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Analysis of Strategic Human Resource Procurement and Talent Management 5.0 at PT. Midi Utama Indonesia Tbk

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Abstract

Rapid technological developments and digital transformation have had a significant impact on the industrial world, including the retail sector, as it enters the Industrial Revolution 5.0 era. This era demands companies to integrate advanced technology with a humane approach in running their operations. This study aims to identify and analyze effective talent management strategies to address the challenges and opportunities emerging in the Industrial Revolution 5.0 era in retail companies. The methodology used is a qualitative study with a case study approach in several leading retail companies. The results show that companies' success in managing talent in this era is greatly influenced by the implementation of digital competency development strategies, enhancing a culture of innovation, and implementing technology in human resource management processes. This strategy is expected to increase the competitiveness of retail companies in facing dynamic market changes and continuously evolving technology. This study concludes that adaptive and innovative talent management is the main key to welcoming the future of the retail industry in the Industrial Revolution 5.0 era.

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1. INTRODUCTION

Sociodemographic developments, the rise of the middle class, and shifts in the shopping behavior of Indonesian society in the last two decades have triggered a massive transformation in the retail trade sector. Traditional retail formats (wet markets and grocery stores) are gradually being complemented, and in some respects, replaced, by the presence of modern retail. The modern retail industry in Indonesia is characterized by a very high level of competition, homogeneity of products sold, and high consumer sensitivity to price and location convenience. In this intensely competitive landscape, the ability of retail companies to differentiate themselves (*differentiation strategy*) and to aggressively expand geographically is a key determinant of long-term business sustainability.

Amidst the dominance of formats of mini-*Market*, a relatively small pure retailer, PT Midi Utama Indonesia Tbk has been present with a unique positioning strategy since its founding in July 2007. As part of the Alfa Group, the company, which is famous for its Alfamidi brand identity, has deliberately adopted the concept of outlets located between *mini market* and *supermarket* (*mid-size supermarket*). This strategy was deliberately chosen to fill the market gap (*market gap*) which has not been optimally developed: providing a wider and more comfortable shopping area than *a conventional mini market*, but with a location that is still close to residential areas without the need to go to large shopping centers.

Alfamidi's main differentiating factor lies in the diversification of its product portfolio. Unlike its closest competitors, Alfamidi consistently provides fresh product categories (*fresh food*) such as fruits, vegetables, processed meats, and ready-to-eat foods (*ready-to-eat*). The provision of fresh products requires a very complex logistics system, including *cold-chain* precision through the network, *Distribution Center* (DC), as well as very strict store operational Standard Operating Procedures (SOP) to minimize the number of damaged goods (*shrinkage/wastage*).

Following its successful listing on the Indonesia Stock Exchange in 2010 under the ticker symbol MIDI, the company experienced exponential growth. Its outlet network expansion was no longer limited to Java, but expanded massively to areas outside Java, such as Sumatra, Kalimantan, Sulawesi, and even Maluku. On the one hand, this aggressive geographic growth succeeded in increasing the corporation's revenue and market share. However, on the other hand, this rapid expansion had significant strategic implications for human capital management (*Human Capital Management*).

As a labor-intensive industry (*labor-intensive*), Alfamidi is faced with the challenge of fulfilling the need for frontline workers (*frontliners*) in the thousands regularly, as well as the need to mitigate the high rate of employee turnover (*turnover rate*), which is an inherent characteristic of the retail industry. Furthermore, the opening of new outlets in various regions requires readiness *Leadership Pipeline* (leadership pipeline) at the operational level, such as the need for a Store Manager (*Chief Of Store*) and Area Coordinator (*Area Coordinator*) who are competent in a short time.

To address the challenge of synchronizing massive business expansion and standardized talent availability, PT Midi Utama Indonesia Tbk must implement Strategic Human Resource Management (SHRM). The company is required to be skilled not only in mass recruitment (*mass recruitment*) through innovations such as vocational education partnership programs (SMK), but must also have a solid talent management architecture (*talent management framework*). This includes learning and development programs (*learning and development*), which are adaptive based on digital technology, as well as a succession planning system (*succession planning*) objective of detecting and retain high potential employees (*high-potential employees*).

Based on these dynamics, PT Midi Utama Indonesia Tbk is a rich and academically relevant object of analysis. Examining how a labor-intensive modern retail company systematically aligns its expansive business strategy with its talent acquisition, development, and retention strategies is crucial. Therefore, an in-depth analysis of the talent acquisition and management practices at PT Midi Utama Indonesia Tbk is essential.

The modern retail industry in Indonesia faces intense and dynamic competition. PT Midi Utama Indonesia Tbk (Alfamidi) is a major player in the retail format of *mini-Market* and *Supermarket.* Local businesses must continue to expand their stores to secure market share. However, this exponential business growth poses a major HR challenge: how can the company provide thousands of competent store personnel in a short time while simultaneously producing managerial personnel (Store Manager, *Area Coordinator*, and to the ranks *Head Office*) ready to consistently oversee operations in accordance with Standard Operating Procedures (SOPs). Therefore, strategic procurement and a structured talent management system are no longer merely support functions, but rather pillars of a company's competitive strategy.

