



My
BusMan 2
Diary

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Foreword

This is the struggle.... One may see that this is simple and relatively straight-forward, but it is not that simple guys...

From the strictly-enforced guidance on writing assignments in multiple classes, to the loosely-enforced & creative-based writing assignments, it is certainly problematic for us. We spent hours and days just pondering upon on how we are going to start our writing. Believe us, guys.... the first step is always be so very difficult. The first baby step seems simple for adults, but for the babies, those keep-stumbling-baby-steps represent the giant leap in babykind! (you have to read it as “mankind”, haha).

BSD City, Serpong, Tangerang, Indonesia,
May 2020

M. Fadel Ramadhan (IBA 2017)
Raditya Kevin Wisnumurti (MGT 2016)

The Initial Struggle

These notes represent our dairies (please read “our struggle”, or better yet, “sleepless nights in BSD City”) that we have to formulate concerning the course we are taking during the short semester in IULI - International University Liaison Indonesia. The course name is Business Management 2. As you probably can predict, this course is the continuation of Business Management 1, which commonly runs in the Fall semester.

Since the first time we have enrolled in IULI, the Fall semester starts about mid-August until about mid-December, for the total duration of 16 weeks. Following the semester break in December to January, the Spring semester starts in mid-February to about mid-May. The short semester runs during those semester breaks.

We believe you all have heard the term “short semester”. The very purpose of this short semester is simply to try to improve the grades. Of course, there were students who have taken credit hours during the short semester to take courses as a way to reduce the semester load in the upcoming semesters.

These notes are certainly representing the substantial twist from what we have been accustomed so far. This is a bit awkward, guys... all this time, we have been instructed and requested to write academic papers as a way to get us familiarize with the end-writing-project, called thesis.

Day 1: to tell you the truth, we have been spending

toooooo much time in just wondering, pondering, thinking, imagining and dreaming..., why are we in this situation...hahaha.....

Day 2: same thing.... We were just repeating the same-old things we have done yesterday. To be a bit different, there is a slight addition by trying to digest the whole new assignment, including sleeping as our ways to shake this assignment.

Day 3: how were we going to tackle this new assignment? We still did not have any clues... checking here and there, chatting friends, trying to read the textbooks, articles on websites, and many others (which we did not even understand anyway)

Motivating Human Resources

This is an exciting topic to discuss. Not because this topic is very much relevant to everybody, who is breathing..., but also because this topic covers a variation on human approaches that often confuse people.

A good grip on this topic is essential to be an excellent human being to interact with people and diversity in our immediate surrounding; from the simplest and smallest community, our own family, to the largest community, the world population. Good luck.....

Motivation & HR Management

Notes from Fadel on Motivation

Oh god I don't know it will be this hard... Okay let me start this diary. My name is Fadel. I am a student in international university liaison Indonesia (IULI) and taking international business administration as my major. Basically, the reason I am making this diary is because this is a task that has been given by my lecturer, beloved Mr. Sam :), as my final project for subject business management 2 that I am currently taking in this short semester. It is quite challenging to be honest because normally my lecturer asks his students to make a formal paper. But now the situation is totally different, guys!! He wants his students to be more creative by telling stories and opinions related to chapters in this subject. Mr. Sam asks me to be creative in terms of doing this diary. Well, I am not going to lie that I am a person that is really far from creative. I don't even know how to write a diary. But there is a saying; if you never try, you will never know... well okay then. Here it goes then...

1. HR motivation

I am always curious when it comes to motivation. Why do people want to

do this or that? What are their main reasons to do things in the first place? Some people even asked me why I elected myself to become the head of the student executive board (SEB) last year in the first place because they argued that becoming the head of SEB is just a waste of time and only giving problems to ourselves. People even asked me why I am so ambitious and they even thought that I am overconfident. It is funny to be honest because back then I cannot even trust myself to do things properly. I used to believe that I did not have proper skills to survive in this world. I even went to Germany and spent four years coming back as a loser since I did not finish my study there. To make it even worse, I never asked to go there but instead my parents asked me to go there. I know they never forced me to go there but I did it because I thought I did the right thing by becoming “a yes man” to my parents. I never said I regretted my decision to go there and not coming back to Indonesia with a bachelor degree. Instead, it opened my eyes that I need to change. I promised to myself that I will not let anyone see me with one eye only as a person. I learnt many things when I was there. I was quite active in an organization called Perhimpunan Pelajar Indonesia (PPI) in the region of Leipzig, Germany. I spent 2 years of my time being part of the organization to be a member of the sports division on my first year and head of sport division on my second year. I have had a good time during my period in the organization and I really like to be part of an organization and working with people. I have just realized that when I decided to change, my decision is related to Herzberg’s theory of motivation. Herzberg believed that we need something to be achieved in order to live our lives. When we determine our needs, we will try to achieve our needs. The process will always be repeated because we will always have to satisfy our needs. My desire is to become a better person and not let people underestimate me as a person. In order to satisfy my needs, I joined an organization to learn organization skills and improve my quality. This process will be repeated because in order for me to keep improving I have to train my skills and also develop new skills as well.

My desire to be part of an organization did not stop when I decided to go back to Indonesia for good. In my first year in IULI, I took my chance to be part of some organizations on this campus. I became the head of the IULI futsal club and because of that position, it helped me to be part of SEB as a member of the sports division. I also founded the IULI music community because we don’t have a music club on this campus and I don’t know with who I am going to do music activities because singing and playing music is my hobby. In my time during SEB as a member, I felt like there was something wrong with this organization. There was no

awareness of SEB by students, there was no sense of belongings towards the organization by members. Those situations motivated me to elect myself as the head of the organization. Mahes and Malinda as the head and vice head of SEB at that moment have taught me a lot to get to know about the situation of SEB so I can improve this organization. After I got elected, the main challenge from the internal of the organization. I found it hard to make people do their job. According to McGregor's theory of motivation, there are two motivation approaches which are X and Y. Theory X is more like an authoritarian approach where superiors dictate their subordinates with strict supervision in order to make sure that things work well. On the other hand, theory Y is a participative approach where superiors tend to create group synergy between superiors and subordinates. Superiors give free spaces to their subordinates in terms of finishing their job. Superiors believe that their subordinates have a sense of belongings towards the organization. As the head of SEB, I need to make sure that my subordinates did their jobs. I used both theories to be implemented to my subordinates. I implemented those theories based on each member. Some are lazy, some are clueless, some are responsible and some are the opposite of it. What I meant is, each one of them is different. Theory Y worked really well because I implemented that theory for those who are responsible and have a big sense of belongings towards the organization. However, theory X did not work or even I could say it did not work at all because I could not give them rewards such as money because SEB's money does not and will never not belong to the members of the organization. All I can give to them is just an opportunity to be part of SEB and experience of being a part of an organization. Punishments as a factor of theory X just made their performance in this organization worse. In my opinion, I found it really hard for me to implement theory X if we don't have proper and real rewards such as money and commissions.

I feel that my decision of electing myself to become the head of SEB was just my ego. I mean, there was no compulsion at all in the first place. I believed that I was at the stage of esteem needs based on Maslow's theory of motivation or known as hierarchy of needs. Maslow believed that there are 5 stages of human needs which are physiological needs, safety needs, social needs, self-esteem/esteem needs, and the last is self-actualization. I believed that me and many people or should I say the majority of people have achieved this stage of needs since it is basically primary needs (foods, clothes, and home). Safety needs work the same as physiological needs because we always have to make sure that we are safe. Safe from criminal, disease, fear, loss, wars, and many other things. I believed the majority of

those points included in the safety needs are achieved. The third stage is social needs. I believe that I achieved my social needs because basically I am an extrovert and I am typically a team person. I have a family, friends that I also consider as my family, girlfriend and even I created a community in IULI. Just like what sociology told us, we are social beings because we like and we must live in a group and that is why this stage is important for me. The fourth stage of needs is self-esteem or esteem needs. Just like I said before, I believe it is just my ego. I am not going to lie, deep down in my heart, I also seek a status, recognition, and appreciation. This stage also satisfies needs such as pride, accomplishment, and even domination. The last stage as the highest stage of all needs is self-actualization. This stage is basically about people developing their potential at their maximum level. I believe this stage is about a person who has it all. Proving to others that they can. It sounds really selfish and idealistic to me. To be honest I don't clearly understand this stage. It seems scary to be honest...

Well, that is my story regarding motivation. To be honest, I feel offended a little bit every time people say that I am too confident because people seem to judge me based on what they see. For me, confidence is not only about me having goals in SEB which lead to people seeing me arrogant. For me personally, it was and still hard for me to motivate myself to survive on campus from the perspective of education. I will be 25 years old this year but still have not graduated. I also feel offended every time they say that I overconfident means that they underestimate me. People are really subjective these days. And it is scary.

2. HR Management

Okay. Basically, human resources management describes a system that has been planned in order to manage people in the organization. In other words, HR management deals with people inside an organization. It is quite interesting actually because HRM's jobs are quite complicated. They deal with recruiting, training and development, evaluating, motivating people and many other things. People think that HRM is really important in an organization/company because obviously they deal with people. Companies are moved by people and HRM makes sure that people perform at their best. By the way, every time I hear the word "recruiting", I always remember my experience as the head of SEB. For the first time after three periods of SEB, SEB has a chance to recruit members for SEB because for the last two periods, the student councils pick all the members without doing recruitment. It is bad to be honest because it was not fair to all students on campus. Moving on, I have no experience recruiting people. I

asked my cousin who is an HR manager of a startup company some tips to recruit people for SEB and he gave me a list of questions that generally appears in interviews. I read and sorted some questions that I believe are important to be asked to the candidates. I was really proud of myself because I did recruitment for this organization. But it did not last long... it turns out that I have been fooled by the answers some of my members gave me on interviews. Nearly half of my members did not perform well. I was completely fooled by their answers. And the funniest part of this recruitment was from 36 appliers, I took all of them to be my members just because of my slogan during my campaign, "because everyone matters". I must confess that that moment was one of my failures during my time as the head of SEB. According to HRM, recruitment should also focus on the recruitment process because to make sure that we choose candidates with skills that could help SEB to reach goals. Recruitment process describes the activity of interview, screening, choosing and hiring the best candidate, and integrating them into the organization. It seems that if I did not fail this class in the first place, I would not make this mistake to SEB :)

Training and development are also one of HRM's tasks. The concern of training and development is in the end there will be mutual relationship between employees and the company because training means employees train in order to maintain their skills and also development where employees learn new skills. In other words, training is meant for operatives. It is a short-term process and the decision of training is taken by the management. On other hand, development is addressed to executives. It is a long-term process and the decision is taken by personal. Example of training and development is what amazon did to their employees. Before employees are being hired, they need to take a month-long training and leadership training program. Amazon said that amazon wants their employees to become owners from the very first day so they need to take ownership of products and services and this helps them to build a career path in amazon. I think it is awesome what amazon did to their employees. It will make employees perform better day by day and their employees will be happy as well because they learn new skills that are potentially useful in the future. Another example of training and development is what AT&T do to their employees. AT&T offers their employees AT&T university programs where the university is not only focused on management development. AT&T said that they can depend only on hiring and traditional educational systems in terms of finding new talents because they are looking for people who are ready to work in a competitive and digital world. I think those are great ideas in terms of

giving training and development to employees. Implementing new things and setting those as company standards. They are indirectly building a mutual relationship between company and employees. The main goal is to make sure that employees' performance could help the company to meet the company's strategic goals.

