

Impact and Strategy of PT. Dirgantara Indonesia (DI) to Get Out of the Crisis During the Covid 19 Pandemic

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Abstract

During the Covid-19 pandemic, it strikes all over the world. One of them is in the field of aviation, especially flights in Indonesia. The innovation process for public transportation companies that produce transportation services to the public who use transportation services (users), then in principle there are four functions of transportation service products, namely safe, orderly and regular, comfortable, and economical. The research methodology used is qualitative. The existence of the strategic defense industry of PT. Dirgantara Indonesia (DI) is a manifestation of the desire of the Indonesian people to use domestically produced defense equipment aimed at supporting the defense system.

Keywords

Impact; PT. Dirgantara Indonesia; Covid-19 Pandemic



I. Introduction

PTDI is the first and only aviation industry company in Indonesia and Southeast Asia. This company is owned by the Indonesian government which was established on April 26, 1976 under the name PT. Nurtanio's aircraft industry which later changed its name to Nusantara Aircraft Industry (IPTN), and finally changed its name to PT. Indonesian Aerospace until now. The PTDI company not only produces aircraft but also helicopters, weapons, and provides training and maintenance services for aircraft engines. PTDI is also a sub-contractor for aircraft industries in the world such as Boeing, Airbus, General dynamics, Fokker and so on.

The existence of the PTDI strategic defense industry is a manifestation of the Indonesian people's desire to use domestically produced defense equipment aimed at supporting a defense system that has a definite sustainable self-sufficiency power (Ministry of Defense of the Republic of Indonesia, 2010). PTDI's ability to fulfill the national air defense system supports the realization of the national defense system. A number of aircraft produced by PTDI can be used by the TNI to support national defense. PTDI's ability to provide medium transport aircraft for the needs of the TNI is expected to maintain the continuity of the procurement of air defense equipment for national defense. A number of analyzes of PTDI's competitive ability are continuously carried out to see the strength of the national aerospace industry. Based on the results of research conducted by Isye Susanah Nurhasanah (2012) found a number of endogenous factors that form the competitive strength of PTDI. In the research that has been carried out, it was found a number of factors such as good adaptive ability and reliable absorptive ability, show that PTDI actually has the potential to have a competitive advantage in the global market.

The ups and downs of the PTDI industry are closely related to the experience of the Indonesian monetary crisis. It must be admitted that the experience of the monetary crisis (1998) destroyed the Indonesian economy and forced Indonesia to borrow funds from the IMF. The consequences of these loans forced Indonesia to sign a letter of intent. The bad

impact of the agreement is that the government's capital is limited to financing the defense industry, including PTDI. This condition makes it difficult for PTDI to develop its business and compete in following the dynamics of the industry.

Human Resources (HR) is the most important component in a company or organization to run the business it does. Organization must have a goal to be achieved by the organizational members (Niati et al., 2021). Development is a change towards improvement. Changes towards improvement require the mobilization of all human resources and reason to realize what is aspired (Shah et al, 2020). The development of human resources is a process of changing the human resources who belong to an organization, from one situation to another, which is better to prepare a future responsibility in achieving organizational goals (Werdhiastutie et al, 2020).

The current condition of PTDI's human resources is also an important factor supporting the competitiveness of its industry. The large number of PTDI employees who will retire, requires the replacement of new employees in accordance with the demands of the competitiveness of the industry. The delay in recruiting employees, which should have been carried out in 2005 due to a lack of working capital, slowed the refreshment of employees at PTDI. Therefore, the condition of human resources is also a determining factor in supporting the competitiveness of the PTDI industry.

II. Review of Literature

2.1. Porter's Five Forces Theory

Porter's theory of five forces (Five Forces) was first developed by Michael Porter. The modeling of this theory is used to analyze how the competitive environment of a company will affect the marketing of a product. In addition, modeling from this theory is also used to determine the competitive position of a company. The use of modeling of the five forces referred to by Porter is done by testing several variables that are indicators of determining the competitive strength of a company. Some of the forces that determine the competitive ability of the company referred to by Porter, including:

- 1) Supply strength of suppliers
- 2) Buyer's supply power
- 3) Competition among existing companies
- 4) Entry of new competitors
- 5) Threat of substitute products (substitutions)

The use of Five Forces as an analytical tool is expected to provide an in-depth analytical framework to help companies analyze their industry.

2.2 Competitive Advantage Theories

Mintzberg's "Design School" theory (1990) The use of Mintzberg's design school theory is to complete the analysis of PTDI's industrial competitiveness. This theory will clarify how the implementation of PTDI's strategy in dealing with external opportunities, weaknesses and threats by using its internal strengths. Based on this, a SWOT (strength, weakness, opportunity, and threat) analysis will be used, so that the key strategies implemented by PTDI will be obtained. The use of this SWOT analysis is to further clarify the implementation of strategies carried out by PTDI in facing competition in the aircraft industry.

2.3 Core Competency Theory

The use of this competency theory is used to analyze the competitiveness of the PTDI industry seen from its ability to provide product services to its consumers. So far, PTDI has competence in the design, design and production of aircraft capable of meeting the needs of a number of consumers, both domestic and foreign governments. This theory will provide an analysis that will be an affirmation of PTDI's competitive strength in terms of its ability to build the aircraft industry and service the products it produces to its consumers.