1. Purpose of Analysis

1. Analyzing the effectiveness of Alfamidi's HR procurement strategy in meeting mass workforce needs (*frontliners*) and managerial acceleration track.
2. Evaluating the Talent Management architecture at Alfamidi, especially in the aspect of *Learning & Development*(L&D) and succession planning (*succession planning*).
3. Identifying the tactical-strategic strengths and weaknesses of the HR management system currently implemented by Alfamidi.

2. Scope

This analysis is limited to the practice of *Strategic Human Resource Management* (SHRM) at PT Midi Utama Indonesia Tbk, focusing on synchronizing store operations (mass retail) with future leader development programs (*Management Trainee/Store Leader Development Program*), talent identification instruments, as well as risk mitigation and *turnover*.

PT. Midi Utama Indonesia, Tbk., is a company engaged in the retail sector to meet the needs of the community. This company is better known as Alfamidi. The company was founded on June 27, 2007, by the Djoko Susanto family, also known as the founder and CEO *owner* from the Alfamart minimarket retailer. Initially, the company was named PT Midimart Utama, with its first Alfamidi outlet located at Jln. Garuda No. 49 Gunung Sahari Selatan, Central Jakarta. Currently, the main office of PT. Midi Utama Indonesia, Tbk. is located at Jln. Jalur Sutera Barat Kav. 7 – 9 Alam Sutra, Pinang, Tangerang, Banten.

Based on the module issued by Alfamidi, this company was founded with the concept of a "mini supermarket" which provides daily necessities such as drinks, food, household appliances, and *fresh food. Products* such as meat, vegetables, and fruit are provided. Alfamidi has an area of approximately 200-400 square meters, and 20% of it is used to display *fresh food products.* This concept evolved to reach a broader target segment. This concept culminated in the creation of a new type of store with an area of 500–800 square meters. With this expansion, the variety of products and items also increased. This type of store is called Alfasupermarket, better known as Alfamidi Super. This development was carried out to accommodate the shift in people's activities from monthly shopping to weekly shopping at nearby stores.

Based on a module issued by Alfamidi, Alfamidi's target market segmentation focuses on housing complexes, offices, and public facilities. Target consumers range from children and young women (15-25 years old), to housewives (25-40 years old) in the middle-income segment.

PT. Midi Utama Indonesia, Tbk., also has a mascot named Albi the bee. Albi is depicted as a fun-loving character ready to help anyone in need. Albi also represents the company's commitment to achieving collective goals that meet the needs of Indonesian families with quality and affordable products. Albi is symbolized as an employee who is ready to help and serve customers with sincerity. Finally, Albi is depicted as a motivation to prioritize life and collective goals, a ladder to small changes around, and to avoid conflict.

3. Literature review

a. Strategic Human Resource Management (SHRM) Framework

According to Schuler & Jackson (1987), retail organizations focused on growth and service quality should adopt HR practices that encourage flexibility, a strict understanding of SOPs, and behavioral compliance. Vertical alignment (*Vertical Alignment*) ensures that every dollar invested in employee training has a direct impact on business metrics such as sales per store (*Sales per Store*) and customer satisfaction.

b. Talent Management Framework in the Retail Industry

In the industry with *high-volume hirings,* such as retail, Peter Cappelli's (2008) talent management framework regarding *"Talent on Demand"* is very relevant. Retail companies cannot rely solely on external recruitment when they need managerial positions due to the high costs of adapting to the retail business culture. The concept of *Leadership Pipeline* (Charan, Drotter, & Noel, 2001) explains that organizations must be able to identify internal talent objectively (for example, through the *9-Box Matrix*) to be developed from the level *Crew*store to become Store Manager, up to the area manager level.

4. Company profile

PT. Midi Utama Indonesia, Tbk., is a retail company that fulfills the needs of the community. This company is better known as Alfamidi. The company was founded on June 27, 2007, by the Djoko Susanto family, also known as the founder and CEO *o*f the mini market retailer Alfamart. Initially, the company was named PT Midimart Utama, with the first Alfamidi outlet located at Jln. Garuda No. 49 Gunung Sahari Selatan, Central Jakarta. Currently, the main office of PT. Midi Utama Indonesia, Tbk., is located at Jln. Jalur Sutera Barat Kav. 7 – 9 Alam Sutra, Pinang, Tangerang, Banten.

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2. METHOD

This research methodology uses a qualitative approach with library research. Library research is a research method that utilizes literature or materials available in libraries to collect data and information. Qualitative research is used for strategic human resource procurement and talent management. The qualitative approach was chosen because it provides ample scope for an in-depth understanding of strategic human resource procurement and talent management. Through library research, this research focuses on reviewing various existing literature on strategic human resource procurement and talent management.