Performance appraisal also plays a huge role in human resource management. Performance appraisal is an evaluation in order to understand the performance and ability of employees so the company could plan a career development for employees. Performance appraisal is usually used to be the reason for companies to give salary raises and promotions. However, it could also lead to job firing to employees. If performance appraisal is executed properly, it could lead to the increase of employee's loyalty and motivation so employees will help the company to reach the company's goal. The purposes of performance appraisal are to become a standard to give compensation, salary raises, promotions and many other things. To identify employee's strengths and weaknesses so the company could decide the right employee for the right position inside the company. To value an employee's potential so the company could set a career path for the employee. To review employee's performance. To influence employee's behavior. And lastly, to organize employee's promotion programs or any other training and development programs. The process of performance appraisal is by setting performance standards, delivering the expected standards to employees, measure and value employee's performance, compare the expected standards and employee's performance, and discuss the result of the appraisal to the employee which also could lead to action of correction to the employee. In my opinion, performance appraisal is one of the most important things to do inside an organization. Any organization has to perform well and the company has to make sure that the performance of the organization is good.

This is related to my experience when I decided to arrange meetings with each division in SEB. Me and Raihan decided to arrange meetings in order to review and evaluate the performance of each division. At that moment, one of the head of division announced at the meeting that he wants to resign from the SEB. Me and Raihan discussed who is going to replace the previous head. After we evaluate the performance of members from that division, me and Raihan finally picked one of them to fill that position or we can consider it now as promotion. Without performance appraisal, it would be hard for me to make the best decision in such a crucial moment like that. Same condition also happened before the start of last semester.

Suddenly one of the Division of SEB asked me and Raihan to arrange a division meeting because the head of that division decided to resign because he wants to transfer to another campus. Again, me and Raihan have to evaluate each of the member's performance in order to decide who is going to replace and fill the position. Performance appraisal really helped me a lot in order to make decisions because if me and Raihan made decisions for those two cases subjectively, there will be a big possibility that we chose the wrong people to fill that position and SEB could not reach the organization's goals which is dangerous for me if an organization does not meet their goals. By the way, there are 4 aspects in order to do performance appraisal accurately. It should be job related which has to relate with the employee's performance. There has to be performance standards that we can use as benchmark. The standards that we will use for performance appraisal have to be understandable and tolerable. And lastly, managers have to be responsible for the performance appraisal so the standards have to be reliable and also valid (based on performance).

HR management also deals with job specifications and job descriptions. Job specification and job description are important to an organization because basically an organization cannot be run by one person. An organization needs many people because in order to reach a company's strategic goals, many things have to be done. Job description and job specification will help a company to employ people with skills that needed by an organization and tasks in order to reach the company's goal

When it comes to job description, many people abbreviate it wrong. People used to say "job desk" instead of "job desc" because basically people don't know that job desc stands for job description. Job description is generally a purpose of the job. It is like, you need to do this or that once you take that position. Job description functions as a brief explanation about the job, responsibility of the job, and the authority that will be given to the person who fills the position. It is a general explanation about the job and job description does not give explicit and detailed information towards the job. Job description plays a huge role for a person that fills the position because it acts as guideline and compass for that person to do the job. For example, the job description that I gave to the Arts and Music division of SEB. There are four points that I gave to that division regarding their job description. They need to execute their work plans that have been given to them by me and Raihan. Their work plans are Oktoberfest, singing competition, theater competition and Kartini's day. They have to help and supervise the activities of clubs and communities that are related to arts and music such

as traditional dance club, photography club, IULI music community, theater club and other clubs related to the division. They need to push and motivate those clubs to compete in external competitions and use the campus' name. And lastly, they need to help students to form and establish new clubs and communities related to arts and music in IULI. By giving them job descriptions, it will help them to accomplish their job and help SEB to reach the organization's goals which are related to the visions of me and Raihan as the head and vice head of SEB. With the existence of job description, it also helped me to supervise their job because it will be easier to evaluate them if they already have guideline and standards that I provided to them.

Job specification is totally different from job descriptions. It is like the requirements that a candidate has to meet in order to fill the position. The differences between job specification and job description are job specification is about the requirements and skills that are needed for the job, information regarding requirements of work experiences and qualifications, and the criteria of the job itself. While job description is all about things I have mentioned before such as general information towards the job as a guideline for the person who will fill the position. Job specification is basically requirements that the candidate must have in order to fill the position. Those requirements help the organization to guarantee the candidates that they will perform well and can be responsible with the job that has been given by the organization. The job specification is usually used as general information to the process of recruitment, selection and placement of the candidate in the organization. Job specification also allows the company to figure and identify the training and development that are needed to each employee. Example that related to my experience in SEB is the job specification that I gave to advocation division. Advocation division is my creation and it has existed since my time in SEB. Basically, advocation division is SEB's customer service. They only have one work plan during my period in SEB which is IULI care. There are 4 major purposes of IULI care. To become the bridge between students, lecturers and staffs. To receive and accommodate complaints from students, lecturers and staffs. To collect and receive criticism and suggestions from students, lecturers and staffs. And to build and maintain a good relationship between SEB and students, lecturers and staffs. When me and Raihan do the recruitment, we also set job specifications for this division. There are only some job specifications that we set for the candidates. The candidates must have a good social life on campus because SEB needs people who can blend with anyone and any

groups including lecturers and staffs. The candidates also must have a will to approach people because in many cases, people like to be approached even though they need help. As we know, customer service tends to be always available when we need something. But my vision towards this division is they need to be always available as well but they also need to have mentally to “pick up the ball” because I want all families on campus can feel the existence of SEB and also send a message to all of IULI family that everyone matters. And lastly, they need to be humble and caring because this is about helping people. Job specification helped me a lot to find candidates for this position because we cannot let any random people to take that position. It may sound easy and even some of my friends thought that anyone could be fit in that position. Well actually no. There are almost no people who have that mentality. People these days tend to only think about themselves. And I need people who care about people. I need people who have a will to help others. I need people who can listen and not only hear others. I need people who are not selfish. I need altruistic people, who prioritize other’s happiness rather than happiness that comes from themselves and can only be felt by themselves.

Honestly, I was quite confused about the relation between diversity and human resources management. But it turns out that diversity and human relation management have a mutual relationship. Human resources management believed that diversity could affect relationships not only horizontally but also vertically, which means not only one employee with other employees or one manager with other managers but also a good and mutual relationship between superiors and subordinates. Diversity in human resources management means having a various workforce inside an organization. Diversity could lead to advantage into the organization. It turns out that diversity could bring innovation. Each individual has their own way of thinking. In an organization, innovation is important in terms of ideas that could benefit the organization. Innovation usually comes from unexpected places. People in a workforce who have many similarities tend to stay inside their comfort zone. Diverse perspective leads to innovation and creative ideas because. That means, diversity leads to new and creative thinking. Diversity also leads to better group synergy. The feelings of being welcomed and respected by others who are different. People tend to hold their backs in front of people they know so usually they cannot reach their full potential. The feelings of being welcomed and respected by others like they are being valued well by others could make people reach their full potential. It would potentially lead to a better work environment inside an organization. Differences amongst others could make a better



communication and understanding others needs and perspectives. And in terms of decision making, many perspectives would help a lot to make decisions. People usually think that diversity means differences based on ethnicity and races. But actually, in terms of diversity inside an organization means differences based on education, religious beliefs, work experience and many other aspects called secondary dimensions of diversity.

My first experience of working in diversity was when I joined PPI in Germany. That was actually my first experience working in an organization. The environment in PPI was very diverse. People inside the organization was come from many races around Indonesia, their religions vary from Islam, Christian, Hinduism and Buddhism, I was still on college at the moment and the majority of my colleagues were already in university taking bachelor degree, master degree and even there was one person who taking doctoral degree at the moment. It turned out that I was the only one that did not have any experience in terms of working inside an organization. I learnt that the differences amongst the members is not an excuse to make gaps with others. Instead, those differences created a better group synergy inside the organization. I learnt that ideas do not always come from people who have higher education because each person has different perspectives. Each person should respect and support other members in order to create a group synergy that could help to reach organization's goals.

My experience did not stop there. I enjoyed myself being busy in an organization. As I came back to Indonesia, I came to IULI, joined SEB as a member and became the head next year. I tried to implement what I learnt in Germany during my time in PPI. And yeah, it turned out that it worked as well. People perform better when they can feel respect and support from colleagues. I remove gaps between members in order to increase group synergy. Most people in IULI know that I am way older than them. And I know that differences could possibly make gaps between me and my members. By removing those gaps, SEB performed way better than I expected. It might not be that I suddenly turned SEB into the best organization on campus, but SEB moved to a better organization than before. We performed well. We had a great group synergy. Maybe not all of the members have a sense of belongings towards the organization, but still it was a great progress. Without those gaps, I even got many experiences from my members. My members taught me things that made me a better leader. With all those differences that we had in SEB, we

become more creative in terms of making decisions because of all the various perspectives that we had as one organization. I tried to remove those gaps so all my members could respect and support each other and they can help each other in terms of reaching the organization's goals.

Well, that is my story related to human resources management. I have just realized that I learnt many things regarding dealing with people inside an organization. All this time I indirectly implemented things that have been taught in this chapter. Most of my experiences regarding things on human resources management I got from PPI and SEB. And I know, I have talked too much about my time in SEB because I feel that it is related to the topic. And maybe the reason why I have talked so much about SEB is because I miss that organization. I miss the feeling of being busy dealing with work plans and stuff. I guess what I have missed a lot is being active in an organization.

Now, here comes the formality about the topic, guys.....

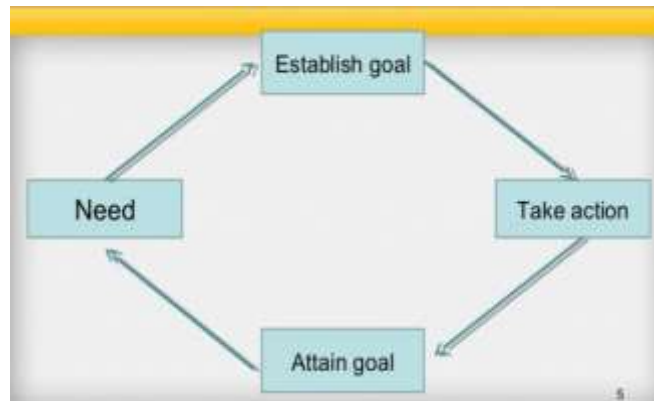
Human resource management (HRM) is a system that has been devised for managing people within an organization. The main objective of HRM is to help the firm gain a competitive advantage. HRM deals with recruiting, selecting, inducting employees, providing orientation, giving training and development, evaluating the performance of employees, compensation and benefits, and motivating employees. HRM is designed to maximize employees' performance in terms of reaching strategic objectives. As previously mentioned above, motivation is a part of human resource management. It is undoubtedly one of the most important parts of HRM. Motivation primarily refers to the process of inspiring employees for doing tasks in order to achieve goals. Motivation towards employees is really important in the organization because motivated employees lead to higher employee productivity which would be highly beneficial to the organization.

There are four major points in the process of motivation; need, establish goal, take action, and attain goal. The need creates wants and desires to achieve or obtain goals and then the goals are established based on the needs. Action will be taken based on goals that have been established in order to attain the goals. The process is potentially to be repeated since needs are never completed.

Those major points appear to have been easier said than done.... The actual

implementation in the real practices inside organizations, will not be as simple as those steps. On each of the step, there are many sub-elements to be formulated, nonetheless.

