TUGAS INDIVIDU PEREKONOMIAN INDONESIA

Companies in Indonesia in the Vortex of Global Economic Disruption

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The World Bank's report on the ease of doing business 2018 places Indonesia on 73rd out of 190 countries. This position was down one position compared to 2017 of 72nd position. The downgrade of ease of doing business in Indonesia is expected to have no significant impact on investment, both domestically and inter-nationally. The condition of the global economy in 2018 tends to be sluggish and unbalanced, followed by high global financial uncertainty.

In the era of economic disruption, which is expected to happen until 2020, business people in Indonesia are required to constantly renew, innovate, and create diversification so that they can survive in the market. The growing competition in the market faced by business people makes company leaders tend to make changes continuously where each element must be an important pillar in order to support the company's vision and mission, including optimizing the strategies that have been determined to obtain profit maximization.

From 2016 to 2018, economic and business developments have experienced rapid development with tighter business competition. All companies strive to demonstrate their respective advantages, but some fail. Theoretically, only large and strong companies can survive in the global era. Companies are often faced with the power of a rapidly changing global competitive environment which may add to business uncertainty, including advancement in digital technology, changes in socio-political conditions, and the emergence of new markets. GCG is essentially a set of rules that regulate, manage, and supervise the relationship between company managers and stakeholders in the company in an effort to increase company value and market valuation. By implementing GCG, companies will get many benefits, such as ensuring the establishment of corporate culture, the existence of information disclosure, an effective audit system, and risk control that always refers to GCG standards.

From 2014 to 2017, there was an increase in the population of large and medium industries, from 25,094 business entities in 2014 to 30,992 business entities in 2017, or an increase of 5,898 business entities. Small industry sector also experienced an increase, from 3.52 million business entities in 2014 to 4.49 million business entities in 2017, or an increase of 970 thousand small business entities over 4 years. Investment in the manufacturing industry sector in 2014 was IDR 195.74 trillion and rose to IDR 274.09 trillion in 2017. In the first semester of 2018, investment activities in the manufacturing industry sector reached IDR 121.56 trillion (Ministry of Industry of the Republic of Indonesia, 2018).

At present, the industrial sector that is closely associated with the use of high technology tends to be aggressive in opening up recruitment of new workers. The same thing also happens in the mining sector and mining services, considering that there is so much labor migration because the old companies have low value and the stress levels during work tend to be high. The workforce that is sought after by companies is data analysis and business intelligence, general digital or internet-based marketing, and software programming experts.

The Central Government and Regional Governments are trying to realize various infrastructure projects, but at the same time, digital technology is growing massively which has an impact on the creation of new employment as reflected in the indicator of employment opportunities which rose from 8.56 in 2017 to 11.23 in 2018. Digital trends create many job opportunities, but most are informal and have no official legal status. So, fast-moving digital technology actually demands a change of expertise, considering that the skills currently possessed by workers may not be needed in the future, so new competencies are needed. In general, the organizational goals are represented by vision, mission, and strategy. Similarly, the organizational structure is always aligned with the organizational strategy where each work unit should have a clear function and contribute to the achievement of the organizational goals. Likewise, each position box formed should not only meet regulatory requirements or expand the power of directors but also have a clear role in the company's strategic achievement.

The scale of transformation is highly dependent on the level of challenges and problems faced by each company. This means that transformation can be done from aspects of strategy, system, management, organization, information technology, human resources, and funding. The transformation process is usually related to innovative ideas and is expected not to violate business ethics and GCG principles. more and more companies in Indonesia are implementing GCG not as a regulatory obligation or something that is burdensome, but as part of the company's tools and guidelines in getting to know the business transformation process.

The implementation of GCG turns out to be able to encourage companies to continue to strive to create and introduce new values in the aspects of products, operations, and services that have an impact on improving company performance, and ultimately benefit stakeholders. The effectiveness of an organizational structure to produce superior performance is greatly influenced by the quality of leadership and the management system implemented. When the organization is out of focus, it is very difficult to realize superior products and services as expected by the market. Consumers are sometimes disappointed and dissatisfied with what they have received so that various problems arise, both internal and external. Similarly, employees sometimes feel that there is no bond with the company (Dessler 2005). Finally, financial figures do not provide the expected results due to profit margins that are eroded by the many problems that arise.

Daftar Pustaka

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