3. RESULTS AND DISCUSSION

1. Human Resource Procurement Strategy Analysis

Alfamidi's HR procurement strategy is divided into two large clusters with different approaches:

a. Employer branding and talent branding

Operational Cluster (Mass Hiring): Alfamidi positions itself as an inclusive job provider and a promising early career opener for high school graduates. One of its innovative strategies is the "Alfa Class" program, which is an institutional collaboration with vocational schools in various regions. The retail curriculum is integrated into the school, so that upon graduation, students are work-ready and immediately absorbed as *Crew of* Alfamidi store without a long adaptation process.

Managerial Cluster: Through the program *Management Trainee* (MT) or *Store Leader Development Program* (SLDP), Alfamidi builds *employer branding* at leading universities to attract undergraduate graduates (S1) by offering clear career paths to become l*eaders* in the retail industry.

b. Selection process

The selection process at the operational level places great emphasis on physical aspects, work endurance (*endurance*), as well as personality compatibility with service aspects (*hospitality*). Meanwhile, for the managerial cluster, selection uses the method *Assessment Center, which is* more complex, including *Business Case Presentation*, *Psychometric Tests*, and competency-based interviews (*Behavioral Event Interview*).

2. Talent Management System Analysis

Alfamidi's main challenge is how to manage thousands of employees to have uniform work quality according to SOP and prepare leadership successors at the regional (area) level.

a. Learning and Development

Alfamidi implements a strictly structured training curriculum based on career levels.

1. Training Standardization: Every new employee (both shop crew and office staff) is required to go through an induction period at *Training Center* Alfamidi. Learning focuses on the technical aspects of retail operations, such as inventory management and goods handling, *fresh* prevention of loss of goods (*shrinkage control*), and customer service.
2. Blended Learning: A combination of classroom (classical) training and o*n-the-job training* (OJT) under the guidance of a senior Store Manager or *Area Coordinator*.

b. High-Potential (Hi-Po) Identification & Talent Pool

For filling critical positions in the store (e.g., raising a position *Crew* become *Assistant Store Leader* or *Store Leader*), Alfamidi conducts periodic internal assessments. Employees are assessed based on two dimensions:

1. Work Target Achievement: Store audit scores, outlet sales targets, and minimizing the number of lost goods (*shrinkage*).

2. Behavioral Competencies: Discipline, SOP compliance, and ability to lead a small team.

Outstanding employees will be included in the *Talent Pool* and prioritized to participate in vertical promotion programs.

c. Succession Planning

The succession system at the area operational level moves very quickly because new store expansion requires a new Store Manager every month. Alfamidi implements a *shadowing scheme*, where a person, the *Assistant Store Leader. Those* who fall into the potential category will begin to be delegated the full duties of a Store Manager as a form of readiness test before being officially inaugurated.

d. The Role of Technology in Human Resource Management

Alfamidi utilizes internal applications (such as corporate HCIS systems and platforms) for *e-learning*) which allows employees across all stores (even in remote areas) to:

1. Follow the self-paced training module digitally (*Micro-learning*).
2. Filling attendance in real-time is integrated with store performance incentive calculations.

4. CONCLUSION

PT Midi Utama Indonesia Tbk (Alfamidi) has successfully designed strategic human resource management capable of supporting the massive growth of its modern retail business. Through upstream-downstream integration—from vocational school-based recruitment (SMK), standardized training centers, to internal promotion channels—Alfamidi has successfully maintained operational stability. However, structural challenges include high employee turnover at the frontline level (*frontliners*), which requires a more humanistic, interactive technology-based talent management approach, as well as personalized non-financial retention strategies so that the company's competitive advantage can be maintained sustainably.

5. STRATEGIC RECOMMENDATIONS

To strengthen the talent procurement and management system at Alfamidi, here are some recommendations based on global theory and practice:

a. More Interactive "Gamified & Micro-Learning" Implementation

Considering that the majority of store employees are dominated by Gen Z, the long classroom-based training format must begin to transition completely to *gamified mobile learning*. Complex SOP modules are broken down into short 2–3-minute videos that can be accessed via their smartphones before *shift*work begins, increasing engagement (*engagement*).

b. Non-Financial Rewards-Based Retention Strategies to Reduce Store Turnover

Facing the height *turnover, a*t the store crew level, Alfamidi cannot rely solely on wage wars. The company is recommended to implement intensive non-financial reward programs, such as:

1. *Spot awards weekly* (e.g., "Best Service Crew of the Week").
2. Partial scholarships to continue studies for high-achieving Store Managers.
3. Geographical placement flexibility (allows for transfer to outlets closer to the employee's original residence to reduce boarding/transportation costs).

c. Refining the Succession Framework with the 360-Degree Feedback Method

In identifying outlet leaders (*Store Leader*), evaluation cannot only come from the top (Area Manager). Instruments need to be included, *360-degree feedback,* small scale, where assessments from peers and subordinates (*crew*) are taken into account. This is important in the retail industry to ensure that potential leaders have good emotional intelligence and do not create a toxic work climate (*toxic*) in the store, which is often the main reason for store crew resignations.

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