In terms of theory of motivation, there are three widely recognized theories that are used around the world for human resource management. The three theories were conceptualized by Herzberg, Maslow and



McGregor. Herzberg's motivation theory, known as two-factor theory, describes that there are two factors that an organization could adapt to influence motivation towards employees in the workplace. Herzberg identified that there are two types of motivation; intrinsic motivation and extrinsic motivation. Intrinsic motivation is the self-generated factors that influence people to act or behave to move in a particular direction. It describes responsibility, interest, freedom of act, feel of developing skills and abilities, and opportunities for advancement. On the other hand, extrinsic motivation is a factor that comes from outside ourselves. It is basically what is done to people or even for people to motivate them. This type of motivation includes rewards such as raise of salary and promotion. Extrinsic motivation also includes punishments such as cut of salary and disciplinary action. Extrinsic motivation tends to have an immediate or even instant and powerful effect. However, this type of motivation generally will not last long.

Herzberg, a behavioral scientist, analyzed the job attitudes of 200 workers (accountants and engineers) taking notes of when they felt positively or negatively towards their jobs. He proposed a two-factor theory because there are some job factors that lead into satisfaction and there are also some factors that result in dissatisfaction. The two factors Herzberg identified are hygiene factors and motivational factors. Hygiene factors basically talks about essential factors for the motivation inside an organization. These are not about positive satisfaction for a long-term period but these factors could lead to dissatisfaction when it does not exist in the workplace. In conclusion, hygiene factors are factors that do not make them dissatisfied because the main point of hygiene factors is to avoid dissatisfaction. Hygiene factors are the symbol of needs that the employees wanted and expected to be completed. Hygiene factors include company

policies which means that all of the employees treated fair and clear (working hours, dress code, breaks, and vacation), security since it is important for employees to feel that their job is secure, salary which means the salary should be appropriate and reasonable, working condition that should be safe and hygienic, relationship between employees and others (vertically and horizontally) should be appropriate and acceptable, status of the employees should be maintained by the organization and within the organization, and benefit offered by organization (healthcare, family members, help programs).

The other factor in Herzberg's theory, motivational factors, are totally different in comparison to hygiene factors. Motivating factors are the presence of motivators that causes employees to work harder. These factors motivate employees to increase their performance and these factors are called satisfiers. In conclusion, motivational factors mean they motivate an individual which they find their root within the job itself. Motivational factors include recognition where employees should be praised and recognized for their accomplishments by the superiors, achievement where employees could feel proud for having done their works, growth where employees should have opportunity to learn new skills from the job or through training provided by the organization, advancement which means organization could give opportunities to employees for having better career (promotion), responsibility where the employees should have ownership of their work given by the superiors and be responsible with their work, and the job itself should be meaningful and interesting in terms of providing challenges to keep employees motivated.

Maslow's theory of motivation; better known as Maslow's Hierarchy of Needs, theorize that human behavior is based on a series of human needs; meaning that in order to make human motivated, their needs have to be satisfied. Maslow identified five stages of human need and arranged those stages into a hierarchy. He assumed that when one stage is satisfied, that stage is no longer a motivational factor to that person and after that they will try to satisfy their needs on the next stage which tends to be more complex than their previous stage. Maslow's hierarchy of needs can be visualized as pyramid, where the lowest stage has the widest range of all stages and it is defined as the basic needs and it will become narrower as the needs become more complex. Maslow identified five major stages of human needs; physiological needs as the basic needs, safety needs, social and love belonging, self-esteem, and self-actualization as the most complex human needs of all stages of human needs.

In Maslow's theory, physiological needs can be described as universal human needs. These needs include food, clothing, shelter, rest, water, air, sleep. These basic human needs are placed at the lowest level in the hierarchy of needs as they have priority over all other needs. If these needs are not achieved, it will lead to displeasure and lack of motivation. Physiological needs have to be met first in order to achieve higher stages of needs. After a person achieves physiological needs, their safety needs must be met. Safety needs provide a sense of security and well-being such as personal security, financial security, good health and protection from accidents. In an organization, superiors must provide safety needs such as safe working conditions, compensation (salary) and job security. The third stage of needs is love belonging. Employees as a human being desire or like to stay in a group. The need for interpersonal relationships motivates human behavior. Examples of this need are friendship, family and intimacy. Self-esteem or esteem needs are ego needs or status needs. It refers to recognition, respected by others, appreciated by others, praised by others. Self-actualization needs as the highest stage of needs describe human's need to reach or achieve their highest potentials. It is a need that a person desires to become everything they are capable of becoming. In an organization, superiors could provide challenging work, asking participation in terms of decision making.



McGregor's theory of motion is titled theory X and theory Y. The theory describes two approaches and management styles and its effect on human work motivation. The X and Y theory differentiates management styles based on what is believed of employee motivation and human behavior. McGregor's theory is useful for companies and organizations in order to develop a more positive management style that will improve the firm's organizational culture and employee productivity as well as develop management style that will be most effective for managing employees. If managers see or assume that their team members and employees dislike their work and have little motivation, then, according to McGregor, then they will likely use an authoritarian style of management. McGregor called

this Theory X. Managers that would fall into the theory x category.

Theory X is generally known as an authoritarian style of management. This theory assumes that employees have little ambition, irresponsible, and work based on their own self-interest. Superiors tend to use rewards and punishments as motivation for employees. This theory concludes that the organization will work efficiently under the commands of superiors. McGregor describes that there are two approaches in order to implement this theory which are hard approach and soft approach. Hard approach depends on tight and strict supervision, intimidation, and instant punishment. The consequence of this approach is that a hard approach could result in a less-synergy workforce that potentially causes hatred towards superior. Superiors tend to look at employees' mistakes because superiors have trust issues towards employees. The soft approach is described by less strict rules in order to build a high morale towards organization and a synergic workplace. McGregor believes that this approach will result in a low-performance workforce. He feels that it will be better if the approach is located between those two approaches in terms of performing theory X.

In theory Y, superiors believed that employees are internally motivated and enjoy their job. Superiors could value their employees as the most valuable assets of the company. Employees tend to have a full responsibility for their tasks and do not need strict guidance from their superiors. To ensure the work stays in the right path of the company's standards, they need to get the superior's approval. Theory Y tends to create a better relationship between subordinates and superiors because basically it is a teaching-based relationship. It could create a healthier environment in the organization. Nevertheless, this theory has limitations. There is still a possibility that this theory could lead to error in terms of consistency since the lack of rules inside the organization.

Notes from Kevin on Motivation

HR Motivation

As it stated before motivation is very crucial in parts of being the main fuel for the employee's performance, the key to achieving optimal performance is not solely based on motivation alone but motivation is one of the most



crucial to an employee's overall performance, to make an example of why motivation is very crucial in terms of performance I would like to share my experience.

I was in the national boxing team back when I was 17 years old, it was in my high school years, I wasn't a very achieving student in class so I seek something else that I might be good at, I found myself in the ring boxing with people that I never knew before and it just felt right. Before I went to the national team, I was only a "rookie" when I was 15, a rookie is where the head coach of our boxing gym sees talent in their regular customer and offer them a taste of the real boxing world. It was only just a program to make kids like me to feel something new. Of course, I joined.

I was preparing to fight my first amateur match; it wasn't that strict. I can go home and eat whenever and whatever I want. However, I only need to be present for training as much as 4 times a week. I trained for 3 months and it was game day. To preserve the details, I won in scorecards. It felt good winning. And that continues for 2 years until my coach offers me to the national team. He said the tryouts will be held this year and chances of accepting someone is pretty high. I was hooked, of course I said yes and sign a program agreement.

the so called "program" is that I stayed in the gym's dorm for 4 months for intensive training, and by that time I already graduated high-school and time is of plenty for me, and I said to myself "well treat it like a summer, camp I guess". And then I am off to the dorm. No, this won't be that "as it turns out the dorm life is horrible and I wish I can go home" type of story I actually liked living there, the people who stay there of course are people that have hard life behind their back and seeks fortune in boxing kind of people, however they are nice. It's hard to believe but people from the eastern part of Indonesia is not as violent as they perceived. They were actually caring and nice. My teammates told their story of where they came from and why they pick up boxing. Most of them, of course, came from the eastern part of Indonesia. But their story ranges from. A farmer's son. Ex criminals. And village people. But all of them had the same reason why they pickup boxing. Fighting was the only thing they knew. That made me think. What made me take up boxing? And didn't know what to answer myself.

The first week of the training started. The head coach was giving some ground rules. The first one is that we have to wake up 4:30 A.M to start

our day with a lovely 8 KM jog. second every day we must abide to the instruction of our coaches. Third, is that we can only eat 2 times a day, no snacks and if you're caught of smuggling or hiding snacks you will be punished. And at the very end the coach mentioned if someone performs poorly in their training, they will be sent to something called "special section". keep messing up and you're out of the program. The training starts with basic foot-works for a whole day, it was pretty simple I felt. Then after the day the coach reminds us that every Friday there would be sparring to test us. I was pretty nervous after hearing that. 4 days in and one of the athletes were performing poorly from the start, and the said athlete was called upon the head coach and sent to the "special section". to illustrate the "special section" it's basically a boot camp with this separate coach, I remember his nickname was "*si sipir*" or warden. We haven't heard of till 3 days later. The said athlete came back from the "special section". With his broken sound, he said it was hell, it was a series of non-stop muscle torture and he could only eat once a day. Everyone of course, was scared. It was Friday and its sparring day; we get to a line where we will be called for our names. After the headcount we were told to put on our gears and get ready. 2 by 2 got to the ring and beat each other like there's no tomorrow. It was my turn and I fought like a madman because I thought to myself if I don't win, I will be sent to the "special section", however, I was beaten badly. lucky for me, performing poorly in sparring is not the same as performing poorly in training. Thus, no punishment was given to me and I only got instructed of what was the fault of my fighting techniques.

After the first week all of us had a glimpse of our routine, we got used to it. A month has passed and all of us maintained our quality of training, none of us got sent to the special section, after a month the head coach decided to merge our training session with the amateur elites. These elites are youngsters that went through hell. All of them at least has fought more than 50 matches. The reason behind the merging is to make us, the rookie, goes to another level of training, by hoping to achieve that the head coach made these new kids train and fight with the veterans.

After the merger we all shared our quarters and all of them started informally introducing themselves to us. It's all the same, really, the stories. Poor kids trying something for fortune. Ex criminals seeking redemption all that stuff. However, the elites told us that they feared about what comes next after they're not amateur anymore. Because of the uncertainty and the unpopularity of boxing in Indonesia makes the doubt

of their future career. That was the start of my doubt about boxing. A dumb kid like me often realizes things too late more than I should've been. To add insult to the injury they told us that the system of boxing in Indonesia is very corruptive and uncertain. At this point I used to think boxing was meant for me because throughout my life I have never had something that I really connect and obsessed with other than boxing. However, my stubborn head just ignored the fact and proceed with the training.

After the exchange the head coach told us that starting tomorrow, we'll train in one session and of course the spar will be also merged too. It was going to be the rookies vs the elites. I was delighted but also scared. 4 days later we it was Friday. And it was sparring time. I was told to fought against this amateur elite he wasn't as big as me but he had the same weight as I did back then so we went off. To make long story short I was knocked out. I didn't remember how do I get caught but I can only remember the feeling of rough canvas in my face. The head coach pulled me put of the ring and tend to me, it wasn't anything serious he said it's just a perfectly place and timed punch. I wasn't feeling good after the knockout so I excused myself and took a break from the sparring session.

Night came and at every 7 o'clock every athlete must cease every activity and proceed to mess hall and eat. I took my plate and get me some food an finding a place to sit down. After a while I chowed down the guy who knocked me out ask if he can sit with me, of course I welcomed him. He introduces to me about himself, I remember his name was Adi, but I forgot his full name. First, he apologized about knocking me out and asks if I am okay. Of course, I told him it was fine it was a lesson to be learned because for the next time someone tries to throw a hay-maker I know what to do.

