INDONESIAN JOURNAL OF MULTIDISCIPLINARY SCIENCE

P-ISSN: 2808-5957
E-ISSN: 2808-6724
ijoms.internationaljournallabs.com

Outsourcing Business Development Strategy (PT XYZ Case Study)

Fajrul Falah, Syamsul Ma'arif, Arry Ekananta
Institut Pertanian Bogor, Indonesia
Email: falahfajrul@apps.ipb.ac.id, Syamsul4958@gmail.com, aekananta@yahoo.com

ABSTRACT

Outsourcing has become a strategic approach for companies to focus on core business activities by transferring workforce management to specialized providers. In Indonesia, the outsourcing industry is rapidly growing, driven by cost efficiency and operational flexibility. PT XYZ, a subsidiary under PT PNM Venture Capital, manages outsourced employees to support PT PNM's business operations. However, PT XYZ faces challenges such as unmet employee fulfillment targets, high turnover rates, and reliance on a single main customer, which affect its operational performance. This study aims to analyze these internal and external challenges and formulate effective business development strategies for PT XYZ. Using a mixed-method approach including in-depth interviews, questionnaires, and literature review conducted between October 2024 and January 2025, data were collected from management, employees, shareholders, and customers. The study applies SWOT analysis and prioritizes strategies using Fuzzy AHP. Results indicate that human resource capacity and regulatory environment are critical factors for success. Ten strategic alternatives were identified, with market expansion outside the PNM Group emerging as the highest priority, followed by increasing outsourced workforce numbers and enhancing employee retention. The study concludes that optimizing workforce management, embracing technological innovation, and diversifying market reach are essential to PT XYZ's sustainable growth and competitiveness in Indonesia's dynamic outsourcing industry.

Keywords:
Outsourcing; Human Resource Management; Business Development Strategy

This is an open-access article under the CC BY-SA license.

INTRODUCTION

The outsourcing industry is an industry that is engaged in providing labor to other companies so that the company can carry out core business activities effectively (Contractor et al., 2010; Jiang et al., 2006). Outsourcing is seen as the act of transferring some of the company's activities and decision-making rights to another party where the action is bound by a cooperation contract (Yasar, 2018). Outsourcing or outsourcing is regulated through a cooperation contract between the user company and the outsourcing company, where the decision-making rights related to labor management remain with the outsourcing company (Sutrisno, 2014). In addition, outsourcing allows companies to focus their resources on core competencies, while supporting functions are transferred to companies that specialize in the field (Indrajit & Djokopranoto, 2003). These outsourced employees are recruited and managed by outsourced companies but the work location is in the company that needs their services (Ordanini & Silvestri, 2008).

Some companies today tend to hire employees through outsourcing systems, which are generally driven by the company's strategy to reduce production costs (Jacques, 2006; Sutedi, 2009). This tendency is driven by the desire of companies that want to focus on main business activities. This trend is in line with the increasing development of the outsourcing industry. Based on data from the Indonesian Outsourcing Association (IOA) quoted in Kontan (Rachman, 2017; Tritto et al., 2020), the outsourcing business market in 2013 amounted to Rp 16.96 trillion, in 2014 it was Rp 17.15 trillion and in 2015 it reached Rp 39.5 trillion where there was a growth of 130.32%.

The use of this outsourcing service has several benefits, including that companies can focus on core activities, save capital funds, streamline operational costs and obtain a more professional workforce in carrying out their work activities (Yasar, 2018). The use of outsourced labor can save production costs (cost of production) because in its implementation it is handed over to other companies (Garcia-Muiña et al., 2018). One way to save production costs is through labor efficiency, which allows companies to reduce expenses in financing human resources (HR) working in the company (Koser et al., 2018).

The benefits obtained from the use of outsourcing services make companies interested in using outsourcing companies or even making them a subsidiary to manage their workforce. Hasibuan (2019) also stated that through outsourcing services, companies can obtain a more professional workforce in a shorter time, while still focusing on their main business. The strategy to create a subsidiary engaged in outsourcing is also implemented by PT Permodalan Nasional Madani (PNM) to facilitate human resource management and focus on its main business.

According to Indrajit and Djokopranoto (Indrajit & Djokopranoto, 2003), the strategy of forming subsidiaries is one of the effective ways to increase operational flexibility, such as anticipating changes in the business, both the use of technology or processes, and changes in business volume. This strategy also allows group companies (holding companies) to increase operational efficiency and flexibility by forming subsidiaries. Subsidiaries can operate independently and focus on specific activities, thereby increasing productivity and reducing operational costs (Yuliani, 2013).

