Human Capital Strategy Using McKinsey's 7s Model in Co-Working Space Business

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ABSTRACT

Human capital can execute the company's strategic plans well to achieve the company's goals. In human capital strategy planning, there is a McKinsey 7s model that companies can apply. McKinsey's 7S model was used in this study to identify the human capital strategy of PT Space Digital Indonesia, a co-working space startup, in implementing its company's business strategy. This research approach, which is a descriptive qualitative method, is located at PT Space Digital Indonesia, with the business brand "Space-Con". Based on the results of the analysis, 7S McKinseys can effectively identify aligned and enable the pt Space Digital Indonesia organization to achieve its business goals, especially related to human capital strategies. The McKinsey 7S model is one of the management tools that can be applied to various situations and is an excellent tool in stimulating an organization and can improve organizational performance.

Keywords: human capital, 7S McKinsey, co-working space, model, strategy

1. Introduction

Human capital or human resources is the core of the company. To be able to get good resources, companies need to make policies that support the increasing quality of human resources owned (Kristyawan et al., 2019). According to (Kasmawati, 2017), human resources are capital that can continue to develop over time and the dynamics of the business environment and advances in science. The advantages of human resources compared to other production factors in a company's competitive strategy include innovation and entrepreneurship capabilities, unique qualities, special skills, different services and, productivity capabilities that can be developed as needed. The human capital strategy focuses on long-term investment, namely human resource investment in the form of employee skills and competencies. Human capital can execute the company's strategic plans well to achieve the company's goals. In human capital strategy planning, there is a McKinsey 7s model that companies can apply. McKinsey's 7S model was used in this study to identify the human capital strategy of PT Space Digital Indonesia, a co-working space startup, in implementing its company's business strategy.

2. Literature Review

2.1 Human Capital

Fitz-enz (2009) describes human capital as a combination of three factors, namely: 1) the character or traits brought to the job, for example, intelligence, energy, positive attitude, reliability, and commitment, 2) a person's ability to learn, namely intelligence, imagination, creativity and talent, and 3) motivation to share information and knowledge, namely team spirit and goal orientation. Human capital reflects the collective ability of the company to produce the best solution based on the knowledge possessed by the people in the company and will increase if the company can use the knowledge possessed by its employees (Endri, 2017). According to (Kristyawan et al., 2019) the application of a human capital strategy within the company, there are advantages and obstacles..

2.2 Co-working Space

Co-working spaces are shared office environments for independent professionals (Gerdenitsch et al., 2016). These coworking spaces have increased rapidly around the world, and provide infrastructure as a basic business, as well as opportunities for social interaction. Coworking prioritizes the achievement of new abilities and abilities through cooperation with individuals from a variety of professional and personal backgrounds (Bueno et al., 2018). Co-working Space in general is a multifunctional building that is a shared room used to do work, with the emergence of many new businesses (startups) driven by young people, it is possible that the existing co-working space, for now, will grow (Padhmanabha Hyang Azyraf Luhung, 2020).

2.3 Model McKinsey 7S Framework

McKinsey 7s is a model that can be applied to academics, and practitioners and is one of the most popular strategic planning tools (Kocaoglu & Demir, 2019). Jollyta et al. (2021) explained that the McKinsey 7s model consists of 7 elements, where the seven factors are divided into groups that are easily identified and can be influenced by the company or organizational management (hard) and groups that are classified as intangible, difficult to describe and easily influenced by organizational culture or habits (Soft). The concept of 7-S McKinsey (Achmad Muhammad, 2009) consists of The Hard S's, which are factors that are easy to identify, including structure, Strategy & Systems, and The Soft S's, which are factors that are difficult to define, including :

1. Shared Values; It is the value of the work culture that lives in the middle of the organization.

2. Structure; Organizational structure is a reflection of the organization's shared values to achieve organizational goals and objectives optimally.

3. System; the system developed by the organization is also sourced from existing shared values.

4. Staff; based on existing shared values, the organization forms personnel in it (managers).

5. Skills; The skills of each individual in the organization are a very important element for the success of the organization in achieving its goals and objectives effectively and efficiently.

6. Style; the management style (leadership) of the organization is the result of a fusion of the five previous elements. The five elements determine what kind of leadership style is the most appropriate so that the organization can achieve its goals and objectives effectively and efficiently.

7. Strategy; The strategy of an organization is intended so that the organization can have a clear and firm direction on how it achieves the goals and objectives of the organization.

3. Methodology

This research approach, namely a descriptive qualitative method, is located at PT Space Digital Indonesia, a coworking space startup with the business brand "Space-Con". Further research is described in an analysis to obtain conclusions according to the initial objectives.

4. Result and Discussion

McKinsey 7S Framework Implementation at PT Space Digital Indonesia (Space-Con)

Vision

To become a leading coworking space as a center for innovation and collaboration for digital creative industry players in Indonesia.

Mission

1. As a co-working space environment that increases creativity

2. Providing services through continuous technological improvement

3. As a workplace solution for digital creative industry players at an affordable and competitive cost

4. Become a place of trusted collaboration between mutually beneficial coworking space users

Shared Values

Space-Con prioritizes and upholds the values of Collaboration & Inclusive, Customer Oriented, Innovative, and Integrity. The company builds a spirit of collaboration both with fellow employees and with customers by respecting and respecting regardless of beliefs, religion, socioeconomics, lifestyle and customs, sexual orientation, race, age, political affiliation, physical disability, or gender identity. The company prioritizes service for customer satisfaction. Company members have the confidence to uphold company values and act honestly and consistently in their actions.