Adi told me he saw me as "different" other than everybody. He said I looked different and acts different than the other athletes and he asks about my backstory. I explained to him that I came from a well-off family and my sole reason of joining the team is to experience something new. He was of course. Surprised. And he asked me one question that really bugs me even for today. "What REALLY makes you come here and joined us?". I told him after that I box because I was a fan of this sport for a long time since I was a kid. And when I finally had the chance to enter the real world of boxing of course I give no second thought about it. Not thinking about anything that comes after or the condition that actually happens in Indonesian boxing these days. And I told him I maybe could be the one the first champion of the world from this country. After I told my pathetic story

he didn't laugh, judge or insult me. He just told me to look around to the people we were surrounded it, every one of them came here because they had no choice. They had no access to proper education or money for it and brute strength is all they had. And the world of Indonesian boxing is very unpromising every each one of them is stuck fighting for nothing. He told me that it's strange that a guy like me would willingly go this far for his childish dream. What makes a kid from a well-off family to degrade themselves and joined this run-down team. Was it for adventure? Glory? wealth? But he laughed and said of course it wasn't wealth "we barely get paid here" he said. After many exchanges we were told to get to our quarters and get some rest. I couldn't sleep that night realizing the great error that I've made.

However, I continue to train as best as I can do. But the exchange of me and Adi still stuck on my mind since, strangely thinking about quitting the team is far from my mind because it made no appearances at all. So, I ignored it for a time and kept training. 4 months has passed and finally the tryouts took place. We were sent to Banten to participate in the tryouts and I finally got a glimpse of what's going on here. The place was so mess-up and it could barely classify as a sport center. Everything is just so messy and underorganized. I ignored the place and regroup with my team. We were told to be ready for the tryouts because the tryouts have, physical tests. Fitment test and finally a fighting match for all of us. After that the tryouts started. To preserve the details. I passed the tests and won the fight.

After the tryouts the head of the national teams thanked and congratulated us for participating and everyone who passed and won the fight will be accepted to the team. The paperwork will be done in 3 week and we were told to give our personal identification card by then to complete the paperwork. I was relieved it was all over after that we went back. I packed my stuff, said my goodbyes and left.

At home I was already starting my routine. Lay down, get lost to my phone watch tv and so on. Often, I think about what Adi said to me but it was only just a passing thought so I gave no big thought about it and just keep going with my daily routine. Until one day, I really talk to myself was it really worth it? If so, am I up for the task? It really made me hard to sleep thinking about that. I often curse myself to be so childish and naïve, I never got the bright side of all of those events I went through other than meeting new people and honing my fighting skill.

3 weeks went by and I was told to go to the ministry of sports to make my document. I went there and met my teammates. Of course, we were catching up and thinking what's next the document making was simple really, we were just told to give our identification card and birth certificate take a couple photo and our document was done. After the document were made my head coach told me to stay in touch, and he will notify me if there is any tournament or some sort

After a while in my holiday. There was a message from my head coach there would be a tourney for Indonesia in Bandung and I was told to represent Jakarta with my teammates. I agreed to it. The match day comes and I was told to come to the gym and prepare ourselves. We head out to Bandung. It was a long ride and all I could think of is how to beat my foe as quickly as possible. A punch to the liver? A hook to chin? So many possibilities. We were on a pitstop on our way and we were getting something to eat. Everyone sat down on a table and started yapping about nonsense. The head coach started telling his past, he told us that he too was a boxer, a professional he said he fought along with Ellyas Pical, a former world champion from Indonesia that is sadly fell from grace because of his "nocturnal activity". He said it was more promising back then. Believe it or not there was a time where even our government cares about the athletes of Indonesia. They used to give the athletes welfare, a place to stay and train and most importantly pays the athlete accordingly. Now he doesn't even know what the government thinking. Everything was just a mess after Ellyas Pical was in jail. He said that Chris John was our hope but he too failed to make the government cared about us again. But, he said with the new trend of social media we might have a voice to make our government care about us. That even makes more demotivated but what else I can do I'm already thousand feet deep in this so I intend to make a best out of it while I can, beside I was going to be in college anyway so this wasn't a lifetime gig.

We continued our trip that day and we finally reached Bandung, we rent this hotel it wasn't bad and it wasn't good either. We were told to get some rest because we'll be heading to the tourney tomorrow. I was at my room and all I did was doing push-ups and some hefty shadowbox. A shadowbox is where you practice boxing with yourself or to make it simple fighting with air. I never had that feeling of unreadiness because it's futile to be feeling not ready because sooner or later I'll fight anyway so what's the big deal?

The day came and we were told to get to the bus. We went to the place I forgot the name of the place was and it was just a big gymnasium with a ring in the middle of it, we were told to get to the locker room and wait for our turn, the fight will be based on weight, therefore the lightest fight first and then the heaviest last, the lightest class was 45 kg and the heaviest was over 100 kg. I was weighted at 65 kg back then and that makes me fight at least at noon, so I didn't get dressed and just put my bags on the locker room and head straight to the ring.

Nobody has fought yet; it was just 5 minutes before the tourney begins. I started to look around the place and sees what's happening around the tourney. Everyone was so busy some of the lighter fighter already started their pad-work with their coach. And some of them huddled with their team discussing what to do in the ring the strategy and everything. It was a pretty crowded scene

The fighting began and I picked my seat to watch them. It was this eastern guy vs this Javanese guy me and my friend were placing a bet to this eastern guy. The match went on and they box beautifully however at the 3rd round the Javanese guy hurt his elbows because he was blocking the punches from the eastern fighter. The referee paused the match and get a doctor to look at it. The doctor said his elbow was dislocated and it was up to the referee if he thinks he can continue, the referee took a look for a second and just called it a stop. The eastern guy wins. The Javanese guy was furious. He said he can still go, the Javanese guy's trainer joined in and said the same thing, but the referee said it was for his own good. The Javanese guy still took it hard and keeps protesting. While that happened, I thought to myself "what makes him think he still can go on with that elbow, if it were me, I was the one who call it quits" it talks to myself in my head. I remember what Adi said to be about the people who took up boxing has no other thing going on in their lives and boxing is the only thing they knew. I speculated that was the reason of why this man wanted to keep going. I forgot to mention the ultimate prize for this tourney. Grand winner will be given Rp 2 million, or about US\$150, it wasn't that much plus you have to share it with your coach, I think to myself money couldn't be the motivation for this guy to take on an eastern guy with a broken elbow. That thought backs up my thought about the "knows nothing else but boxing" theory.

It always fascinates me how much they really want to fight, I had doubt it was a positive motivation that drives them but desperation. I really hate

seeing someone hurt themselves in desperation. Intentionally or unintentionally, they hurt themselves and thinks to them this way is the best for them. I never liked pain to be honest and I am not planning to. Nobody likes pain however we boxers are swarmed by it. Others says that boxing is all about the glory, the adrenaline, the adventure or that sort, but they never mention how painful this sport is. I mean everywhere else in Indonesia saw boxing as a prominent sport, those who are masterful at this martial art are promised fame and wealth. rag from riches story is plentiful in the boxing world, for example Floyd Mayweather who had to spent his childhood in a 4-room house with 8 people and no running water. Because of his talent now he is the highest paid athlete in history. The case is different in Indonesia, if they have rag to riches stories, we have rag to dirt stories. So many great talents in boxing in Indonesia I say this because of my firsthand experience of fighting them. We never lacked any talent for boxing our weaknesses is just the government system that does not put any effort to aid us to channel our talent to better use. It saddens me of what our athletes have to gone through. Being underpaid, living in uncertainty, or some occasions starves themselves. What fascinates me is some of the people actually still unfortunate enough to gamble their luck in boxing. Of course, I too was one of them but I didn't go full on the boxing thing. Some people still have some hope or some kind of a glimpse of better future in boxing. It going to be a long time if we're going to see a rising star of boxing from Indonesia. but who knows maybe there is someone out there so talented in beating other people that the government just can't turn their back on that person and actually recognized the talent and help to stardom, but that's a wishful thinking? Imagine if the government or private sector maximizes their effort in this sport, imagine the business opportunity the new work fields and the revenue that we can get from this sport, however, again, its wishful thinking.

It was fascinating and depressing to talk about motivation in a place where there is only darkness and uncertainty is the end of the road. However, I would like to share a story about something else something irritating and hate inducing but also fascinating. I will tell you the story of the pleasure and pain of luxury, the error of hedonism. And abuse of wealth, the Jakarta international school incident.

Jakarta international school is one of the most prominent school in Jakarta arguably the most luxurious in Indonesia. the wealthy enrolled their children in Jakarta international school to get their best education and have an international exposure. Jakarta international school lives up to its name

servicing their students the highest-level quality of education, top notch facilities to enforce their quality and best foreign teachers to make the students even more familiar to international exposure. All goes well for years until that one faithful or disastrous day.

In 2016, a news broke out that rages the country. The teacher Neil Bantleman and 5 other members of staff of JIS sodomized an elementary school boy. The whole nation rages and shocked by this news. The people demand the school to be closed but later they only wanted the head of 6 people. 6 people were put on trial and they were sentenced for eleven years. However, the story doesn't end there.



Neil Bantleman, an accomplished teacher from Canada, that has spent years teaching in around the world found himself teaching in the most prestigious school in Indonesia. everyone who knew him said he was kind and good. Some testimony later confirms he is. However, no one expects him to do such a horrendous act such as sodomizing a boy. Everyone was shocked and it raises suspicion. Neil Bantleman was accused of sexual assault on a minor was the main reason why this whole story is suspicious. Something fishy must be up in the air.....

The first doubt came from wide speculation of why did he do it. It makes no sense in the first place. He is married, no criminal record, his salary is way more than enough because he was teaching in the most prominent school in the country. It keeps making no sense why Neil would've done this.

And the investigation of this whole case is very sketchy. I mean very sketchy. the questions that were asked to the "assaulted" boy was very minor and very vague and there was no record of interview of the police and the boy. The parents of the boy seemed to answer every question the police asked her about the incident. They answered too smoothly apparently. One of the claims that the boy and the parents made that Neil and 5 other men drugged the boy with "special potion" and brought him to

a secret “sex dungeon” in the teachers’ room. Sounds very comedic but the police investigate the place either way. To no surprise they found no residue of the said “potion”. The boy and his family were brought to the crime scene but the mother seems too keen to tell her boy where to point or what to point. However, they never found the said “secret room”. Of course, it puts much greater doubt for the whole case. However, the mother proceeded to sue the school a lawsuit that costs the school Rp. 1.24 trillion (about US\$100 million) which is very suspicious and very much costly. That lawsuit puts everyone to investigate....

Neil Bantleman, and his assistant Ferdinand Tjong, was given a chance to speak in the trial. However, the other 4 did not. The staffs or cleaning service of JIS is put to jail without any hearing. After they are detained, they claimed to be tortured by the guards so severely that one of them died. the staffs claimed that the guards force them to confess, or they have to keep torturing them. Of course, they tortured them until they hear what they want to hear. The staffs claimed they didn’t do it, however, the guards made them say it.

Hotman Paris, a celebrity lawyer was hired for Neil Bantleman case. In the interview, Hotman Paris said the whole accusation was only based on report of a boy. No evidence of the assault was found. The mother claimed the boy was infected with STD due to the assault but no tests confirm that. Hotman Paris said in the interview that Neil’s trial was basically a kangaroo court. The judge just straight up proceeded to mark Neil was guilty. It was very weird and also these kinds of trial were not a stranger to Indonesian law system because the powerful and the wealthy was never sentenced guilty.