PT XYZ is one of the companies engaged in the outsourcing and employee training business under the auspices of a venture capital company, PT PNM Venture Capital. PT XYZ is one of PNM's subsidiaries which aims to become a company that supports PNM's main business activities, namely the capital business for MSMEs. Since its inception, PT XYZ has been given the task by the parent company to carry out human resource procurement, management and training activities. This company is asked to ensure that the fulfillment and management of existing employees in the regions is achieved so that business activities can run well. Proper human resource management can help companies to acquire qualified employees and contribute to business goals (Idrus et al., 2023). The positions at PT PNM managed by PT XYZ are Account Officer (AO), Finance & Administration Officer (FAO) and Senior Account Officer (SAO).

PT XYZ's journey in managing outsourced employees from the company is inseparable from the challenges and obstacles that come from internal and external sources. The challenges

experienced by the company are manifested in the form of unmet employee fulfillment targets, corporate actions that cut the market and directions from shareholders to develop the company's business. The company has implemented various strategies to deal with these challenges and obstacles, but until now the strategies implemented have not had a significant impact on the company. Therefore, PT XYZ needs to create a new strategy. A company's ability to adapt its strategy to changes in the external environment and internal constraints will determine its long-term success (Singh, 2008). An effective management strategy is essential to deal with the changing business environment that is increasingly dynamic (Pahlevi & Musa, 2021).

The purpose of this study is to analyze the challenges and obstacles faced by PT XYZ in managing outsourced employees and to develop effective management strategies that can enhance workforce fulfillment and operational performance. By examining both internal dynamics and external market factors, the study aims to provide actionable recommendations that align with the company's strategic goals and shareholder expectations. The implications of this research are significant for management teams in outsourcing firms and subsidiaries, as it highlights the importance of adaptive strategies in human resource management to maintain competitiveness and support core business activities. Additionally, this study offers valuable insights for policymakers and investors by emphasizing the need for flexible organizational structures and proactive workforce planning in the rapidly evolving outsourcing industry. Ultimately, the findings can guide PT XYZ and similar companies to optimize employee management, improve service delivery, and sustain growth amid shifting economic and operational landscapes.

METHOD

This research was carried out at the PT XYZ Head Office located at the PNM Tower on the 16th Floor, Kuningan, Setiabudi, South Jakarta. Data collection was carried out in October 2024 – January 2025 including initial studies, power collection, data processing, data analysis and report preparation. The method of determining respondents used in this study is deliberate or purposive sampling. The determination of respondents is based on the company's internal party and is based on the structure of the company's strategic position and the company's external parties that affect the Company. The types of data used in this study include primary data and secondary data. Primary data for the internal party questionnaire was obtained from in-depth interviews and questionnaire filling out by the management, shareholders and employees of PT XYZ. Primary data for external questionnaires was obtained through in-depth interviews with customers. Secondary data was obtained through a search of literature, related agencies and publications from relevant institutions. The data obtained in the study was analyzed qualitatively and quantitatively. Analysis methods in research, data types and data sources based on each research objective

RESULT AND DISCUSSION

This research was carried out at the PT XYZ Head Office located at the PNM Tower on the 16th Floor, Kuningan, Setiabudi, South Jakarta. Data collection was carried out in October 2024 – January 2025 including initial studies, power collection, data processing, data analysis and report

preparation. The method of determining respondents used in this study is deliberate or purposive sampling. The determination of respondents is based on the company's internal party and is based on the structure of the company's strategic position and the company's external parties that affect the Company. The types of data used in this study include primary data and secondary data. Primary data for the internal party questionnaire was obtained from in-depth interviews and questionnaire filling out by the management, shareholders and employees of PT XYZ. Primary data for external questionnaires was obtained through in-depth interviews with customers. Secondary data was obtained through a search of literature, related agencies and publications from relevant institutions. The data obtained in the study was analyzed qualitatively and quantitatively. Analysis methods in research, data types and data sources based on each research objective

This research was carried out at the PT XYZ Head Office located at the PNM Tower on the 16th Floor, Kuningan, Setiabudi, South Jakarta. Data collection was carried out in October 2024 – January 2025 including initial studies, power collection, data processing, data analysis and report preparation. The method of determining respondents used in this study is deliberate or purposive sampling. The determination of respondents is based on the company's internal party and is based on the structure of the company's strategic position and the company's external parties that affect the Company. The types of data used in this study include primary data and secondary data. Primary data for the internal party questionnaire was obtained from in-depth interviews and questionnaire filling out by the management, shareholders and employees of PT XYZ. Primary data for external questionnaires was obtained through in-depth interviews with customers. Secondary data was obtained through a search of literature, related agencies and publications from relevant institutions. The data obtained in the study was analyzed qualitatively and quantitatively. Analysis methods in research, data types and data sources based on each research objective.

