Concept Of Strategic Control: A Strategic Health Monitoring Effort (Case Study At The National Institute Of Aeronautics And Space)

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Abstract— The leadership of government agencies provides the application of strategic control as a form of defense mechanism against widening the deviation between targets and achievements. Deviation that arises is not because they do not understand the business environment, but rather the magnitude of the influence of the strategic environment that can affect the health of the strategy being implemented. As we know, unsuccessful strategic achievement due to inability to read the strategic environment can reduce the credibility of agencies in the eyes of the public. This paper uses a literature review and empirical data in an effort to build a well-established strategic control concept that can be applied throughout the strategic process. The final result shows that the strategic control applied to the strategy formulation, implementation, and evaluation process can be implemented in LAPAN.

Keywords—Strategic Control, Strategic Environment, Credibility, Strategy Process

I. INTRODUCTION

Today, changes taking place in the strategic environment are becoming very common. Not infrequently these changes cause "panic" of the leadership of an organization in ensuring the achievement of the performance targets set at the beginning of the year. In government agencies, for example, failure to achieve performance targets can lead to decreased credibility of the government agency in the eyes of the public. To deal with this, the Ministry of National Development Planning (PPN) / Bappenas has prepared effective strategies, one of which is the issuance of Government Regulation (PP) Number 8 of 2006 and PP 39 of 2006 as a form of control over development planning and implementation. As the Chief Planning Officer, Bappenas strengthens its function, not only as a strategic planning formulator for Ministries / Agencies, but also as a development controller (Chief Controlling Officer) through the issuance of the two PPs.

Through this study, a comprehensive strategic control concept will be formulated for the strategic process. This study has not yet reached the implementation stage. The expected results in this study are recommendations that contain the possibility of implementing the strategic control concept in LAPAN. In general, the recommendations generated can be followed up in the form of regulations or non-regulations. This study does not limit the possibility that the application will be followed up in the form of regulations, it could be in the form of non-regulatory applications.

II. RELATED WORK

Strategies are formulated with efforts that are preceded by building assumptions or premises regarding the future because strategy is trying to formulate a series of strategic actions that must be taken to achieve the desired future [2]. Therefore, it is very crucial to formulate a control pattern for the strategy because an uncertain future is prone to changing the premises that form the basis of strategy formulation. According to Pearce and Robinson (2007), strategic control is a management effort to track a strategy as it is implemented, detect problems or changes in its basic assumptions, and make the necessary adjustments. This opinion has also previously been expressed by Wahyudi (1996) who uses the term strategic control, stating that strategic control is a process of changing a business plan due to changes in conditions or situations, additional knowledge or making adjustments to direct activities to fit the plan. predefined. Based on the two opinions above, it can be concluded that strategic control is a strategic step to anticipate changes that cause deviation from the targets set by the company.

The implementation of control over strategy is a very critical concept for management success and efforts to achieve performance [1]. In addition, Johnson and Scholes (1993) state that strategic control requires organizations to build a clear understanding of how accountability for the strategy includes the central strategy and the strategies of the divisions under it. As a guide, Johnson and Scholes (1993) also explain that the center (in this case, the top leadership of the company) must have the capability to do work such as determining key policies, allocating

resources to divisions, and assessing the performance of divisions - his division.

Tannenbaum (1968) was the first to introduce the concept of implementing strategic control or strategic control at the operational level. Then, Schreyogg and Steinmann (1987) developed a concept introduced by Tannenbaum (1968) through a substantive theoretical approach. Schreyogg and Steinmann (1987) formally introduced a concept called the three-step model. The components of the three-step model developed by Schreyogg and Steinmann (1987) are premise control (environmental monitoring), implementation control, and strategic observation (environmental scanning).

Based on the definitions above, it can be concluded that strategic control includes all control activities over the entire strategic process (formulation, implementation, and evaluation). The object of strategic control is strategy. This concept can be applied as a strategic health monitoring effort in any of the strategic processes in question.

1. Benchmarking activities.
Benchmarking is very essential to ensure the position of agency activities against the public segments to be served. In this process, agencies ought to make Government to Government (G to G) comparisons to see best practices adopted by other countries. Even in practice, benchmarking can also be carried out Government to Business (G to B) as an effort to sharpen government agencies' understanding of market needs. It is hoped that the results of this activity will allow agencies to see problems that arise in countries that are used as benchmark objects along with the strategic solutions they take to deal with these problems.

2. Research on the market.
After carrying out the benchmarking process, adjustments need to be made by referring to domestic market conditions. Through these stages, as a government agency that is entirely oriented towards improving the quality of public services, we must identify public wants and needs. Research on the market is also a way for agencies to strengthen mind share, not just market share. In the end, these institutions can be competitive and not just survive. In government agencies in Indonesia, efforts to explore market wants and needs can be carried out at the National Development Planning Conference, or commonly known as Musrenbangnas. In these activities, the public's wants and needs can be expressed and become the K / L's attention to carry out their programs and activities. Ministries / agencies in Musrenbangnas are clearly positioned to be market driven. It is really difficult if K / Ls position themselves as market drivers.