The mother of the boy still insists that his son is infected with STDs and wanted another test to be run. The judge told the mother to run a test in a Singaporean hospital where they can get the most accurate result. The mother took the boy to Singapore and run a test on the boy. Unfortunately for the mother the test came back negative. The mother was furious insisting it was the machine’s fault

However, Neil and other 6 people were not given and additional hearing they are still locked in a prison. However, the police turn their head to the boy and his family. Of course, something must’ve going on with this everybody thinks. The police now starting to pressure the mother and the family.

It doesn't seem the mother of this boy doesn't realize the seriousness of this accusation. They put 7 (possibly) innocent man behind bars and unfortunately, one died in it. If it is proven this is just all a slander, it is a slander that cost the Indonesian ministry of education and the school of total sum of US\$100 million and a life of course. But it doesn't end there

The case continues and the police stated a suspicion of why this whole case was going on it's because the mother of the boy and the executives of a school plots conspiracy. The conspiracy that's happening here is to frame someone from the school and be the black sheep of a lawsuit. Apparently, the mother of the boy is very close to the executives of the school. They already plotted the sum of US\$100 million long way before the incident happened, I heard they could get that much because some policy of the school and the ministry of education however it wasn't stated clearly of what the actual policy is. But besides with sum of that much a slander couldn't be that hard to make

The mother was called for questioning and the executives are also called upon by the police. The executives "claimed" that they know no such thing and has no intention to do it. All of this can be contradicted by asking the mother. However, the interrogation has no conclusion because of no backing evidence. Do you know why there are no evidence? Because the boy and the mother has long gone from Indonesia, reportedly, they were in Europe the officials said their visa is valid for years

That means, the mother has intended at least not to stay around for long for this case it is clearly a cash grab and run. Even for today the boy and his mother is still In Europe but what makes it weirder is that the mother still trying to make this case still running. Not making it fade out like she should've been doing

Neil Bantleman proceeded to spend 1 year in a holding cell. Also, the rest of the 6 people that is accused and after that Neil Bantleman and Ferdinand Tjong was released from the prison after lengthy court battle that was spearheaded by none other than the man himself, Hotman Paris. The celebrity lawyer successfully managed to convince Neil Bantleman and Ferdinand Tjong innocent. However, it can be said the same for the 5 other people or the staffs. None of them got released even for this day.

Money always fascinates me. A bunch of paper that literally the limiter of

human capability. Without money no human can do anything these days. Have enough money. You can get yourself launched to the moon apparently and sees the heaven that most of us can never even imagine. Not few realized that, that's why most of the people these days are willing to do everything for money. There so many people that would hurt or even kill someone to get some money, even, in some cases their own family.

From the story about the JIS incident we can conclude money is a beautiful and also terrifying. from what we see we just see a woman doomed 7 people lives to ruin, and even extinguished one. This woman would accuse 7 people to be locked for the rest of their lives just to get US\$100 million. Neil Bantleman may also realize that money can do much in Indonesia. He firsthand suffered the corruption that rages the Indonesia for long time because of that he decided to head back to Canada and possibly think to himself to never set foot ever again in Indonesia.

Money isn't everything but everything needs money. And that quote proves that money do rule the world, war, epidemics, mass starvation, destruction of countless live has happened solely because of money. Maybe saying everything that bad happened because money is not fair. I would say money is the channel for people to get their worst side to have an actual impact for example.

I will tell you another story of the error of hedonism, the Fyre festival

It all began when a bright man called Billy McFarland, an entrepreneur that used to have an online advertisement platform, Spling. The company was short lived; however, Billy is not a weak-willed man. He decided to make another company and that company was Fyre media. Fyre media is an industry that moves around musical entertainment. They signed talent and basically a label company. Seeing the company doing great Billy decides to make a slam dunker for the company an event that makes the company will last forever.



Thus, the Fyre festival was planned it is planned to be the best party ever. The party that will be reminisced the epitome of party. Billy McFarland is planning to set the party in the Norman's cay, Bahamas. It was said it was previously owned by Carlos Lehder Rivas, a kingpin of Medellin cartel.

Keny Ginna
Beruang



It also shows to be a promising event. Of course, it was, the event was popularized because it has been advertised by prominent figures such as Kendall Jenner, Bella Hadid, Hailey Baldwin and Emily Ratajkowski, the main figures of modelling world. No one wouldn't be hyped if they see those figures promoting that event. Everyone was hooked

Billy McFarland decide to team up with Ja Rule, a famous Hip-Hop Artist that was famous in the 2010's decided to be involved fully in the Fyre festival. Billy and Ja Rule advertising a very luxurious prominent advertisement about the Fyre festival. The Fyre festival is set to be the most luxurious party ever. There will be luxurious cottage, Beaches, Wild parties, Prominent figures and of course music festival. Fyre festival is basically a very luxurious and expensive music festival.

The starting price for the festival started from \$500 to \$1500 which is suspiciously cheap for the promised quality of the festival, the advertisement states that the guests will be treated with a stay in luxurious villas. Foods by celebrity chefs and to



top of all that a music festival with heavyweights of music industries such as Pusha T, Tyga, Designer, Blink-182, Major Lazer, Disclosure, Migos, Rae Sremmur, Kaytranada, Lil Yachty, Matoma, Klingande, Skepta, Claptone, Le Youth, Tensnake, Blond:ish, and Lee Burrige.

However, when Fyre festival was happening it didn't raise any suspicion yet. 5,000 people proceeded to sign up, a very big number for a new unknown festival. Early in the morning of April 27, heavy rain fell on Great Exuma, soaking the open tents and mattresses piled out in the open air for guest arrivals later that day.

The first flights from Miami International Airport to Exuma International Airport, operated by Swift Air and Xtra Airways, landed at 6:20 a.m. That afternoon, some of the registered attendees canceled their trip to Fyre festival and it was a huge amount of cancelation so much that from 5000

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Germany*



attendees shrinks down to 500 attendees. one of the bands of the Fyre festival, Blink-182 announced that it was withdrawing from the festival, stating in a Twitter post that: "We're not confident that we would have what we need to give you the quality of performances we always give our fans".

Initial arrivals were brought to an "unplanned Beach Event" at a beachside restaurant, where they were stuffed with alcohol and kept waiting for around six hours while frantic preparations at the festival site continued. Billy McFarland had hired hundreds of local workers to help build the site. Meanwhile, organizers had to renegotiate the guarantees they offered to the people who would be playing at the festival as uncontrollable. Later arrivals were brought directly to the grounds by school bus where the true state of the festival's site became apparent: their accommodations were little more than scattered disaster relief tents with dirt floors, some with mattresses that were soaking wet as a result of the morning rain. The gourmet food accommodations that were stated to be made by celebrity chefs were nothing more than inadequate and poor quality of food (including cheese sandwiches served in foam containers).

The attendants of the Fyre festival were trapped in the island because of the promised luxury villas are out of the question everybody went every man for himself. Although there were only about 500 people, there were not enough tents and beds for the guests, so they wound up stealing from others. Attendees were unable to leave the festival for the nearby Sandals resorts as it was peak season, with almost every hotel on Great Exuma already fully booked for the annual Exuma Regatta. Around nightfall, a group of local musicians took to the stage and played for a few hours, the only act to perform at the event. In the early morning, it was announced that the festival would be postponed and that the attendees would be returned to Miami as soon as possible.

It was said that there are so many problems occurred in the Fyre festival it was basically a disaster, starting with the tents, the lack of mattresses, and even there are reports of thievery that happened in the island, even worse there are no porta potty or portable toilet, it was silly to hope for a portable toilet if there wasn't any clean running water in the first place. It's even worse when there are also report of shortage of food. the attendees can't also buy food because some of them have converted the money they bring to Fyre points, a currency that was intended to use to buy stuffs from the vendor that sells food in Fyre festival to no surprise. There is no vendor present in the festival

Many attendees were reportedly stranded, as flights to and from the island were cancelled after the Bahamian government issued an order that barred any planes from landing at the airport the massive demand for the airport to have this much flight proves the local government off guard and troubling.

The first flight back to Miami boarded at 1:30 a.m. on April 28, but was delayed for hours due to issues with the flight's manifest. It was cancelled after sunrise. What is crazy about the whole shenanigans in the airport the airport's



personnel locked airport door with no reason. Without any food, water and to makes matters worst the blistering heat of Bahaman weather proves it is too much for an attendant, for where in this case one person collapsed and needed medical attention because of lack of water started making the person dehydrated

The flight eventually left Exuma that morning, and more charter flights to Miami departed from Exuma throughout the day. One attendee who was stuck in Miami reported that the pilot of their airplane had told them to get off so they could turn the plane around for immediate departure, as they were now serving as a rescue aircraft to get attendees off Great Exuma Island.

After this whole disastrous event the social media was swarming with negative impressions and reviews of the Fyre festival. It was dubbed the worst event ever in recorded history or more recognizable as the “greatest party that never happened” and everyone was raging for an answer, feeling owing an explanation to the people Ja Rule generously tweeted this on his twitter;

Billy doesn't seem to help the situation either. He later stated in his snapchat story later uploaded to twitter that this is not a fraud. He claims that the original site for the attendees to stay was hit by a storm, which later proves to be false also he stated that this was a chance for everyone to learn and be grateful

People are furious after this statement some of the people even thought this was an elaborate social experiment from government or just an elaborate expensive prank whatever may be the starting motivation why he pulled this off nobody knows. One thing for sure is that people do not find this funny and planning to have Billy McFarland and Ja Rule to pay

You see, this is the perfect example of the idiom “walk the talk” gone wrong. The event organizers are basically scamming 5000 people to an empty promise. Billy McFarland was sued a class action lawsuit of total sum of \$100 million for wire fraud. lawsuit alleges fraud, breach of contract (partly because of the decision by the organizers to make the festival cashless so that attendees didn't bring money for taxis), breach of covenant of good faith (partly due to the inadequate catering and the incident where attendees were locked in the airport) and negligent misrepresentation. Ben Meiselas of Geragos's firm pledged to hold "all those who recklessly and blindly promoted the festival" accountable, which was interpreted as being directed at Jenner, Hadid, and other social media influencers.

It is completely fine to pursue endless pleasure in the world. Of course, it is fine pleasure was made to this world why waste it in the first place, however the vision and the idea of pleasure can direct us to the misfortune that we never hope imagine, Billy McFarland sure looks like he wanted all the pleasure in the world by getting wealthy, however he does this by scamming people into the world's idea peak pleasure, hedonism. Hedonism of course is a very great thing once you tasted it however to achieve true hedonism one must possess enormous wealth to truly enjoys it.

The Fyre festival was a proof that a vision of hedonism and pleasure can be a very alluring and deadly in the same time. Billy McFarland's blunder is a topic of how not to advertise your event and the prime example of dangers of false marketing. Of course, the advertisement will always be better than the actual product but lie too much can causes serious problem such as people calling you a fraud and later sue you for misguiding advertisement.

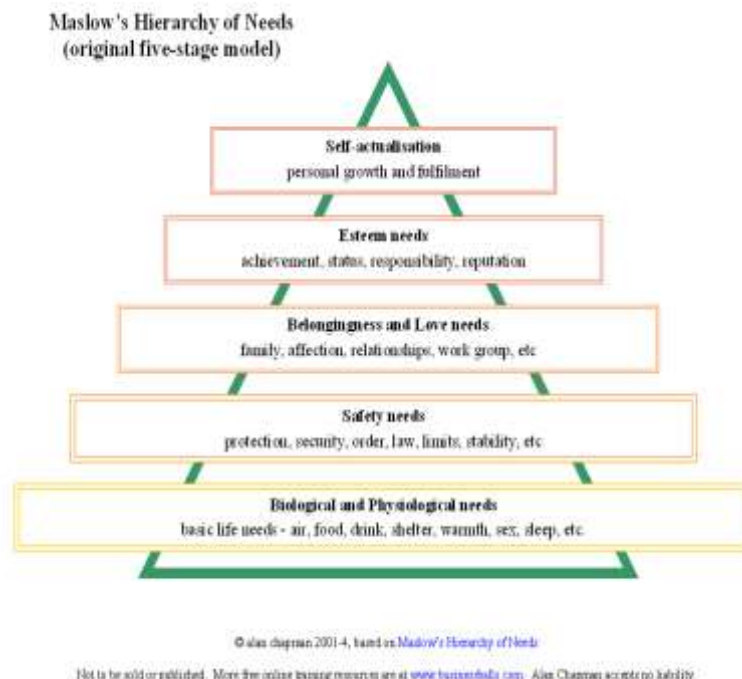
Now.... Let me try to provide a bit of glimpse from the theoretical background on motivation....

