building the company. In addition, Sky Garden creates safe, comfortable conditions, and a harmonious working atmosphere among all employees is the mission in this company by providing education and training for employees. Thus employees can be competent in doing work and achieving work targets that have been done by employees. The purpose of the Human Capital aspect is to develop human resource planning and training in order to develop a better company. The form of new divisions related to nutrition and training centers to be able to bring the company to the forefront can require nutritionists for a company. Thus, Sky Garden will be formed with a new division by hiring employees who know technology and advances in grief services both abroad and in Indonesia.

Staff

Staffing Staff or Employees at Sky Garden are assets for the company. Here, many staff are concerned with how employees are selected, recruited, trained, motivated, and valued. Staffing in the first year consists of 5 parts, among others operations responsible for production and maintenance, marketing responsible for marketing and sales, human resources, and finance while the total accumulation of staff needs will follow the growth of the company. To determine the ideal number of employees in the company, each work unit in The Sky Garden must make the plan of employee needs for the next two years by looking at the resources needed must be in accordance with the needs of the organization in the short, medium and long term (Prima et al., 2021)

Style

Management leadership style is used in an organization to achieve its corporate goals. The leadership style used by Sky Garden is a type of democratic leadership style in which a leader delegates his authority and invites his followers to participate in the decision-making process. A democratic leader is a good listener to his followers and a good team worker, and is able to influence and collaborate with the team he leads. With this leadership style, any input from team members is appreciated and commitment in teamwork can be felt through the active participation of each member. In this case, a business leader can apply this leadership style to get useful advice from his or her employees.

Shared Value

The implementation of Sky Garden on shared value is to use 4 indicators, namely first *integrity*, All Sky Garden employees are committed to carrying out their duties and obligations in accordance with Company Regulations and discipline to comply with the rules of service. Second respect, all Sky Garden employees are obliged to provide maximum service to the entire family with respect both in speech and deeds. Third Quality, Sky Garden has a team to control the quality of services and products used regularly in accordance with the Operational Procedure (SOP) and the four Families, Sky Garden always hold discussions with all employees every week and perform mini games to strengthen solidarity between employees.

IV. CONCLUSION

The results showed that the HRM practices implemented by Sky Garden using the McKinsey 7S showed that strong HRM practices will provide improved employee and organizational performance, In this study, shared values are the main core of the McKinsey 7s Framework as it relates to the company's core values i.e. culture. Share Values is basically a standard or norm that becomes a code of conduct for all employees and management of Sky Garden companies. Demito be able to compete in the Grief service industry in Indonesia, Sky

Garden needs to implement the implementation of the mckinsey 7S model that is strict and obedient. So that later Sky Garden can maintain the quality of its service. In addition, customer satisfaction is the most important thing for Sky Garden to still be able to compete in this Grief Service Business.

Limitations in this study show that in Sky Garden, due to the small size of the company with a small number of members, HRM Strategy has a strategic role in the company. However, HRM can have a strategic or non-strategic mission. This means that there is a specific framework for achieving multiple missions that follow the development and competitive conditions of digital companies. So that the role of HRM is also very vital in the industry of GriefService Companies.

