

Conference Paper

Strategic Management for Increasing the Human Development Index in North Kalimantan

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Abstract.

The Human Development Index (HDI) is a value that reflects the level of poverty, literacy, education, life expectancy, and other factors in each region. The management strategy for increasing the Human Development Index (HDI) in North Kalimantan Province follows the concept proposed by Stahl and Grigsby (1992). Among the three aspects effectively implemented in the province of North Kalimantan, this can be seen from the formulation strategy dimension, which includes a long-term strategy as an integral part of short-term and medium-term strategies.

The second dimension is the implementation strategy, which indicates that the North Kalimantan Province's economic growth in the 3rd quarter of 2022 reached 5.39%.

The third dimension involves evaluation and control, which focuses on simulating the Human Development Index targets for North Kalimantan Province in 2023-2026 by observing and realizing the growth of the Human Development Index (IPM). The goal is to achieve a growth rate of 39% and become a driving force in efforts to increase economic growth in the next quarter.

Keywords: strategy management, improvement strategy, Human Development Index

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1. Introduction

The human development index was first introduced by the United Nations Development Program (UNDP) in 1990. The human development index is a composite index of three dimensions: longevity, healthy living, knowledge, and a decent standard of living. From these three dimensions, it is reduced to four indicators: Life Expectancy at birth life expectancy (AHH) to measure the dimensions of longevity and healthy life; average length of schooling and schooling expectations to measure the dimension of knowledge; and Gross National Product (GNI) per capita to measure the dimensions of a decent standard of living. Periodically, the United Nations Development Program (UNDP) has made improvements to the methodology in terms of both indicators and methods of calculation. The four indicators mentioned above have been changed since their introduction. Four indicators were introduced: life expectancy at birth, literacy rate

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(AMH), gross enrollment rate (APK), and per capita gross domestic product (GDP). In addition, the method of calculating the Human Development Index (IPM) has changed from an arithmetic average to a geometric average [1].

Humans are a nation's true wealth. The main goal of development is to create an enabling environment for people to enjoy a long, healthy, and productive life (Central Bureau of Statistics 2015). Human development is a paradigm in which humans are the subjects of economic activity. The focus and target of development is the achievement of control over human resources in order to obtain income to achieve a decent life and influence economic growth. Human development is the ultimate goal of all the types of development.

The HDI is used to measure the achievement of human development in an area from 3 (three) dimensions: health, education, and a decent standard of living [2]. The process of achieving successful development of a region is strongly influenced by human development, as measured using the Human Development Index (IPM). The Human Development Index (IPM) is a breakthrough in assessing human development. This calculation system was introduced by an economist, Amartya Sen. The Human Development Index (IPM) includes 3 (three) components that are considered basic to humans and are operationally easy to calculate to produce a measure that reflects human development efforts. These three aspects relate to longevity, knowledge, and decent living.

Efforts to increase the Human Development Index are still a big challenge and problem that is still being faced in Indonesia [3]. The average Indonesian Human Development Index for the 2018-2022 period is 67 and above in units of percent, ranking fourth among 11 ASEAN member countries. Indonesia's Human Development Index occupies a position that fluctuates every year. The human development index is still relatively low in the 33 provinces of Indonesia and experiences significant differences (Central Bureau of Statistics 2022).

The average Human Development Index in Indonesia in the 2018–2022 period is (67.09), (66.70), (66.31) and (67.10) in percent units of the 11 ASEAN member countries. The Human Development Index in Indonesia continues to increase every year, and Indonesia is ranked fourth. However, the Human Development Index in 33 (thirty three) provinces in Indonesia still experiences significant differences. (Central Bureau of Statistics 2022).

North Kalimantan Province is one of the provinces with a low level of human development index. Based on existing data, in 2020, it will reach (70.63), in 2021 it will reach (69.90) and in 2022 it will reach (71.83). This indicates an increase in the Human Development Index in North Kalimantan Province indicating conditions and conditions

that are not fixed or changing which are commonly referred to as fluctuating, thus requiring better intensive handling in increasing the human development index in North Kalimantan Province so that it really requires strategic management in increasing the Human Development Index in North Kalimantan Province.

Strategic management for government organizations (non-profit) is not just competition, but rather the demand for dedication and humanity for the benefit of living together in society [4]. In choosing and implementing strategic management, non-profit organizations (government) aim to achieve prosperity that can be realized through good and satisfying services to the community [5]. Strategic management is a multi-disciplinary science, Baum and Rao [6] call it "a fish-scale multiscience" which explains that there are at least three main sciences that support strategic management, namely economics, sociology, and psychology.