The motivation of a company's employees is arguably one of the most

important aspect and crucial in terms of maximizing the performance of the company, there are currently 3 motivational theories that is generally used to determine which is the best method to satisfy their employees motivational need, the first theory that is generally accepted is the need hierarchy theory, the main point of this theory is that every motivation of an individual is based on predetermined hierarchy of needs.

The lowest of the hierarchy shown in the figure is the physiological need.

These needs are for food, water, air, clothing, shelter, sleep which is necessary for the human being therefore these needs are also recognized as survival needs until these needs are satisfied, the majority of an average individual will provide them a little motivation.



The second in the hierarchy is the safety needs, when an individual's physiological needs are satisfied to a normal level, safety needs get the most priority as motivator. Such needs refer to the safety against accident, pain, monetary hardships and sickness, a normal person seeks security what threatens their survival physically and economically. Since most employees are in a dependent relationship in their workplace, they frequently regard their safety need as being very important. Discrimination and unpredictable application of new policies and laws are powerful threats to an employee's safety needs; however, these insecurities can be compensated by means of pension schemes, insurance plan plans, etc.

Social needs sit on the third hierarchy stairs as soon as the minimum-security needs are satisfied, social needs become important in the want's hierarchy. Since human is a social being, a person has a need for belonging to a group or community and for being prevalent and understood with positive emotions such as love, affection, compassion, friendship and

association. When social needs become dominant a person will strive for significant relationship with others, if the chance for affiliation with other people is reduced, men often take vigorous action against the obstacles. In the organization, workers form informal social group, such groups develop where the work is routine- bound, tedious or over-simplified. This situation is made worse when the employees are closely supervised and controlled, but have no clear channel of communication with managerial authority. In this type of environment, workers depend on informal agencies for supports unfulfilled social needs such as affiliation. When safety and social needs of people are frustrated, they work in ways that defeats the organizational goals. They grow to be resistant and uncooperative, on the other hand this behavior is a consequence, not a cause, of their frustration, organization can influence these desires via supervision, communication system, work organizations etc. the top managers of the company recognize of these existences of needs, however, frequently sees is as a threat.

The next need in the hierarchy is the esteem needs or ego, the esteems needs are concerned with the desire for high evaluation of oneself based on real capacity, achievement and respect from others. Satisfaction of these needs embrace, therefore status, prestige and self-respect. The absence of these wants can provide a feeling of weakness. Esteem needs are likely to be met in an organization through recognition by friends and superiors.

However, these needs are rarely satisfied in full. It is due to the fact people seek to get more satisfaction to get more of these needs, once they have become important to them the conventional approach of organizing work offers hardly any consideration to these motivational aspects.

The pinnacle of the hierarchy which is the self-actualization needs, the need of for self-fulfillment such as the want to enhance one's capabilities to the fullest extent, and to maximize the use of one's potentials to accomplish something creative. The realization of someone that he has a redeeming quality, the more he is trying to prove that he is the best in that said quality, if someone has an excessive intensity of achievement needs self-actualizing will force. The man will seek no quarte until he can achieve what he intends to do.

The next motivation theory is called motivation hygiene theory by Fredrick Herzberg, Herzberg discovered that there are some job conditions which operate specifically to dissatisfy the employees when the conditions are

absent, however their presence does not encourage them in a strong way. Another set of job condition operates particularly to construct strong motivation and high job satisfaction; however, their absence rarely proves strongly dissatisfying. The first set of job conditions were referred to as by him 'Hygiene Factors' and the second set of job conditions 'Motivating Factors'.

The hygiene factors consist of company policy and administration, quality of technical supervision, interpersonal relationship with the supervisor's subordinates and peers, salary, job security, working condition, employee benefits, personal life and job status. Hygiene factors do not produce any growth in the employees' outputs, they solely prevent the demotivation that can manifest due to work restrictions. For this reason, these factors are also known as 'maintenance factors' these elements are vital to keep a reasonable level of satisfaction in the employee. Any increase beyond this level will not grant any satisfaction to the employees; but, any reduction beneath this level will dissatisfy the employees. As such, they are additionally called dissatisfier. Since any increase in these factors will not have an effect on the employee's level of satisfaction, these are of no use for motivating them. These factors have a positive power to satisfy and produce high performance. Herzberg covered six factors that motivate the employees to work. These consist of achievement, responsibility, recognition, advancement, creative and challenging work, possibility of growth and development. Most of these factors are associated to job contents. An increase in these factors will satisfy the employees. So, these factors are also called 'Satisfiers'. However, any decrease in these factors will not have an effect on their degree of satisfaction.

Since these factors increase the level of satisfaction in the employees, they can be used in motivating them for higher output. From the point of view of management, the significance of Herzberg's theory lies in the warning that simply disposing of the causes of dissatisfaction will not make the employees do any better. More particularly, more pay cannot be the foundation for long range satisfaction.

Better overall performance can come only when high-quality motivation is built up through improvement in the job content with the aid of making it more interesting, challenging, accountable and worthwhile. The managers can work on both fronts by reducing the dissatisfaction springing up out of hygiene factors and building up the motivators for bringing employees' satisfaction.

Douglas McGregor believed there are two human behaviors that resides every human, each individual possesses one of the two stated behaviors, this theory is widely known as Theory 'X' and Theory 'Y', Theory 'X' labels the individual that is marked by this label is known to be as a passive, underachieving and contribute minimally to their organization, whereas Theory 'Y' labels the individual as a very high achieving, ambitious and put maximum effort to their organization.

The characteristic of a Theory 'X' individuals is generally negative in their workplace the individual that possesses the Theory 'X' label is known to be disliking their

Theory X managers believe that most people ...	Theory Y managers believe that most people ...
Are driven by monetary concerns	Are driven by job satisfaction
Will avoid work when possible	Actively seek work
Lack ambition and dislike responsibility	Show ambition and seek responsibility
Are indifferent to organisational needs	Are committed to organisational objectives
Lack creativity and resist change	Are creative and welcome change

work and will attempt to avoid them by any chance. The individual is often motivated by fear, fear that was stated before can be translated into pressure, punishment and threats by their superiors in order to control the individual due to lack of self-motivation that the individual possess. The individual is also preferred to be led, due to the lack of desire to bestow a responsibility and seeks no ambitious goal.

The individual possesses very little ambition thus the individual primary goal is to obtain sufficient security, the nature of these individuals is often self-centered even selfish. The individual also possesses a hard nature of change or sometimes they resist change because it is often a threat to their regular routine that provides them with security that they have already obtain.

The theory 'X' individual is negative in nature, these types of individuals are better to be regularly supervised, monitor and controlled by the subordinates and high centralization of authority. Leadership in such organization tends to be strict and the individuals that possesses these traits are often objects or have any opinion in general for the decision that is made by the top management and their supervisors

Theory 'Y' is the polar opposite of Theory 'X' the individuals that

possesses the theory 'Y' Traits generally possesses positive traits, the individual that Possesses the Theory 'Y' traits are High achieving, positive and progressive natured individuals, these individuals are the model individuals of every company or organization due to their highly motivated and personal need of striving to be the best for their organization and company. The individual that has these traits are people who finds joy and satisfaction in their work and aims to be the best in their work.

The individual clearly like to work, they find joy in their work. The person is often in constant of self-improvement not only in terms of their work but every aspect of their life they can get, the individual is active in natured thus the ambition. The person often exercises self-direction and self-control in the service of objectives that the person has committed. External control or threat of punishment is not necessarily having to be constant for these individual due to the fact that the individual is already highly motivated by nature thus the needles threats and punishments

The individual is highly committed to their own goals and their company's goal the self-satisfaction these individuals receive by doing so is often very surprisingly satisfying for the individual, due to their active nature. The individual also not only to accept responsibility but also seeks it in order to obtain that feeling of importance and self-achievements. The individual too also exercises their importance to others. The individuals are likely to exercise their leadership and often do extra work the individual's peers can look up to the said individual

Q1 on Motivating & Managing Human Resources

Guys, the note "Q1" is about the quiz 1, or assignment 1, or anything else that we have to do in this course. Though this Q1 is take-home, we are actually stumbling upon obstacles, huhuhu...

Please read the questions first, guys. You know that in order to answer these questions, the chances on copying and pasting are a bit limited. When the questions referred to any theories, of course, we can just copas, guys....hahaha.... but, when it comes to analysis and examples, copas become problematic!

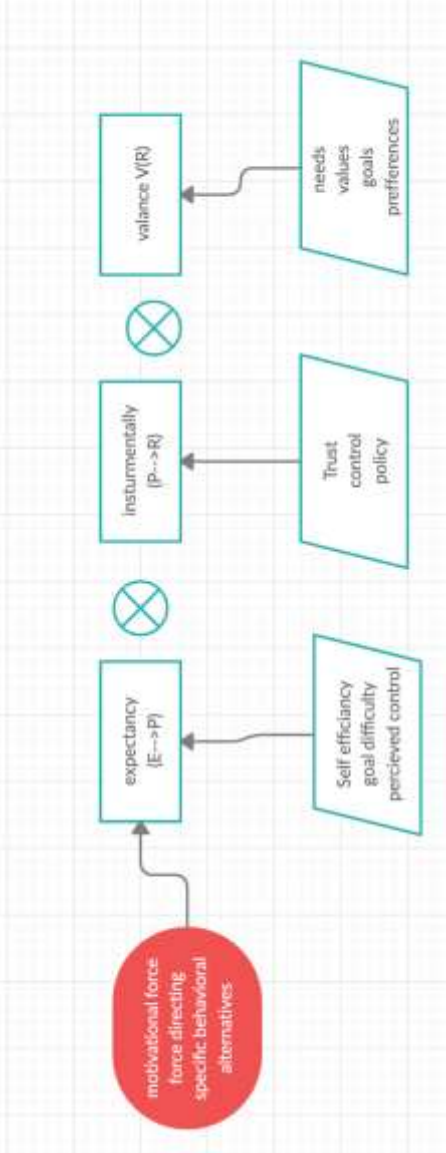
OK, so let's get serious....

In trying to address the following questions, please be sure for you to take a certain industry. Each one of you must pick a different industry (manufacturing or non-manufacturing).