Penetrating the Outsourcing Business for PNM

External This strategy aims to expand PT XYZ's business scope by reaching customers outside PNM, so that the company does not only depend on one main customer. By penetrating the business into the external sector, PT XYZ can expand the market, increase revenue, and reduce business risks arising from dependence on the parent company. This step is also in line with the growing growth trend of the outsourcing industry in Indonesia, supported by regulations that provide more space for outsourcing companies to provide manpower in various sectors. By leveraging the experience and credibility that has been built in managing the workforce for PNM, PT XYZ can offer similar services to other companies that need quality outsourcing solutions. PT XYZ has advantages in large-scale workforce management, a network of cooperation with educational institutions, and a well-running recruitment system. With the right strategy, PT XYZ can adjust outsourcing services according to the needs of external customers, expand the industrial sectors that can be served, and increase the company's competitiveness in the outsourcing industry.

Optimization of Outsourcing Management Services for PNM

This strategy aims to improve the quality and effectiveness of outsourced workforce management services provided by PT XYZ for PNM. As a company responsible for meeting the needs of the workforce in various business units of PNM, PT XYZ needs to ensure that the

recruitment, training, and management processes of outsourced employees run optimally in order to meet the target of the parent company.

By optimizing these services, PT XYZ can improve operational efficiency, speed up the recruitment process, and increase the retention and loyalty of outsourced employees. This will have a positive impact on the stability of the workforce at PNM, so that the main business activities of the parent company can run more smoothly without the constraints of human resources.

PT XYZ already has a recruitment system that is able to reach a large number of candidates, as well as training and development programs to improve the competence of outsourced employees. With the strengthening of this strategy, PT XYZ can strengthen its position as PNM's main partner in the provision of manpower, increase the trust of the parent company, and open up opportunities to expand the scope of services in the future.

Increase the number of outsourced workers for PNM

This strategy aims to ensure the optimal fulfillment of the needs of outsourced workers at PNM, so that the parent company's business operations can run smoothly. As the main partner in HR management, PT XYZ must be able to increase the number of outsourced personnel in accordance with the needs of PNM's business units in various regions, especially in the face of business expansion and increased work volume.

By increasing the number of outsourced personnel managed, PT XYZ can make a greater contribution to the achievement of PNM's business targets. In addition, this strategy also allows PT XYZ to increase its revenue through operational scale growth, as well as strengthen its position as the main outsourcing service provider for the parent company.

PT XYZ already has an extensive recruitment infrastructure, a large candidate database, and experience in managing a large workforce. By utilizing recruitment technology, expanding candidate resources, and speeding up the selection process, PT XYZ can ensure more effective workforce fulfillment. This will also have an impact on increasing PNM's trust in PT XYZ as a strategic partner in human resource management.

ST Strategy

1. Allocating profits for technology development

   This strategy aims to increase PT XYZ's competitiveness in the outsourcing industry by allocating the company's profits for technology development. In the midst of increasingly fierce business competition, the use of technology in the recruitment process, workforce management, and outsourcing services is a key factor to improve operational efficiency and service quality (Wahyudi et al. 2023).

   The main threat faced by PT XYZ is competitors who have already adopted technology in running their business processes, so that they have advantages in terms of speed, accuracy, and service effectiveness. If PT XYZ does not immediately develop technology, then the company risks being left behind and losing competitiveness in the market. In addition, the lack of integration between internal systems of PT XYZ is also a challenge in creating more efficient business processes.

PT XYZ has a management commitment in the development of human resources and a wide network of cooperation, which can be the basis for accelerating the digitization of services. By allocating profits for technology investments, PT XYZ can develop a more sophisticated HR management system, improve automation in the recruitment process, and provide more competitive digital-based services. This will help the company face the competition and ensure the sustainability of the business in the long term.