The concept of strategic management is the overall scope of an organization's decision-making activities [7]. Strategic management is a policy-making process within an organization; therefore, strategic management is seen as a process that includes three main activities: strategy formulation (formulation), implementation (implementation), and evaluation/control. This research is urgent and important because it turns out that in analyzing strategic management in an organization, it is necessary to focus on three main components: in this case, how strategic management is in increasing the human development index in North Kalimantan. The purpose of this study is to analyze Strategic Management to increase the Human Development Index in North Kalimantan.

Strategic management is a multi-disciplinary science, Baum and Rao [6] call it "a fish-scale multiscience" which explains that there are at least three main sciences that support strategic management, namely economics, sociology, and psychology. The term strategic management (strategic management) [8]. The term strategic management (strategic management) refers to the entire scope of strategy from the start of decision-making to an organization. Therefore, strategic management is a process that includes three main activities: strategy formulation (formulation), implementation (implementation), and evaluation/control. The formulation strategy includes the mission, goals, and strategies, which include motivation, structure, systems, cross-functions, groups, culture, and policies.

In the concept put forward by Stahl and Grigsby [7], explains that each stage has various activities. In the formulation stage, several steps are needed, namely, an analysis of the organizational environment. Implementation is an important stage because, at this stage, a leader is tasked with carrying out the strategy that has been developed. Therefore, leaders must be able to increase their motivation and utilize structures,

systems, and organizational culture on an ongoing basis. There are six steps in the evaluation: (a) determining what will be controlled, (b) creating a set of standards, (c) measuring results, (d) comparing the results with standards, (e) looking for reasons for deviations, and (f) conducting corrective action. With these steps,

According to Baum and Rao [6] three disciplinary roots build strategic management theories. These three disciplines are sociology, psychology, and economics. From an economic perspective, it is supported by interpretive and realist sociology. The field of psychology is supported by the fields of behavioral science and cognition. Baim and Rao [6] further state that strategic management is a multidisciplinary approach such as fishing nets (a fish-scale multisciences approach). That is, strategic management not only relies on economic theories, but also more broadly invites attention and support from various other fields of science. With the advantages of this approach, the development of strategic management will become more complex and open to other fields of knowledge [9].

In strategic management, several other approaches are known apart from those used by Baim and Rao [6]. There are at least six approaches to address this problem. The first is the balanced scorecard approach, originally introduced by Kaplan in the business world [10]. This approach is more inclined toward practical problems in strategic management. Second, the interpretive approach [9] tends to emphasize the meaning of strategic management. The main principle of this approach is situational (contextual) understanding of events because knowledge is a social construct. The third approach is strategy analysis [11]. The strategy analysis approach focuses on the strategy itself when implementing the strategy. The fourth approach is a critical approach (critical approach) which is based on Gramsci's critical theory, postmodernism, and hegemony. The fifth approach is the institutional approach (institutionalism). This approach is more involved in the location (locus) or organization where strategic management is applied. The sixth approach is the multidimensional approach [5]. This approach is similar to that of Baum and Rao [6], which involves many scientific fields. A multisectoral approach involves many dimensions. 2003). This approach is similar to that of Baum and Rao [6], which involves many scientific fields. A multisectoral approach involves many dimensions. 2003). This approach is similar to that of Baum and Rao [6], which involves many scientific fields. A multisectoral approach involves many dimensions.

2. Methods

This study is based on a case study approach. This study describes and analyzes complex social phenomena [12]. Case study in North Kalimantan Province (Indonesia). North Kalimantan Province was selected for several reasons. First, North Kalimantan Province is one of the provinces that continues to strive for an increase in the human development index, but North Kalimantan Province shows conditions that are not fixed or changing, which are commonly referred to as fluctuating; therefore, it requires intensive handling and appropriate strategic management so that the increase in the Human Development Index (IPM) can be as expected. Second, increasing the Human Development Index, which is currently being hailed as a capable strategy, but in reality, the conditions are not constant or changing, indicating that the implementation of increasing the Human Development Index is not yet appropriate in North Kalimantan Province. Third, the implementation of the Human Development Index (IPM) in North Kalimantan Province is very suitable using the concept put forward by Stahl and Grigsby [7], which emphasizes that strategic management is a process that requires three main activities: strategy formulation (formulation), implementation (implementation), and evaluation/control. The formulation strategy includes the mission, goals, and strategies, which include motivation, structure, systems, cross-functions, groups, culture, and policies. The last dimension is evaluation and control, which includes organizational performance [7]. These three activities must be implemented to increase the Human Development Index (IPM) in North Kalimantan Province). Cross-function, Group, Culture, and Policy. The last dimension is evaluation and control, which includes organizational performance [7]. These three activities must be implemented to increase the Human Development Index (IPM) in North Kalimantan Province). Cross-function, Group, Culture, and Policy. The last dimension is evaluation and control, which includes organizational performance [7].