Name of Students	Name of Industry	Name of the Company
M. Fadel Ramadhan	Head Hunter	Parrish & Co
Raditya Kevin Wisnumurti	Automotive	BMW

1. The expectancy theory is one theory of motivation used in companies. In your opinion, how would you try to implement such a theory in companies? Be sure to provide illustrations, examples, and the flow charts on internal business processes

Fadel	Kevin
Expectancy theory describes as the power of employees' motivation in order to do their jobs is based on mutual	The expectancy theory believes that behavior results from conscious choices among alternatives where by default is

Fadel	Kevin
<p>relationship between the demand and need from the result of the job. This theory focuses on 3 factors; expectancy, valence, and instrumentality. In conclusion, expectancy theory refers to the result of how far a person desires rewards (Valence), which leads to possibilities of an effort that result a performance that has been expected (Expectancy) and also result appraisals (Instrumentality). For example; Parrish & co. as a new company that engaged in headhunting industry, asking about employees' future goals when do recruiting and trying to help their employees to reach their future goals by providing training and development and also challenges their employees to reach their targets and provides commissions once they reach their targets. The management gives appraisals as well to employees that reach their targets in front of other employees in order to motivate others to perform better and increase competitiveness with others</p>	<p>to maximize pleasure and minimize pain it is also believed that an employee's performance is based on individual factors such as personality, skill, knowledge, experience and abilities.</p>  <p>The diagram illustrates the Expectancy Theory model. At the bottom, a red oval labeled 'motivational force: force directing specific behavioral alternatives' points upwards to a box labeled 'expectancy (E → P)'. This box is influenced by a trapezoidal box labeled 'Self efficacy, goal difficulty, perceived control'. Above the 'expectancy' box is a multiplication symbol (⊗), followed by a box labeled 'instrumentally (P → R)'. This box is influenced by a trapezoidal box labeled 'Trust, control, policy'. Above the 'instrumentally' box is another multiplication symbol (⊗), followed by a box labeled 'valence (VIR)'. This final box is influenced by a trapezoidal box labeled 'needs, values, goals, preferences'. The overall flow is from bottom to top, representing the path from individual characteristics to performance.</p>

2. Theory X is different from Theory Y, which is also different from Theory Z. In your opinion, how can companies implement these

theories within?

Fadel	Kevin
<p>The way to implement those theories in an organization is the superiors have to evaluate the workplace and select the leadership style based on the condition. The main reason is because each employee has different behavior between each other. It will be better if the superiors adapt both approaches depending on the condition inside the organization. For employees that irresponsible and tend to be lazy, the authoritarian-style management will be better to be implemented. For employees that have a big sense of belongings towards the job, participative-style management will be better to be implemented</p>	<p>The McGregor theory is generally separating two individual behavior that may reside to a person, theory X assumes that the individual dislikes work and does not want to be bestowed any responsibility, the individual that possesses the characteristics is passive in terms of achieving they only want security not glory. The theory Y in the other hand assumes that the individual who possesses the trait of Theory Y likes to work, they are very active in achieving and very active in terms of finding responsibility, the person who possesses these traits takes very seriously about their job, Theory Z however is the way of a company to make sure the welfare of the employees is satisfied therefore increasing the employees' loyalty for the company</p> <p>Theory X are perfectly applicable if the employees of the company generally dislike their work, and to counter their behavior that can cause unproductiveness, the company must insist on threats, punishment and</p>

Fadel	Kevin
	<p>sanctions for the employees who perform poorly. And regular monitor is very crucial. However, theory Y is the opposite of theory X thus, the company who has generally employees that have the trait of Theory Y threats, punishment and sanctions are not necessarily have to be enforced, instead, rewards and recognition for employees that excels must be insisted. Theory Z is very depended on the company itself the company must find a way to make sure the loyalty of their employees is only to the company itself. The company can start by making the employees comfortable and establish a happy working environment for everyone.</p>

3. In your opinion, what are the importance of motivational strategies for companies?

Fadel	Kevin
<p>The importance of motivational strategies in the organization is basically because in order to meet the organization's goals, employees should perform well. When employees are motivated, it could lead to higher employees' productivity and make an opportunity a company to</p>	<p>Motivation is the key to a company's stability and the key to employee's productivity it is to make sure the company operates smoothly and keeps it that way, by making sure the employees motivated the company can rely their employee to work their best and stay loyal to the company.</p>

Fadel	Kevin
<p>increase the level of output. Employees will be committed to the company and have a high sense of belongings towards the company. Motivated employees could bring into the employees reach their personal goals. In other word, the company also help them to develop which lead to mutual benefit between company and employee</p>	

4. What are the side-effects if companies do not have any motivational strategies at all since the beginning?

Fadel	Kevin
<p>The side effect of not having motivational strategies since the beginning is the company will have difficulties in terms of reaching company's goals.</p> <p>Employees are more likely to be underperformed because they will not have sense of belongings towards the company. They will think that they will not be develop by working in that company. They also tend to seek at new job rather than performing in the company. There will be no mutual benefits between the organization and employees</p>	<p>The company will suffer instability and will receive a high turnover of employees because lack of motivation makes the employees performs poorly and diminishing loyalty to the company slowly.</p>

5. In your opinion, how do economic fluctuations affect how managers motivate employees?

Fadel	Kevin
<p>Economic fluctuation is an increase or decrease of the economic activity relatively towards long term economic growth. In this case, many employees may fear to lose their job and increase their savings. The best solution in this case is by providing new rewards and incentives such as vacation tickets, day offs, gifts like gadgets to keep employees motivated and maintain or even improve their performances</p>	<p>Economic fluctuations mean the instability of the economy that causes the currency in shambles. Thus, some employees are very affected by this event because the employee really don't know what to do next or how to minimize the effect of an economic fluctuations what a company can do is to have an economic advisory so the employees know what to do if there is an economic fluctuation is happening again</p>

6. In your opinion, how do economic fluctuations affect how managers handle the performance appraisals of employees?

Fadel	Kevin
<p><i>Guys....help me out.... I just don't understand this!</i></p>	<p>Maybe the performance appraisals can be affected negatively because of the economic fluctuations, because of the economic uncertainty the employees may suffer some demotivation from economic damage</p>

7. In your opinion, what are the values of getting employees to compete against particular goals, say 10% increase in sales, or 20% reduction in costs, instead of against one another?

Fadel	Kevin
<p><i>Hm... I don't get it guys. Help me.....</i></p>	<p>The main objective of having employees compete for</p>

Fadel	Kevin
	company's goal is to make them work harder and more effectively with each other instead of damaging other's work to increase their own performance

8. What are some of the benefits associated with having a culturally diverse workforce?

Fadel	Kevin
<p>The benefits associated of having a culturally diverse workplace are increasing creativity by sharing and receiving many perspectives between employees that could lead to innovations, increasing productivity since the more creative then more creative from the aspects of brainstorming and seeking for solutions, improves the reputation of the organization because if the company has a diverse workforce, then the environment is healthy (no discrimination). For example, Parrish & Co.'s employees are diverse from the aspects of race, education and age. The diversity leads to increasing creativity by teaching others how to perform well (the style of speaking and approaching clients). It also increases the group synergy inside the company</p>	<p>The benefits of having culturally diverse workforce are having a bigger connection and broader insight of unheard experiences, and also to train everybody to be culturally tolerant and may learn new things from different culture or to take example from</p>

9. What are some of the potential problems that must be dealt with after an organization experiences a major trauma such as massive layoffs?

Fadel	Kevin
<p>There are some potential problems that a company would face after massive layoffs. The organization needs to give severance pay, which could cost huge amount of money. The remained employees would not be happy as well because the feeling of losing colleagues and also fear of losing job in the future also they will not feel happy because they forced to take over the work of their old colleagues. People from inside and outside the organization will stop trusting the superiors of the company because they would feel that superiors could not manage the organization really well. In order to lower the risk of negative impacts from the layoffs, the company needs to maintain communication with the remained employees. The company needs to show them that they provide job security by giving training and development to the remained employees so they will not look negatively towards the organization plus it would maintain or even increase</p>	<p>The hardest obstacle of a company after having a massive layoff, is the perception of potential employee, it will be hard for the company to be trusted by prospects because of the past massive layoffs. The potential employees will be given doubt of security if they work in the company</p>

Fadel	Kevin
productivity	

10. Referring to the above question, would the treatment be the same if an organization experiences major loss due to frauds and corruptions?

Fadel	Kevin
<p>In my opinion, the treatment after loss because of frauds and corruption should be different. The company should provide strict rules and practices to the employees. The top management must be more assertive towards employees and giving close supervision. An organization should have zero tolerance towards frauds and corruptions. It could bring massive negative impacts for the organization from the aspect of cost and trust</p>	<p>Again, the problem will be trust and insecurity of the prospects and other company because of the scandal of frauds and corruptions. It will affect the reputation of the company greatly</p>

Marketing Arena

This is yet another exciting topic to discuss. This topic is relevant to everybody.... Everybody is performing some sorts of marketing activities.

Though often times, marketing issues may be confusing, but it is certainly challenging to be well-understood. Continuous practices are necessary to keep sharpening our senses on marketing issues. It is believed that the world of marketing is just keep evolving and no one would be considered as the ultimate Guru on marketing...

Marketing Strategy

Notes from Fadel on Marketing

When you hear the word “Marketing”, you probably think that the word means marketing. Well, you are not wrong but you are not completely right. Marketing is more likely how you are going to place your product to the market. That means, we have to know who is our consumer and how do we set our product into something that people need. In this section, I am trying to analyze the customer-driven marketing and the dimensions on marketing strategy.

People also seem confused when it comes to the differences between marketing and sales. Marketing is like a brain in terms of selling products. Like I mentioned above, how are we going to place our product in the market? That means, marketing tries to make people interested in our products that are being sold. That means, this is about the concept and art of selling products. On the other hand, sales are the execution of the concept. It is like executing the prospects of selling products. What I am trying to say is sales basically managing relationships with potential customers and providing solutions for customers that will lead to a sale. In conclusion, marketing is the concept and sales is the execution. However, they both share the same goal, which is gaining revenue for the company.

I will use an example of Apple's iPhone 11. Apple's products are known by people as luxurious products. One of the unique selling points of iPhone 11 is the features in the area of photography and videography. The decision of Apple to use those features as their unique selling point is a marketing thing. And those people that try to sell Apple's iPhone 11 at Apple stores are salespeople. They will try to convince potential customers that iPhone 11 is what the customers need by using and explaining the unique selling points to the potential customers.

We already know about marketing and the title of this chapter is customer-driven marketing. But what is customer-driven marketing? Why do people implement customer-driven marketing in their company? Basically, customer-driven marketing is a marketing strategy. In other words, customer-driven marketing is a whole new level of marketing strategy. Customer-driven means giving customers what they want. But in customer-driven marketing, it is more than giving what they want. This strategy talks about building relationships with customers in order to define and establish their needs and then give those needs to customers as best as we can. That means, this strategy tries to give customers exactly what they need the most in order to satisfy their needs. This strategy will make the company look like the company cares about their customers and it potentially creates customer's loyalty, the thing that is really important to marketing. Some of customer-driven marketing's concerns are like developing relationships with customers and having reliable and trustworthy information to be communicated to the customers. Implementing customer-driven marketing as a marketing strategy means we all act as customer service (maybe less or more but not entirely). For me personally, it is a good marketing strategy because without customer-driven marketing, the company will probably struggle to get some of the important benefits from customers like it will be hard to segment and target customers because there is so much data of customers that is existing at the moment.

Segmenting, Targeting and Positioning (STP) cannot and will never be separated with marketing. This is the core point of marketing. STP is all about defining your customer. Marketing is the art of selling products. That means, they need to know how to sell the products and who is going to buy our products. Without STP, we will be struggling to sell our products because our products will be hard to meet consumer's needs. So, basically, STP means the company knows who is going to buy our products. Those 3 factors have their own role. Segmenting is about dividing consumers in

a large market into smaller groups. The purpose of dividing consumers into smaller groups is to determine important characteristics and classify them so the company could gain competitive advantages based on the groups because each group has its own criteria. There are 4 groups in segmenting and each group has different characteristics, which are based on the demography, geography, psychography, and behaviors

Demographic segmentation means the company segments the potential consumers by personal attributes or personal characteristics such as gender, age, income level, marital status, educational level, occupation, ethnicity and many more. Geographic segmentation means the company segments the potential consumers based on the place the consumers living such as based on city, state, country, province, region, even metropolis or rural area. Psychographic segmentation means the company segments the potential customers based on the characteristics of human beings such as personality, lifestyle, habit, interests, attitudes and opinion. Behavioral segmentation means the company segments the potential consumers based on how consumers use the product, how loyal consumers towards the product, the benefit that consumers are looking for from the product, and how often consumers use the product.