Reference

- [1]. Alshaher, A., & Abdul-Fattah Alshaher, A. (2013). The Mckinsey 7s Model Framework For E-Learning System Readiness Assessment Related Papers Crit ical Success Fact Ors For Ent Erprise Resource Planning Implementat Ion Su... Mohmed .Y. Mohmed Al-Sabaawi Measuring T He Impact S Of E-Learning On St Udent S' Achievement In Learning Process: An Experience F... IJEACS UK Explorat Ory St Udy In Crit ical Success Fact Ors For E-Management Implement At Ion Success In Al-Huka.The Mckinsey 7s Model Framework For E-Learning System Readiness Assessment.*International Journal of Advances in Engineering & Technology*, 6, 1948–1966.
- [2]. Dana, L.-P. (2017). International entrepreneurship research: how it evolved and directions for the future. *International Journal of Entrepreneurship and Small Business*, 30(4), 477–489.
- [3]. Eriyanto, Y., Lestariani, R. I., Tantri Yanuar Rahmat, S., & Indradewa, R. (2021). Human Capital Implementation Strategy in the Kamala Fertility Clinic. *Journal of Multidisciplinary Academic* ©, 05(01), 89–93.
- [4]. Fryandini, D., Indradewa, R., & Shah, T. Y. (2021). Human Capital Plan for Business Startups "Innovation of Subang Honey Pineapple Beverage." *International Journal of Research and Review*, 8(10), 45–50. <https://doi.org/10.52403/ijr.20211008>
- [5]. Gikang'a. (2016). *Power of branding, market positioning and strategy*. Inside Safaricom's Sh38.1b Profit.
- [6]. Gunawan, R. Indradewa., Shah, T. Y. R., & Fajarwati, D. (2020). Transformational Leadership Role in Human Resource Effectiveness. *Journal of Multidisciplinary Academic*, 4(6), 412–415.
- [7]. Hashim, L.C., Shah, T. Y. R., Indradewa, R., & Pusaka, S. (2020). Five Success Stages in Human Capital Planning Over LH Hotel Business. *Journal of Multidisciplinary Academic*, 03(05), 171–176. <http://www.kemalapublisher.com/index.php/JoMA/article/view/416>
- [8]. Jafari-Sadeghi, V. (2020). The motivational factors of business venturing: Opportunity versus necessity? A gendered perspective on European countries. *Journal of Business Research*., 113(5), 279–289. <https://doi.org/https://doi.org/10.1016/j.jbusres.2019.09.058>
- [9]. Paul, A., & Nithila Vincent, T. (2018). Employee motivation and retention: issues and challenges in a startup,. *International Journal of Creative Research Thoughts*, 6(1), 2050–2056.
- [10]. Lewis, M. . (2017). How to Gain a Competitive Advantage in Business. *Journal of Strategic Management*, 8(6), 23–45.
- [11]. Mahdiraji, H. A., Kazimieras Zavadskas, E., Kazeminia, A., Abbasi Kamardi, A. (2019). Marketing strategies evaluation based on big data analysis: a CLUSTERING-MCDM approach. *Economic Research-Ekonomska Istraživanja*, 32(1), 2882–2892.
- [12]. Mahdiraji, H. A., Mokhtarzadeh, N. G., Shateri, H., Beheshti, M. (2019). A Comparison Of Buyback, Rebate And Flexible Contracts In A Seller-Buyer Supply Chain. *Transformations in Business & Economics*, 18(1), 1–11.
- [13]. Mahmoudi, M., Mahdiraji, H. A., Jafarnejad, A., Safari, H. (2019). Dynamic prioritization of equipment and critical failure modes. *Kybernetes*, 48(9), 1913–1941.
- [14]. Maru, B. W. (2015). *Application of the McKinsey 7s model in strategy implementation at the Kenya Revenue authority*. 1-50.
- [15]. Mokhtarzadeh, N. G., Mahdiraji, H. A., Beheshti, M., & Zavadskas, E. K. (2018). *A novel hybrid approach for technology selection in the information technology industry*. *Technologies*, 6(1), 34.(Vol. 6, Issue 1).
- [16]. Nascimento, C. (2017). *What is the role of Human Resource Management in growing start-ups?*
- [17]. Orakwue, A., & Iguisi, O. (2020). (2020). Conceptualizing entrepreneurship in human resource management. *International Journal of Research in Business and Social Science*, 9(3), 85–93.
- [18]. Pearce, P. F., Christian, B. J., Smith, S. L., Vance, D. E. (2014). Research methods for graduate students: A practical framework to guide teachers and learners. *Journal of the American Association of Nurse Practitioners*, 26(1), 19–31.
- [19]. Prasetyo, W.B., Yanuar, T., Shah, R., Pusaka, S., & Ramdhani, D. (2019). Human Capital for Start-up

- Business Implementation over Home Care " 4 Care " Application Programs. *Journal of Multidisciplinary Academic*, 3(5), 189–192.
- [20]. Prima, E., Indradewa, R., & Shah, T. Y. R. (2021). The Application of Human Capital for Business Development in PT. Zaps Technology. *International Journal of Research and Review*, 8(8), 597–601. <https://doi.org/10.52403/ijrr.20210879>
- [21]. Son, R. P., Yanuar, T., Shah, R., Pusaka, S., & Indradewa, R. (2019). Human Resources Implementation Using the McKinsey 7S Method for Business Startup: Duck Nugget Frozen Food. *Journal of Multidisciplinary Academic* 11 JoMA, 03(03). <https://kemalapublisher.com/index.php/JoMA/article/view/366>