3. Implementation of strategic audits on products and processes.
The final stage of strategic control in this strategy process is in the form of an audit. This is a follow-up to the results of research on the market or things that are a form of

service to the public. The strategic audit is in the form of a review of internal capacity in the form of further tracing of strengths and weaknesses. Understanding internal capacity can certainly be a provision in monitoring the position of agencies in their work environment. The position of the agency is influenced by the results of scanning of opportunities and threats.

Strategic Control in the Strategy Implementation Process
In the strategy implementation stage, or where the strategy is being implemented, strategic control must still be exercised. Three things have been recorded that can affect the health of the strategy, including:

1. Demands for the empowerment of a larger number of workers.
The desire of the Ministry of Administrative Reform and Bureaucratic Reform (Kemenpanrb) in implementing zero growth in terms of the quantity of State Civil Servants (ASN) always clashes with the pressure of conditions in society. Currently, the unemployment rate is recorded at more than 7 million people from 127.8 million in the workforce.

Various efforts have been made, for example increasing government spending on personnel spending, however this is not without risks. Personnel spending that continues to increase will make the structure of the State Budget (APBN) disproportionate.

2. Development of e-business structures.
According to Steven Alter, e-business is the practice of implementing and managing key business processes such as product design, management of raw material supplies, manufacturing, sales, fulfillment, orders and service providers through the use of computerized communication technology, computers, and data. The digitalization of the economy or the digital economy is currently spreading. Business models are changing to become more efficient and effective. Of course, this must change the general practices that seem conventional that are still being practiced by K / L.

3. Development of information technology.
Of course, the development of e-business is a downstream from the development of information technology that preceded it. Currently, Ministries / Agencies have also implemented information technology in their efforts to achieve transparency (clean and clear governance). Various attitudes must be made, starting with the improvement of IT literacy by all ASNs that are directly related to public service activities.

Strategic Control in the Strategy Evaluation Process
The final stage of the strategy process is in the form of an evaluation of the strategy. The implementation of strategic control in this post ante will be divided into two activities viewed from the internal side and the external side. In internal activities, post ante strategic control includes 3 (three) essential things, including:

1. Application of feedback (feedback) on performance.
The implementation of feedback on performance is the first layer that can be carried out by the work unit that handles tasks and functions in the field of strategic planning. This first measure is a form of immediate response to any possible deviation between the target and the realization. In terms of the operational level, it is possible to collaborate with technical units that are substantially responsible for these program and activity targets. Making a performance dashboard is very important at this stage.

2. Review middle management.
In more complex matters, it is appropriate to carry out the review by middle management. The form of mitigation of strategic failure needs to be built at a more tactical level, for example by building coordination between the heads of related work units.

3. Review top management.
The head of the agency is obliged to carry out a review of the strategies that have a macro or mega impact. The strategy developed by an agency will certainly have an influence on market development (market share) and development of mind (market mind) by stakeholders. The implementation of the review at this level needs to build coordination between related government agencies.

In external activities, post ante strategic control needs to be built as a complementary form of the implementation of internal strategic control as stated above. This includes 2 (two) crucial things that must be anticipated, including:

1. The struggle for market share.
For government agencies that show a decline in performance, the risk of reduced credibility is high. This will set a precedent in the determination of the next target by the agency, where agencies with intersecting tasks will take over these roles.

2. License ownership by competitors.
The freedom to do business guaranteed by the central government will have an impact on the increasing role of the private sector. Apart from the private sector, domestic government agencies will also compete with foreign agencies where they have a greater capacity and are more flexible in playing their influence on the needs of the public in the country. For example, the construction of the BRI Sat satellite and the Telkom satellite by a company from France, Arianes.

At the strategic control stage of the strategic process (post ante), building espionage control can be a strategic solution.
The espionage control stage begins with mapping the internal conditions of government agencies. Understanding the internal conditions of government agencies will obtain data on the capacity of government agencies in the form of strengths and weaknesses of government agencies. Then, the next step is to analyze the data requirements of competitors' strengths. The next stage is the process of finding a competitor's strategy to be compared with the strategy of government agencies at a later stage. At the final stage of espionage control, then the process of controlling the issues and agendas that will emerge along with the implementation of espionage is carried out. This is where the espionage control takes place. The implementation of controls is needed as a form of adjustment to the strategies implemented by competitors. The task of government agencies is to rationalize by looking at their own capabilities without rushing to make complete adaptations to forces that are superior to competitors.

III. METHODOLOGY

The methodology used in this study is an analytical method using literature studies as the main source. Literature studies conducted by: (1) understanding the concept of strategic control, especially its definition, dimensions, and indicators, (2) looking at the main duties, functions and authorities of LAPAN, including the main tasks, functions and authorities of the Planning and Finance Bureau, (3) observing and studying the process of preparing LAPAN's strategic planning (Renstra), and (4) analyzing using the information contained in the documents referred to in numbers (1) to (3).