2. Conducting a program to strengthen core corporate capabilities

This strategy aims to strengthen the company's core capabilities in running the outsourcing business more effectively and competitively. PT XYZ needs to improve internal competence, both in terms of human resources, technology, and business processes, in order to face industry dynamics and provide better quality services to customers.

The threat faced by PT XYZ is the lack of a clear policy related to outsourcing companies in the company's holding by the government, which can affect future regulations and business policies. In addition, competitors in the outsourcing industry have already adopted technology in their operations, so PT XYZ needs to ensure that its internal capabilities are able to compete and adapt to existing changes.

PT XYZ has a management commitment to employee development as well as a network of partnerships with various educational and business institutions. By optimizing existing resources, companies can implement internal competency improvement programs through managerial training, digitization of business processes, and improvements to recruitment and workforce management systems. This step will help PT XYZ improve competitiveness, strengthen the execution of its business strategy, and ensure the company's sustainable growth.

WO Strategy

1. Optimization of strategies to maintain job loyalty and retention of outsourced employees

This strategy aims to increase the loyalty and retention of outsourced employees working at PT XYZ's partner companies. The high turnover rate of outsourced employees is one of the main challenges that need to be overcome so that companies can maintain operational stability and increase customer satisfaction. By optimizing this strategy, PT XYZ can create a more attractive work environment for outsourced workers and reduce recruitment costs due to high employee turnover.

One of the weaknesses faced by PT XYZ is the high turnover rate of employees, which has an impact on service stability and business partner satisfaction. In addition, the absence of an optimal integration system in workforce management also hinders the effectiveness of monitoring and improving the welfare of outsourced employees.

On the other hand, PT XYZ has the opportunity to take advantage of government policies that open more job opportunities for outsourced workers, including through the Job Creation Law which allows outsourcing for core and non-core positions. With this opportunity, PT XYZ can develop employee welfare programs, provide periodic training, and build a technology-based workforce management system to increase employee

engagement and satisfaction. With this strategy, PT XYZ can strengthen workforce loyalty, reduce turnover rates, and increase competitiveness in the outsourcing industry.

2. Improvement of Business Planning and Innovation Functions in the Company

   This strategy aims to increase the effectiveness of business planning and innovation at PT XYZ so that the company can be more adaptive to market changes and customer needs. With more mature business planning and continuous innovation, PT XYZ can develop outsourcing services that are more competitive and in line with industry trends.

   One of the weaknesses faced by PT XYZ is the digitalization and business development process that has not been maximized, as well as its dependence on one main customer, namely PNM. This condition causes limited flexibility for companies in anticipating market changes and expanding their business reach.

   However, PT XYZ has an opportunity to improve this condition by taking advantage of the increasing need for labor in the ultramicro and outsourcing sectors, as well as the high unemployment rate of high school graduates at the equivalent. By developing a more comprehensive and innovation-oriented business planning strategy, PT XYZ can optimize these market opportunities by offering more valuable services to customers. This step can also help PT XYZ reduce its dependence on a single customer and strengthen its competitiveness in the outsourcing industry.

3. Developing Services in Markets Outside PNM Group

   This strategy aims to expand PT XYZ's business scope by developing outsourcing services outside the PNM Group ecosystem. By expanding into a wider market, PT XYZ can reduce its dependence on one key customer and improve the sustainability of its business in the outsourcing industry.

   One of the weaknesses faced by PT XYZ is its high dependence on PNM Group as its main customer, thus limiting the potential for business growth. In the event of a policy change in PNM Group, PT XYZ is at risk of income and operational instability. In addition, the absence of an aggressive marketing strategy is also an obstacle in attracting new customers outside the PNM Group.

   However, PT XYZ has an opportunity to grow with the increasing need for companies in various sectors for outsourced labor. Industries such as banking, logistics, manufacturing, and retail increasingly need a flexible workforce to support their operations. By leveraging its experience in managing the workforce in the capital sector, PT XYZ can offer superior competency-based services to attract new customers. In addition, cooperation with educational and training institutions can be a plus in providing a more skilled and job-ready workforce. Through this strategy, PT XYZ can expand its market share, increase revenue, and reduce business risks caused by dependence on one major customer.

WT Strategy

1. Improvement and upgrade of technology in employee management

This strategy aims to increase the efficiency and effectiveness of outsourced employee management through the improvement and upgrade of technology used by PT XYZ. With a more modern and integrated system, companies can improve accuracy in monitoring the workforce, optimize the recruitment process, and improve the work experience of outsourced employees.