The data in this study used primary and secondary data, where secondary data were obtained from document reports published by the government and other reliable sources, including mass media. Then, primary data were obtained from the results of semi-structured in-depth interviews conducted to encourage participation for free understanding and perspective [13]. Three groups were chosen as the focus of this research, including the Head of the North Kalimantan Provincial Revenue Agency, as a formal policymaker. The Regional Apparatus Organization (OPD) for Technical Implementation Operations is related to efforts to increase the Human Development Index (IPM) in the North Kalimantan Province. Regionally owned enterprises are companies

established by the regional government, whose capital is mostly or wholly owned by the regional government. The purpose of establishing a regional company is to develop economic potential in the region, especially in North Kalimantan Province. Information from the three groups will be explored to find the views of the actors involved in the implementation of the Human Development Index (IPM). The interviews were conducted from January to March 2023 in North Kalimantan Province to produce diverse data for triangulation purposes. Information from the three groups will be explored to find the views of the actors involved in the implementation of the Human Development Index (IPM). The interviews were conducted from January to March 2023 in North Kalimantan Province to produce diverse data for triangulation purposes.

3. Results and Discussion

As an important indicator for measuring success in efforts to improve the quality of human life, HDI development has always been recorded from year to year. Thus, an analysis of the condition of human development can be carried out from two perspectives, namely, looking at achievements at a certain point in the year and further examining the development of achievements over time. In general, North Kalimantan's human development continues. Even though it experienced a decline in 2020 due to the impact of the COVID-19 pandemic, North Kalimantan's HDI again showed an increase starting in 2021. This is in line with the recovery of economic performance and handling of the COVID-19 pandemic, which is going well.

With the achievement of the Human Development Index (IPM) in 2022, the status of human development in North Kalimantan is still at a "high" level. Compared to other provinces in Indonesia, North Kalimantan's Human Development Index (IPM) ranks 21st, up to one rank from the previous year.

3.1. Formulation Strategy

The strategy for increasing the Human Development Index (IPM) requires continuous and collaborative planning of programs and activities between the provincial and gency/city governments in North Kalimantan through regional apparatus organizations (OPD), each related to education, health, and the economy. The long-term strategy requires more than three years to achieve. The long-term strategy is an integral part of the short- and medium-term strategies. Achieving a quality Human Development

Index (IPM) in the high or very high categories requires a long-term process to be fully described with the components forming the Human Development Index (IPM).

In the education sector, the Provincial Government of North Kalimantan has planned to develop an educational infrastructure evenly distributed throughout the region. The development of a region is concentrated only in the provincial capital. As a developmental stage, this is normal, but even at a more mature stage of development, even distribution to remote areas requires special attention. Developments in the education sector include school buildings, tutoring places, and other learning facilities. In addition, it is necessary to provide recommendations and ease of doing business to business actors engaged in education.

The Provincial Government of North Kalimantan is planning sustainable health development in the health sector. Improving quality and affordable health must implement several initial strategies aimed at attracting health workers to meet the minimum standard requirements for health workers in North Kalimantan Province as well as carrying out government collaboration programs with medical faculties at destination universities so that after graduation, they can immediately work as health workers.

In the economic sector, the economic potential of the North Kalimantan Province has always increased. As the youngest province in Indonesia, the North Kalimantan Province continues to improve, especially in the economic field, which refers to road infrastructure, bridges, government buildings, and other physical facilities. The government seeks to increase the Gross Regional Domestic Product (GDP) from year to year, which increases the production of goods and services and is unaffected by inflation.

3.2. Strategy Implementation

To implement the maximum Human Development Index (IPM) improvement strategy, collaboration is carried out together, especially on all components of the determination of the Human Development Index. such as the health component represented by the UHH figure, education component represented by the HLS and RLS, and economic component represented by the per capita expenditure figure. These three components intervene so that they are in line with their improvement because the calculation of the Human Development Index (IPM) uses a geometric average. From the results of the release of the Central Statistics Agency (BPS), it was found that the Human Development Index figures from 2013 to 2022 continued to increase. The Human Development Index number will increase in 2021 until in 2022 it will increase to 71,

North Kalimantan Province’s economic growth in the 3rd quarter of 2022 grew by 5.39% and became a force in efforts to increase the economic growth rate in the following quarter. This pace of economic growth can be increased by making the Regional Revenue and Expenditure Budget (APBD) and the State Revenue and Expenditure Budget (APBN), which in achieving realization continue to increase and improve with innovations and more appropriate strategies. Currently, the government has implemented a national economic recovery program, including providing intensive taxation and relaxation, restructuring MSMEs, and productive social assistance programs for micro-enterprises. The strategy implemented by the government in the coming years is still needed and continues.