2.4 Resource-Based Strategy Theory

The resource-based theory is used to analyze the condition of PTDI's resources. The capability of PTDI's resources is a benchmark for the competitiveness of its industry. PTDI's various resources are able to become supporters in moving its industry so that it can compete in the aircraft industry. As an aircraft industry engaged in design, design, and production, PTDI has company resources that can be identified as variables that support the progress of its industry. Therefore, the strategy of using resources can be a measure that supports the competitiveness of PTDI.

III. Research Methods

The analytical method used is a case study approach. The case study approach itself can be defined as a detailed and intensive study of a particular setting, event, or individual (Bogdan, 1990; Ary, 1982). This analysis will use primary data and secondary data. The primary data used is the result of multiplying information and data obtained from PTDI. Meanwhile, the secondary data used is the result of research conducted by previous researchers or institutions, which will be supporting data to be confirmed by the relevant informants when the interview is conducted.

IV. Results and Discussion

The demand for air transportation needs in Indonesia which has a tendency to increase every year is an interesting phenomenon. The more alternatives consumers choose to use the existing air transportation services, the competition becomes increasingly competitive in fighting over other similar consumers (users of air transportation services). Business actors, both producers and distributors, must be able to make efficiency in reducing production or distribution costs, of course without reducing the quality of the products they offer, so that in the end they can offer products at lower prices without reducing their quality. With the increasing demand for air transportation services in Indonesia, which has experienced such rapid growth, this condition directly affects the current market structure. With competition between business actors, consumers will benefit from offering cheaper prices and increasing the number of alternative choices of goods or services offered. This alternative choice provides an opportunity for consumers to be able to choose similar goods or services that have the best quality at a relatively cheaper price compared to other goods or services.

Competition at the local level can be seen in terms of price. In addition to ticket prices that determine the customer's decision to make a choice, it is also determined by other flight services such as information on flight schedules, ease of getting tickets, guaranteed ticket returns in the event of flight cancellation, choice of flight departure schedule, timeliness of departure, attitude of officers in serving passengers, air service,

baggage service, goods/baggage complaint service, transit/transfer service for connecting flights, attention to security and safety of flight operations.

Today's rapid industrial development cannot be separated from the long journey of new discoveries in the industrial sector. where in addition to new discoveries in the industrial sector there are other factors that cause industrialization to occur, including the influence of the development of the green revolution. Where this green revolution led to efforts to modernize which had an impact on the development of industrialization which was marked by rational economic thinking. This thinking will lead to capitalism. Industrialization is also a cultural process in which the community is built from a traditional agrarian lifestyle or culture to a society with a lifestyle and culture of an industrial society. The development of industry cannot be separated from the long journey of discoveries in the field of technology that drive various changes in society. This industrialization has also succeeded in ensnaring Indonesia to enter it, where Industrialization in Indonesia is characterized by:

- a) Achievement of work efficiency and effectiveness.
- b) A large number of workers are absorbed into the industrial sectors.
- c) There is a change in the old patterns of behavior towards new behavior patterns that are characteristic of modern industrial society, including rationalization.
- d) Increasing the income per capita of people in various regions, especially in industrial areas.
- e) The increasing need for people who take advantage of industrial products, both food, clothing, and tools to support agriculture and so on.

According to Michael Porter, competitive strategy is divided into 3 general strategies:

- a) Differentiation, is a strategy to provide a different offer compared to the offers provided by competitors. During the Covid-19 pandemic, it is necessary to differentiate and innovate to advance in the world of aviation. Innovation is carried out by means of promotion strategies and how to provide solutions in the aviation world.
- b) Cost advantage (low cost), is a strategy to streamline all production costs so as to produce products or services that can be sold cheaper than competitors. The definition of low cost is how to produce a product or service that is cheaper and can also be enjoyed by the community.
- c) Focus, is a strategy to work on a specific target market. The problem with aviation services strategy is:
 1. Cheap/affordable ticket prices from upper or lower-middle-class people.
 2. Security and safety of users onboard the aircraft.
 3. Time according to flight schedule.

According to J. David Hunger & Thomas L. Wheelen (2003:4) strategic management is a series of managerial decisions and actions that determine the company's performance in the long term. For the field of how financial and managerial for in time performance in aircraft companies. According to Umar (2008: 31) based on two strategists (Hamel and Prahalad) "strategy is an action that is incremental (always increasing) and continuous, and is carried out based on the point of view of what customers expect in the future. Thus, strategy almost always starts from what can happen and not from what happens.

According to Nur Nasution (2004, p107), for public transportation companies that produce transportation services to the public using transportation services (users), then in principle there are four functions of transportation service products, namely safety, orderly and regularity, comfortable (comfort), and economical. Airline companies innovate according to the times. How about transportation services, especially during the Covid-19

pandemic. How does PTDI regulate transportation companies that switch to using internet applications or services? Especially safe services for consumers. As well as comfortable and also economical that can be enjoyed by the community. So that business problems in the aviation sector can reduce the number of losses, and continue to advance and innovate, especially in accordance with changing times and also utilizing technology.

V. Conclusion

From some of the explanations above, it can be concluded that the concept of innovation in the aircraft business sector. The Covid-19 pandemic, it strikes all over the world. One of them is in the field of aviation, especially flights in Indonesia. The process of innovation for public transportation companies that produce transportation services to the public using the services of PT. Dirgantara Indonesia (PTDI) (users), then in principle, there are four functions of transportation service products, namely safe, orderly and regular, comfortable, and economical. Competition at the local level can be seen in terms of price. In addition to ticket prices, which determine the customer's decision to make a choice, it is also determined by other flight services such as information on flight schedules, ease of getting tickets, guaranteed ticket refunds in the event of flight cancellation, and choice of flight departure schedules.

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