One of the weaknesses faced by PT XYZ is the use of technology that is still limited in the labor management system. The administrative and employee monitoring process is still mostly done manually, so it is less efficient and has the potential to cause inaccuracies in workforce management. The limitations of this technology can also have an impact on low employee satisfaction of outsourced employees, which ultimately increases turnover rates (Faruq and Sri Suwarsi 2022).

On the other hand, PT XYZ faces threats from competing companies that have already implemented digital systems in their workforce management. More advanced technologies allow competitors to offer faster, more accurate, and efficient services to customers (Zikry et al. 2024). In addition, the development of increasingly stringent labor regulations also requires PT XYZ to be more transparent and accurate in reporting and managing outsourced labor.

By improving and upgrading technology, PT XYZ can increase its competitiveness by speeding up the recruitment process, making it easier to monitor employee performance, and improving the work experience of outsourced workers. The implementation of a more modern digital system will also help PT XYZ in complying with applicable regulations and building trust with partner companies.

Based on the analysis using the SWOT matrix that has been carried out, there are 10 alternative strategies that can be carried out by PT XYZ. The proposed alternative strategies are in accordance with and consistent with the results of the internal and external matrix that directs the grow and build strategy. The results of PT XYZ's external factor evaluation (EFE) analysis received a score of 3.05 which shows that there are strong opportunities in the company's external realm that must be utilized with expansion. The results of the internal factor evaluation (IFE) PT XYZ analysis received a score of 2.53 which indicates the need for internal improvement to respond to great opportunities.

The results of the analysis on the IE matrix are aligned and consistent with the results of the analysis using the SWOT matrix. This is reflected in alternative strategies in the SWOT matrix that are expansive in nature and strategies that focus on internal improvement. Strategies that are expansive or market-oriented are to develop development and training services for outsourced customers, penetrate the outsourcing business for external PNM, increase the number of outsourced personnel for PNM, develop services in markets outside PNM Group. The strategies that are internal improvements are optimizing outsourcing management services for PNM, allocating profits for technology development, conducting

programs to strengthen core corporate capabilities, optimizing strategies to maintain work loyalty and retention of outsourced employees, improving business planning and innovation functions in the company, improving and upgrading technology in employee management.

2. Analysis of Alternative Selection of Strategies

Alternative strategies that have been designed using a SWOT matrix need to be prioritized so that the strata of strategy implementation at the implementation stage are depicted. This is done so that the results of the analysis on the IE and SOWT matrix can be focused and sharp based on measurable criteria. Saaty (1980) said that AHP is used to solve multicriteria decision-making problems. Strategies designed using a SWOT matrix have complex decision-making dimensions, so fuzzy AHP is used to quantify strategies that are qualitative and give priority to existing strategies with predetermined criteria.

Based on literature studies, interviews and filling out the AHP fuzzy questionnaire with 2 experts, a hierarchy of PT XYZ's business development strategy can be prepared which is divided into 3 levels, namely objectives, criteria/factors and alternatives as follows:

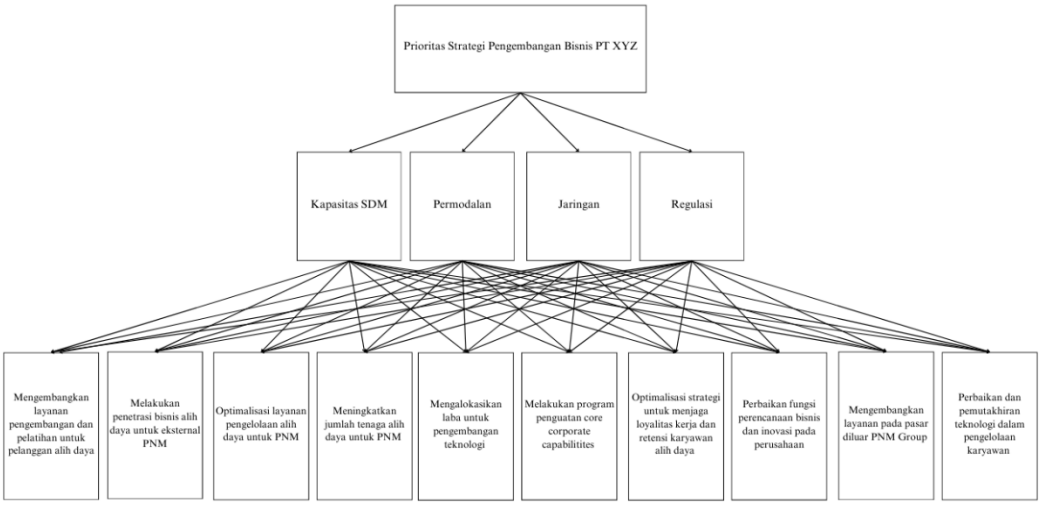


Figure 2. Business Development Strategy Hierarchy PT XYZ

This hierarchy is a reference used in determining strategy priorities through a paired comparison matrix. The first level (objective) shows the main goal to be achieved, namely PT XYZ's business development strategy. At the second level, there are 4 important criteria that are the main considerations in determining the priorities of the strategy to be implemented. The 4 criteria are human resource capacity, capital, network and regulation. At the third level are alternative strategies that have been determined based on the results of the SWOT analysis that has been carried out. There are 10 strategies designed as betikut.

Table 1. List of Strategies Based on SWOT Analysis

No	Strategy
1	Develop development and training services for outsourced customers
2	Penetrate the outsourcing business for PNM externals
3	Outsourcing management service optimization for PNM
4	Increasing the number of outsourced power for PNM
5	Allocating profits to technology development
6	Conducting a program to strengthen core corporate capabilities
7	Optimize strategies to maintain job loyalty and outsourced employee retention
8	Improvement of business planning and innovation functions in companies
9	Developing services in markets outside of PNM Group
10	Improvement and technology upgrade in employee management

Priority Analysis Results of Criteria Level

Based on the processing of questionnaire data that has been carried out, there are results of the calculation of priority criteria that are prioritized by the experts interviewed and asked for their opinions to achieve the goal of this research, which is to choose the best strategy for outsourcing business development. The results obtained are as follows:

Table 2. Weight Sum Criteria

No	Criterion	Weight
1	Human Resource Capacity	0,375
2	Capital	0,125
3	Network	0,125
4	Regulation	0,375

This highest weight shows that human resources are a very crucial aspect in outsourcing business development. This shows that the main considerations in choosing the strategy to be carried out are skills, knowledge, the number of employees and the ability of human resources in carrying out business development activities. The same weight is also obtained by regulatory or regulatory criteria. This indicates that PT XYZ's business is highly dependent on the regulations applied. Based on the results of the interview, the regulations referred to by the experts are regulations from the government and regulations from shareholders. PT XYZ, which is part of Indonesia's ultra-micro holding company, has limitations to conduct exploration. This is due to the corporate parenting policy carried out by shareholders. The capital criteria have a smaller weight than the criteria for human resource capacity and regulations. Based on interviews conducted with experts, capital is seen as a factor that supports business development, but in the context of PT XYZ capital can be obtained more easily because of the profits obtained by PT XYZ. The business capital needed can be supported by PT PNM Venture Capital as a shareholder.

This highest weight shows that human resources are a very crucial aspect in outsourcing business development. This shows that the main considerations in choosing the strategy to be

carried out are skills, knowledge, the number of employees and the ability of human resources in carrying out business development activities. The same weight is also obtained by regulatory or regulatory criteria. This indicates that PT XYZ's business is highly dependent on the regulations applied. Based on the results of the interview, the regulations referred to by the experts are regulations from the government and regulations from shareholders. PT XYZ, which is part of Indonesia's ultra-micro holding company, has limitations to conduct exploration. This is due to the corporate parenting policy carried out by shareholders. The capital criteria have a smaller weight than the criteria for human resource capacity and regulations. Based on interviews conducted with experts, capital is seen as a factor that supports business development, but in the context of PT XYZ capital can be obtained more easily because of the profits obtained by PT XYZ. The business capital needed can be supported by PT PNM Venture Capital as a shareholder.