Increased investment is the main driver for increasing the Human Development Index which has a direct impact on the rate of economic growth, of course it will be a multiplier effect on the components of the formation of the Human Development Index (IPM) which are affected more quickly and even the numbers jump above the average. The increase in the components of education, health, and economy in North Kalimantan Province has a direct impact on increasing the external investment that this region really hopes for.

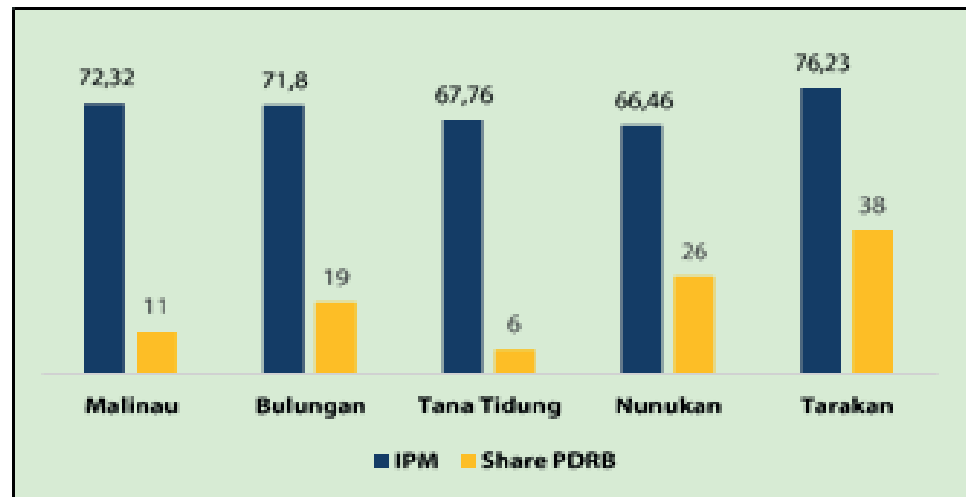


Figure 1: Human Development Index by District / City in Kalimantan Province North Year 2022.

The table above shows data on the achievement of the Human Development Index in North Kalimantan Province in each district. There are five districts in North Kalimantan Province, where Tarakan Regency has the highest Human Development Index (IPM) score of 76.23, followed by the Malinau Regency with an acquisition of 72.32, followed by the Bulungan Regency with an acquisition of 71.8 then Tana Tidung Regency with an acquisition of 67.76, and Nunukan Regency with 66.46.

3.3. Evaluation and Control

The results of identifying the problems have become the responsibility of each Regional Apparatus Organization (OPD) at the North Kalimantan Province level. The identification of problems is compiled in full and continues to receive input and suggestions for future strategy development for each stakeholder in North Kalimantan Province. We focus on the simulation of the Human Development Index target in North Kalimantan Province in 2023-2-26 by observing and realizing the growth of the Human Development Index (IPM), which can be obtained from component target figures such as Life Expectancy (UHH), Long School Expectancy (HLS), Average Years of Schooling (RLS), and adjusted per capita spending figures.

Investment is also needed to increase the Human Development Index (IPM) by escorting the investment world and must be made more transparent with intensive supervision by the government. Investment is an external hope program that absorbs a lot of manpower, which in turn contributes to the average length of schooling in North Kalimantan. The government will strive to improve various programs. This provides more insights into the community. Existing programs are certainly balanced with policies for controlling commodity prices, which are the main needs and targets in the industrial business sector.

4. Conclusion

Based on management data on the strategy for increasing the Human Development Index (IPM) in North Kalimantan Province, the strategic management proposed by Stahl and Grigsby (1992) is seen as a process that includes three main activities: strategy formulation (formulation) and implementation (implementation). and evaluation/control. Of these three aspects, it has been running effectively in the North Kalimantan province. This can be seen from the formulation strategy dimension, which states that there is a long-term strategy as an integral part of short-term and medium-term strategies. Achieving a quality Human Development Index (IPM) in the high or very high categories requires a long-term process to be fully described with the components forming the Human Development Index (IPM). The second dimension is the implementation strategy, which states that North Kalimantan Province's economic growth in the 3rd quarter of 2022 grew by 5.39% and became a force in efforts to increase the economic growth rate in the following quarter. Currently, the government has implemented a national economic recovery program, including providing intensive taxation and relaxation, as

well as restructuring the UMKM and productive social assistance programs for micro-enterprises.

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