IV. RESULTS AND DISCUSSION

In the strategic planning process, the concept of strategic control can play a role in identifying problems that may arise and affect the strategy when it is formulated, implemented, and after it has been implemented (evaluation). At the strategy formulation stage, strategic control can control the premise that is used as the basis for strategy development, so that the validity of the premise can be monitored. For example, in the case of the implementation of research and development of short-range rocket technology based on increasing industrial demand. Then, the premise of increasing industrial demand must be continuously monitored for its validity, so that it can be used as a benchmark for good strategy formulation.
At the strategy implementation stage, the concept of strategic control also plays a role in the event of turmoil in the agency's strategic environment. In practice, any changes that occur in the strategic environment and have the potential to affect the health of the strategy need to be analyzed. The impact of change needs to be quantified and procedures for handling it are prepared. For example, there was a sudden change in industry demand for short-range rockets. This must be controlled by changing the formulation of strategies by shifting target customers from industry to academia for further research purposes. It can be concluded, strategic control at the strategy implementation stage can enable the development of a contingency plan, of course, while still paying attention to cost effectiveness and efficiency.

At the strategy evaluation stage (post ante), strategic control can guide internal and external feedback. For

example, the implementation of evaluation is accompanied by control through a management review process as a form of initial mitigation or preventive action from strategic failure. Furthermore, external feedback can also be done by comparing the performance of our strategy with what other agencies have done. This is related to measuring the effectiveness and efficiency of costs or resources produced or spent.

Possibility: Application of Strategic Control Concepts in LAPAN

As explained in the previous discussion, the concept of strategic control can be applied to the entire strategy process which includes strategy formulation, strategy implementation, and strategy evaluation. These three things can fully be applied in the process of preparing LAPAN's strategic planning, Echelon I, II, III, and IV work units.

In practice, PESTEL Analysis can provide a macro overview of external variables that can affect the health of the strategy during strategy implementation. The big picture that PESTEL analysis offers can help our thinking horizons to see the big environment that exists in our agency. In terms of helping us provide a detailed description of the strategy, for example related to products or public segments that we will serve, microeconomic analysis can be a solution. Microeconomic analysis ensures the formation of detailed studies that reveal gaps or even weaknesses in existing strategies, which can be corrected by management in future periods. Models that are able to answer this are activity-based cost models and profitability-based models. These two models will describe an economic map, which is able to identify which activities are spending and which activities will be yielding. Yielding activities should be identified to strengthen the non-tax revenue of these government agencies, so that future activities funding will no longer rely entirely on the APBN.

Other Uses

This strategic control concept can also be used when LAPAN wants to propose new activities. Where the new activities were previously not fulfilled in the initial planning and budgeting design. The sequence and stages of implementing strategic control can be carried out to create an integrated proposal concept of the proposed new activity by first identifying the possibility of failure in the implementation of the new activity and the handling procedures

Start from SIFORENMONEV

The SIFORENMONEV application currently in LAPAN has been well developed. In its implementation, as previously explained, it does not include strategic control which includes the entire strategic process. So that in the future it is necessary to add special features that are able to accommodate a complete strategic control system.

Development of the Strategic Control Management Office (SCMO)

To ensure the implementation of strategic control can be carried out in an integrated manner, government agencies need to build an SCMO. This is necessary as a means of strategic communication between work units to ensure the continuity of strategy implementation in all work units. As we know, the executor level strategy is a cascading derivative of the above strategy. A thorough understanding of the strategy needs to be guaranteed and this is where the SCMO functions. SCMO itself is a work structure which is located directly under the person in charge of the program and in carrying out its duties can coordinate directly with the person in charge of activities. Then, the duties and functions of the SCMO itself focus on controlling the substance of the implementation of the duties and functions of the work unit which are their task areas.

V. CONCLUSION AND FUTURE SCOPE

The concept of strategic control can be carried out in the entire strategic process. Each stage of the implementation of control is complementary, not substitute. However, the implementation of this strategic control must be carried out in an integrated manner by involving the work unit that handles the strategic planning of the institution and related technical work units. The implementation of strategic control is not a difficult process and extends the process or flow of activities. Strategic control is a form of mitigation of strategic unhealthyness that can disrupt the credibility of government agencies.

The implementation of strategic control can be carried out by LAPAN in relation to the strategic planning process, so that the resulting strategic planning is credible and the quality of its achievements can be guaranteed. Therefore, the authors recommend the following:
1. Using the concept of strategic control in LAPAN's strategic planning;
2. The issuance of a leadership policy regarding the implementation of strategic control in all work units, particularly regarding the formation of the SCMO structure;
3. Socialization of the strategic control concept; and
4. Conducting intensive training for management and staff at LAPAN.

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