Table 2. Weighting Priority Analysis

Code	Alternatif	Final Weight	Ranking
A9	Developing services in markets outside of PNM Group	0,519	1
A4	Increasing the number of outsourced power for PNM	0,480	2
A2	Penetrate the outsourcing business for PNM externals	0,406	3
A1	Develop development and training services for outsourced customers	0,331	4
A7	Optimize strategies to maintain job loyalty and outsourced employee retention	0,314	5
A6	Conducting a program to strengthen core corporate capabilities	0,296	6
A8	Improvement of business planning and innovation functions in companies	0,287	7
A3	Outsourcing management service optimization for PNM	0,257	8
A5	Allocating profits to technology development	0,257	9
A10	Improvement and technology upgrade in employee management	0,257	10

The final result of the fuzzy AHP process shows the ranking of each alternative based on the final weight that has been calculated. Alternatives to developing services in markets outside of PNM Group (A9) ranked first with the highest weight of 0.519, indicating that this alternative is the most superior choice among all the alternatives evaluated. In second place is increasing the number of outsourced power for PNM (A4) with a weight of 0.480, followed by penetrating the outsourcing business for external PNM (A2) in third place with a weight of 0.406. These three alternatives have relatively higher advantages compared to the others, based on the dominant criteria, namely human resource capacity and regulation. These results provide a clear basis for decision-makers to determine the most appropriate alternatives based on the criteria used in the fuzzy analysis of AHP. The resulting hierarchy is reflected in figure 14. Managerial Implications The results of this study show that PT XYZ is in a growth and bulid position which shows that the company needs to expand its business scale and scope, strengthen competitiveness, and market penetration to maximize the great opportunities that exist. In addition to focusing on external

responses, PT XYZ needs to make internal improvements so that the business development process runs well. This research also shows that there are 10 strategies that can be carried out by PT XYZ in developing its business. In addition, the existing strategy has been prioritized to make it easier for PT XYZ to develop its business. The results of the study show that PT XYZ's business development strategy should be directed at utilizing the company's strengths, namely the ability to manage and recruit a large number of employees (Ginting et al., 2024). This strategic advantage is critical to addressing external opportunities, especially the high unemployment rate among high school graduates/equivalent that can be leveraged as a productive workforce resource. This utilization will also help PT XYZ's main task which is mandatory to provide employees for PT PNM.

Managerially, this requires strengthening the outsourcing labor recruitment system, especially to support the company's main customer, PT PNM. Strategies to increase the number of workers must be accompanied by the digitization of employee management processes, including employee data integration, performance monitoring, and system-based reporting (Rohana et al., 2024). This approach not only supports PNM's operational expansion, but also improves PT XYZ's internal efficiency and service quality. On the internal side, improving retention strategies and maintaining employee loyalty shows how important PT XYZ's revenue structure is that it still relies heavily on one main business line, Arifin et al., (2024) in Rohana et al, (2024). Ipmawan (2024) stated that the high turnover rate shows that management needs to build an HR management system that focuses on welfare, career paths, continuous training, and improving employees' emotional relationships with the company (Arifin et al., 2024; Ipmawan, 2024; Rohana et al., 2024). This approach will create workforce stability, reduce re-recruitment costs, and ensure continuity of service.

In addition, PT XYZ must make new innovations to manage outsourcing services due to threats from competitors in the ultra-micro holding ecosystem. The key to building service differentiation requires technologies such as digital reporting, real-time performance monitoring, and cloud-based HR management systems (Krisna, 2024). This innovation not only improves efficiency and accuracy, but also strengthens the competitiveness of the company more competitively in the market.

Therefore, managerial transformation at PT XYZ not only needs to focus on adding the workforce, but also must include modernizing the system, improving human resource health, and technological innovation as pillars to ensure that the company continues to grow.

Based on the results of the SWOT analysis, IE matrix, and Fuzzy AHP method, a number of managerial implications can be compiled that are practical and relevant to the management of PT XYZ. These implications are compiled to be the basis for strategic decision-making to support the company's growth and competitiveness in the outsourcing industry.

CONCLUSION

This study aims to formulate the best strategy for developing the outsourcing business at PT XYZ by analyzing internal and external environments, using SWOT-based strategy

formulation and prioritization through the Fuzzy AHP method. The main internal strengths identified are PT XYZ's ability to recruit and manage a large workforce and the guaranteed income from its parent company, while key weaknesses include dependency on a single customer and high employee turnover. Externally, opportunities stem from the high unemployment rate among high school graduates and supportive regulations such as the Job Creation Law, whereas threats arise from competitors within the ultra-micro holding ecosystem and negative perceptions of outsourcing. The IE matrix analysis positions PT XYZ in quadrant IV, indicating moderate internal capability but strong external opportunities, recommending a grow and build strategy. The fuzzy AHP weighting highlights human resource capacity and regulatory factors as dominant, each with a weight of 0.375, underscoring the need for internal strengthening and alignment with external policies. Among ten alternative strategies, expanding market services beyond the PNM Group scored highest (0.519) and is prioritized, followed by increasing outsourced personnel for PNM and enhancing employee loyalty and retention.

