

CHAPTER I

INTRODUCTION

1.1 Background

In today's competitive global market, companies are competing to offer the best customer satisfaction and gain profit. By possessing competitive advantage, a company can overcome its competitor and sustain the business. There are two strategies to obtain competitive advantage namely product differentiation and cost advantage. Producing a product at a lower cost without reducing the quality refers to cost advantage. A company can minimize its cost expenditures in producing product by increasing productivity.

A major aspect that contributes to the productivity of an enterprise lies on the management system of the enterprise. As an enterprise is getting larger as a result of a successful business operation over time, more problems will emerge such as low efficiency of communication which naturally led the enterprise difficult to quickly meet consumer demand (Inamori, 2017). Moreover, employee's entitlement and engagement plays an important role in the company's competitiveness as the enterprise getting larger. One of the alternatives to overcome this is by having a good management system where everyone plays a role and get involved in the development of the company as it grows. This can be achieved through implementing a dynamic management system called amoeba management system.

Amoeba management system is a management system developed by Kazuo Inamori in a Japanese ceramic company, Kyocera as a solution to the adversities he encountered during his employment in the company. The aim of the management system is to establish a market oriented divisional accounting system; develop leaders with managerial awareness; and achieve management by all (Inamori, 2017). The management system has been used in many companies around the globe. Many have suggested that the amoeba management system can improve the company's productivity. Takeda and Boyns (2014) analyzed kyocera's growth path, showed many evidences demonstrating

market expansiveness, increase in dynamic productivity and competitiveness improvement. In contrast, in the conventional model of enterprise organization where an enterprise have some departments, the employees in different departments require to communicate to each other. Due to the low efficiency of cross departmental communication which impacts on the efficiency of the conventional organization.

There has been some researches about the implementation of amoeba management system in manufacturing companies. However, there is limited research on the implementation of amoeba management system in the service industry.

An increasing number of service industries in Indonesia are shown gradually from year to year. In addition, it also plays an important role in the economy and employment rate in Indonesia. One of the service industry in Indonesia particularly in Yogyakarta is PT Expertindo. PT Expertindo is a training and consulting company that provides training, certification, and consulting services that is incorporated as PT. PT Expertindo was established based on notary deed number AHU-0067791.AH.01.09 in 16 July 2013. The company provides training services and consultancy services for government agencies, non-governmental institutions, educational institutions, companies, and individuals in various fields including human resources & development, business & management, engineering, oil & gas, electricity & energy, information technology, finance, law, etc. There are 4 types of product/service offered by PT Expertindo i.e. public training, in house training, certification, and consultancy service.

The company has been running the business for eight consecutive years and demands to gradually improve its operation over time to maintain the business. The company needs to increase the productivity level of the employee in every department. Currently the productivity level of the company has not been measured in total, consequently the improvements done are undirected. This may cause the company loss in investment of time, money, and resources where improvements are done in the wrong area. Through the Amoeba management system, the productivity level in every department can be identified and the proposed improvement is directed. Therefore, the improvements are more directed to the area that requires improvement the most. This idea is a new concept to manage the organisation and to break down the company into small units so that performance in every department can be measured and improvements are directed.

Therefore, this research is focused on developing and improving productivity through Amoeba management system model for training and consulting company in Indonesia particularly in PT Expertindo. This research is aimed to contribute to the research in the area of amoeba management system and improve the company's productivity.

1.2 Problem Formulation

Based on the background described, the problem formulation that can be highlighted for this research,

1. How much is the level of productivity in every department through amoeba management system?
2. What are the problems that inhibit productivity?
3. What are the proposed improvements to increase the overall productivity of the company?

1.3 Research Objective

The objectives of this research are as follow,

1. Identify the productivity rate or profit per hour in every department through amoeba management system.
2. Identify problems to improve overall productivity.
3. Recommend Proposed improvements to increase overall productivity

1.4 Research Limitation

In order to derive the conclusion in a more directed way a research limitation is determined. The scope of this research include,

1. This research only focuses on the profit making department i.e. sales department and operational department in identifying the productivity rate or profit per hour.
2. This research only focuses on the sales department in the productivity improvements.

1.5 Benefit

This research is expected to provide benefits both for the company and scholars. The benefits expected include:

1. The company can improve productivity and ultimately increase the profit per hour in the company.

2. This research contributes to the knowledge in the area of the amoeba management system implementation in service industry particularly in training and consulting service industry in Indonesia.

1.6 Writing System

In order to systematically write the thesis in a structured order thus the thesis is arranged in the following order:

CHAPTER I

INTRODUCTION

This chapter makes a brief summary of the background of the problem, problem formulation, problem boundaries, research objectives, the benefits of research, and systematic of the research.

CHAPTER II

LITERATURE REVIEW

This chapter contains basic concepts and principles needed to resolve the issue in this research. Moreover, to summarize previous research that has been conducted before that is related with the research.

CHAPTER III

RESEARCH METHODOLOGY

This chapter contains a description of the framework and flowchart of research, the techniques carried out, the model used, the development of models, materials or materials, tools, procedures for research and the data to be studied and the method of analysis used

CHAPTER IV

DATA COLLECTION & DATA PROCESSING

This chapter contains data obtained during research and how to analyze the data. The results of processing data are displayed both in the form of tables and graphs. Data processing also includes analysis carried out on the results obtained. In this sub-chapter is a reference for the

discussion of the results to be written in sub-chapter V, namely the discussion of results.

CHAPTER V RESULT & DISCUSSION

This chapter provides discussion of the results obtained in the study, and the suitability of the results with the objectives of the study subsequently to produce a recommendation.

CHAPTER VI CONCLUSION AND RECOMMENDATION

This chapter contains conclusions about the analysis made and suggested or suggestions for the results obtained and debates found during the study, so that evaluation needs to be done to be studied in further research.