Structure

The organizational structure is designed in a "lean" manner by the functions most needed in the company's business development so that it can be in line with customer needs as a simple, flexible, and dynamic organization to move quickly. Each individual or HR who is within the scope of the company has their position and function. An experienced marketing team is needed to develop and manage marketing programs in the product division, supporting business goals. Space-Con Expert is a front-liner team that performs services to consumers directly in the coworking space area. Operations are responsible for the implementation of Space-Con's customer service operations. The HR team will manage from the human resources side including security management and cleaning services, while the Finance division will be responsible for the company's financial operations side.
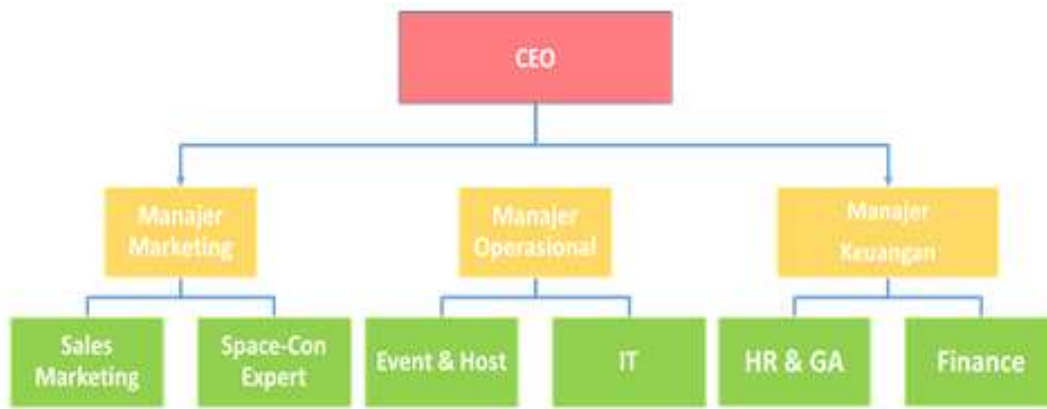
Figure 1 Organizational Structure.

System

The company has an IT system in the concept of smart office and is integrated with applications (apps) as a service to consumers. The use of IT Systems in the application of knowledge management in the company makes it easier for employees to get and channel learning to develop creative and innovative ideas.

Staff

Transparent company recruitment system through management selection. Have a professional workforce by experience and educational background. The company provides special identification to space-con expert staff. PT Space Digital Indonesia implements a career development system that can increase work motivation and the level of engagement of employees, namely through 2 strategies: (1) Appointment of Permanent Employees, and (2) Career Level Promotion.

Table 1 - Contract Employee Assessment Chart

Contract Employee Assessment	
4	**Appointment with the salary adjustment**
3	**Appointment**
2	**Contract extension returns**
1	**Break the Contract**

Skills

The company improves communication skills and relationships between employees. Training, basic education is given to all employees who focus on satisfactory service. Strategic intensive training to Space-Con Experts as a front liner of company representation to customers. The importance of employee training is carried out with the aim that employees have knowledge, abilities and skills in accordance with the demands of their work.

Table 2 - Development Program Space-Con Expert

Technical Competence	*Training Program*	Duration (hours)	Frequency	*Training Hour / Year*
	Product Knowledge Training	3	1x / month	**36**
1. Product Understanding	*Marketing Program Understanding*	2	1x / month	**24**
	Selling & Negotiation Skill	4	1x / 6 month	**8**
2. Communication	*Communication & Personal Branding*	4	1x / 6 month	**8**
3. Business Acumen	*Data Analytic for Action*	4	1x / 6 month	**8**
4. Relationship Management	*Service Excellence Skill*	4	1x / 6 month	**8**
	Customer Management	4	1x / 6 month	**8**
Total Training Hour				**100**

Style

Space-Con makes "Situational Leadership" the basis for implementing leadership within the organization, which is to ensure that leaders can implement leadership styles that are needed.

Strategy

Having a differentiation strategy with competitors is the existence of Space-Con Experts as HR personnel who become core employees in building relationships with customers for business growth. The job description of Space- Con Expert is as follows:

- As a lead point of contact to serve customer needs in the operation area.

- Explain and promote service products, and events that Space-Con will hold to customers.

- As a facilitator to connect and bring together customers who need each other to collaborate in developing a business.

- As a trusted advisor to customer needs to develop their business.

- Networking with communities in the creative and digital industry areas.

- Monitoring (data management) the use of service products by customers and providing recommendations for program implementation to the sales &marketing team.

- Build and maintain good relationships in the long term with customers.

5. Conclusion

The McKinsey 7S model is one of the management tools that can be applied to various situations and is an excellent tool for stimulating an organization and can improve organizational performance. Based on the analysis above, 7S McKinseys can be applied to the co-working space business, and can effectively identify and enable the PT Space Digital Indonesia organization to achieve its business goals, especially related to human capital strategies. These seven McKinsey 7S Elements have a relationship that is interdependent with each other, so changes in one element will affect the other element.

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