REFERENCES

Arifin, Y., Rizky, G., Adhicandra, I., Riadi, H. F., & Siswanto, A. (2024). *Human resource management: The basics of MSDM*. PT. Sonpedia Publishing Indonesia.

Contractor, F. J., Kumar, V., Kundu, S. K., & Pedersen, T. (2010). Reconceptualizing the firm in a world of outsourcing and offshoring: The organizational and geographical relocation of high-value company functions. *Journal of management studies*, *47*(8), 1417–1433.

Garcia-Muiña, F. E., González-Sánchez, R., Ferrari, A. M., & Settembre-Blundo, D. (2018). The paradigms of Industry 4.0 and circular economy as enabling drivers for the competitiveness of businesses and territories: The case of an Italian ceramic tiles manufacturing company. *Social Sciences*, *7*(12), 255.

Ginting, N., Sinaulan, J. H., Murthada, M., & Suwandana, I. M. A. (2024). Innovation in employee recruitment and selection: Human resource management strategies to acquire superior talent. *Journal of Scientific Edunomic*, *8*(2).

Hasibuan, M. S. P. (2019). *Human resource management*. Bumi Aksara.

Idrus, S., Ruhana, F., Amalia, M. R., Rosyid, A. F., & Kuswandi, D. (2023). Implementation of effective human resource management policies in improving organizational performance in the global business era. *Scientific Journal of Management, Economics, \& Accounting (MEA)*, *7*(1), 72–89.

Indrajit, R. E., & Djokopranoto, R. (2003). *Business processes*. Grasindo.

Ipmawan, H. (2024). The influence of HR technology, talent management, and retention strategies on operational efficiency in HRD of PT Surya Toto Indonesia South Tangerang. *Journal of Accounting and Business Management*, *4*(2), 127–132.

Jacques, V. (2006). *International outsourcing strategy and competitiveness: Study on current outsourcing trends: IT, business processes, contact centers*. Editions Publibook.

Jiang, B., Frazier, G. V, & Prater, E. L. (2006). Outsourcing effects on firms' operational performance: An empirical study. *International Journal of Operations & Production Management*, *26*(12), 1280–1300.

Koser, M., Rasool, S. F., & Samma, M. (2018). High performance work system is the accelerator of the best fit and integrated HR-practices to achieve the goal of productivity: a case of textile sector in Pakistan. *Global Management Journal for Academic & Corporate Studies*, *8*(1), 10–

21.
Krisna, A. E. (2024). Transformation of MSMEs through creative industries: Approaches to increase competitiveness and innovation. *Journal of Management Science Publications*, *3*(4), 66–81.
Ordanini, A., & Silvestri, G. (2008). Recruitment and selection services: Efficiency and competitive reasons in the outsourcing of HR practices. *The International Journal of Human Resource Management*, *19*(2), 372–391.
Pahlevi, C., & Musa, I. (2021). *Strategic management*. Intellectual Publisher of Nusantara's Works.
Rachman, A. (2017). *Neoliberalism and inclusivity in Indonesian higher education*. University College London.
Rohana, S., Yuniastri, S. D., Setianingrum, T., & Suwandi, S. (2024). Transformation of employee recruitment in the digital era and the use of technology in attracting and selecting talent. *Consensus: Journal of Economics, Management and Accounting*, *3*(2), 252–257. https://jurnal.anfa.co.id/index.php/mufakat/article/view/2312
Singh, M. (2008). *Strategic management and competitive advantage*. Global India Publications.
Sutedi, A. (2009). *Labor law*. Sinar Grafika.
Sutrisno, E. (2014). *Human resource management*. Gold.
Tritto, A., He, Y., & Junaedi, V. A. (2020). Governing the gold rush into emerging markets: a case study of Indonesia's regulatory responses to the expansion of Chinese-backed online P2P lending. *Financial Innovation*, *6*(1), 51.
Yasar, I. (2018). *Outsourcing will never be eliminated*. PT Perdana Perkasa Mandiri.
Yuliani, R. (2013). *The responsibility of the parent company to the subsidiary in a group company*.