If a company segments their market based on those 4 groups, it will ease them to market their product and it tends to be more successful if a company implement segmentation rather than create one size fits all marketing because segmentation will help the company to “hit” their target accurately. Businesses nowadays are surely implementing this kind of marketing strategy. Just like Apple. Apple is undoubtedly really popular around the world and many people use Apple’s gadget nowadays, including me. Sometimes I wonder actually why Apple is so popular. Their consumers are increasing every second. Their brand is getting bigger day by day. I mean, Apple’s gadgets are not cheap at all. But why people are willing to wait and even stay the night in front of their stores just because they must become the first to have Apple’s latest smartphone, iPhone 11. The cost of that smartphone starts from Rp. 12.9 million. Yes, the cost of the cheapest type of iPhone 11 is still more expensive than 2018’s Honda Beat FI. Well, I am pretty sure that Apple segments the iPhone 11 really accurately.

Based on geography, Apple segments their product around the world but for those who live in urban/metropolis areas, which it makes sense now why the iPhone is booming in big cities. Based on demography, for sure

they segment their product for males and females. They also segment their product for high earners of income because logically speaking, that all new iPhone 11 that many people use nowadays is not cheap at all :) and that is why they segment their product based on their occupation for professionals, managers and executives. They also segment their product based on age between bachelor stage and full nest. That means, Apple segments their product to people that are still in their active and productive ages.

Based on psychography, Apple segments their product for middle and high social class. It makes sense now that the iPhone is a luxurious product because of the social class they have segmented. Lastly, based on behavioral, Apple segments their products for those who are hardcore loyal customers and also switchers. Hardcore loyal customers are those who are willing to wait and queue over the night just to become the first to have the latest iPhone and the switchers are those who one to try new things. From the perspective of benefits that iPhone gave to consumers, iPhone is segmented to those who are willing to have simplicity. The iPhone is really simple yet still has a modest design. Apple is also concerned about self-expression. The iPhone is really app-friendly. People nowadays use Instagram as their daily activities. For many people, the decision of using iPhone because iPhone could give users a better result for their “insta story” in terms of the quality of pictures or videos that we post through iPhone. If we compare the quality of pictures and videos that we post on our insta story between iPhone and other smartphones, we can see that there are huge differences between the qualities of iPhone could make for insta story and the quality of other smartphones could make for insta story. For many people, it is really important for them.

Targeting will happen after the process of segmentation. In targeting, the company determines which market segment that the company wants to reach. Targeting is all about which segments are the most attractive segments. When it comes to targeting, there are some factors that the company should consider. Those factors are size, profitability, and easy to reach.

In this case, size means the size of the segment and the potential of the segment to grow. Profitability means which segments that are willing the most and being ready to buy the product because if the company failed to decide which segments that are ready, they will also fail to hit their target. The last one is easy to reach. That means, how easy for the company to

reach the market with the company's marketing? It will be useless if the company fails to reach the market because that means the market will not receive the impact of the company's marketing. The company should also think about barriers such as economy and social barriers when the company addresses the segments. PEST (Political, Economic, Social, and Technological) analysis will help the company to understand the opportunities and threats that probably affects the segments so the company could develop better goals for each segment. In this case, Apple targets their product for consumers that prioritize style, modest design, and simplicity. That is why Apple's iPhone has a user interface. That means, the iPhone has a modest style but at the same time, the iPhone is a smartphone that is easy to use. Apple targets teenagers, students and university students, business people, and also adults.

Last but not least, positioning. Positioning is the final stage of STP. In this stage, the company focuses on how the customers completely view the products in comparison to other competitors. This is important for the company because it is all about gaining competitive advantages in the market. The company focuses on how the consumers see our product or how the company's products are in the eyes of consumers. That means, the perception of the customers towards the products is the company's number one priority. In positioning, unique selling point (USP) plays a crucial role. Unique selling point is basically something that is different (in a positive way and would or even should be extremely different) that other competitors do not offer or cannot offer to the market. The USP of the product is the answer of "why we (customers) should buy your product in the first place?" Also, there are 3 ways a company can position their products in terms of gaining the competitive advantages, such as based on the functional positioning, symbolic positioning, and experiential positioning.

Functional positioning focuses on making the products fulfill the customer's need and desire. The task is solving consumer's problem or giving benefits to consumers through the products. Symbolic positioning means adding sense of belongings of the customers through the products. Basically, it is about ego and self-esteem. The company tries to build characteristics of the brand that fulfill customer's ego and self-esteem. Lastly, experiential positioning means the company focuses on building emotional connection with customers through the products. In this case, Apple tends to use symbolic positioning since people around the world consider the iPhone to be a luxury smartphone. That is how Apple

positions their iPhone in the market and differentiates their brands and products with other competitor's brands and products.

By the way, I have mentioned the PEST analysis above. I remembered that Pak Sam told me to discuss PETAL. To be honest, I am a little bit confused since I wrote this diary, I found PEST analysis, PESTLE/PESTEL analysis, and PETAL analysis. Basically, those 3 analyses discuss almost the same thing! They discuss politics, economics, and technology. The differences between those 3 besides politics, economics, and technology are; PEST discuss social, PESTLE/PESTEL discuss social, environmental, and legal, and PETAL discuss attitudes/atmosphere and legal. I don't know why people differentiate those analyses where they actually discuss almost the same thing in the first place. But now I am going to discuss PETAL since Pak Sam asked me to do so hehehe..... of course, to be on the safe side.

Okay, PETAL is an abbreviation from politics, economic, technology, attitude/atmosphere, and legal. PETAL analysis is a tool in marketing to help marketers to understand opportunities and threats when the company is willing to do marketing activities. As I said before, marketing is like a brain in the company. With PETAL, companies will understand and know about the potential they have in terms of doing marketing activities. Believe it or not, by knowing the situation of those 5 factors in PETAL will help a company to figure out what they have to do and what they do not or even should not do in terms of marketing activities. The 5 factors of PETAL have their own roles and perspectives.

The first one is politics. Politics tend to affect business activities. The decisions from the government regarding political conditions might lead to beneficial or unbeneficial situations towards the marketing activities. Political conditions such as employment policies, trade policies, and tax policies will impact the business operation positively or negatively also directly or indirectly.

Economics have an impact in terms of companies doing their business activities. Factors like economic growth, interest rates, exchange rates, and inflation will impact business activities and that is why economic conditions need to be considered.

Technology refers to how the company could bring value to customers by using technology. A company should be concerned and consider

technological changes and they need to adopt those changes as quickly as possible so they could differentiate themselves from other competitors. Technology also brings impact in terms of production, distribution, and communication.

Attitudes or atmosphere concerns the behavior of the population. Factors such as culture, lifestyle, and situation in certain areas are the considerations for the company.

Lastly, legal concerns about laws and regulations. When it comes to doing business globally, companies must be concerned about rules and regulations in certain areas.

In conclusion, PETAL factors would give a company a wider view of marketing and help a company to plan better so that will enable the company to gain advantages and execute opportunities by reducing and minimizing potential risks. For example, I will discuss Apple towards PETAL analysis. Apple is known as American multinational technology company. Everyone knows Apple since their products are being sold everywhere around the world. However, Apple is facing a problem in terms of doing business activities because of the political issue that currently happens in the US, known as US-China trade war. This trade war happened because the US keeps increasing tariffs to imported goods from China. China is definitely not happy with this situation and it affects Apple's performance and Apple's market in the Chinese market. Apple is potentially losing their Chinese customers since Apple's product will face heavy charges as the effect of the trade war. Speaking of China, Apple is mostly manufacturing their products in that country. Concerns such as pollution and climate changes are definitely in Apple's mind at this moment. Apple will potentially face the increase of manufacturing cost in terms of pollution and Apple will face problems regarding shipping through sea and Apple's supply chain because of the climate changes.

Apple is a multinational company. There are opportunities for Apple to expand their businesses based on the economic stability in many developed countries around the world. The high economic growth rates in Asian countries will benefit Apple for sure. However, the US always has a strong dollar exchange rates that could possibly bring negative impacts for Apple once they expand their businesses. Also, Apple targets high-end consumers. That means, Apple will face a problem to enter the market in developing countries that normally people in those countries are looking

for products with affordable prices. By the way, since Apple targets high-end consumers, technology tends to be expensive. As time went by, the development of science and technology happened as well. Technology also brings problems to Apple since nowadays competitors start to appear in the market with their products that could bring problems to Apple. Competitors such as Lenovo start to sell PCs with moderate technology. Lenovo has entered the market and maintains their position in terms of PC market. Same thing happens with smartphones. Chinese brands such as Xiaomi, Oppo, and Vivo start to sell smartphones with moderate technologies but way cheaper than Apple's iPhone. Lastly, Apple is facing privacy issues by users and the government. Apple is being asked by the US congress to protect user's privacy. Back then a few years ago, there was a huge issue that many celebrities faced where those celebrities iCloud are getting hacked. This hacking situation leads to the leakage of many celebrities' private data, including their explicit contents. This concludes that Apple failed to protect user's private data and information and it possibly causes legal factors that threaten Apple.

I suddenly recognized that I discussed Apple a lot in this chapter. Well, I am going to discuss Apple for the rest of this chapter. Since we have talked about STP, I will discuss 4P's because it does not feel right if we talk about marketing but do not mention STP and 4P's. 4P's is mostly known as a marketing mix. It refers to a set of actions that a company prepares to bring their product or brand to the market. There are 4 elements in the marketing mix that are known as 4P's. Those 4P's stand for product, price, place and promotion.

Price describes the value of the product. Factors that usually affect the price of the product are the cost of production, the market segmented, ability to pay, and supply and demand. The way a company determines the price of the product is by using pricing strategies. The pricing strategies that used to determine the price based on those factors mentioned before and a company could decide which pricing strategy suits the product based on which pricing strategy described by those factors.

Product refers to the goods or services that are offered by companies to their customers. The products need to fulfill the customer's demand or have to bring satisfaction to the customer. In this element, companies discuss the life stage cycle of the product. By discussing the life stage cycle of a product, companies would be able to plan on how to deal with the product of every stage.

Place means where the company sells their product, or how the company delivers the product to the market. The purpose of this element is to make sure that it is easy for customers to find and buy the product. Distribution channels take parts in this element.

The last one is promotion. Promotion refers to making the product known by the market. This element tries to convince customers on why they need to buy the product in the first place. Factors such as advertising, word of mouth and many other promotion factors play a huge role in terms of doing promotion.

Now, the example of 4P's. Firstly, the pricing of Apple's iPhone 11. Apple uses a skimming pricing strategy. Skimming pricing strategy means Apple charges iPhone 11 at the very high prices at the beginning for their new product and then they will lower the price when the product becomes less popular in the market. Apple uses this pricing strategy for their old iPhones. It would be possible for Apple to lower the price of iPhone 11 once the smartphone becomes less popular, just like what happens to iPhone 7 nowadays.

The second one is product. The iPhone 11 was released to the market on September 19, 2019. The smartphone was presented as a smartphone that has an ability to optimize the quality of pictures and videos taken by iPhone 11. The iPhone 11 is undoubtedly at the growth stage at this moment. The market for iPhone 11 is huge and still getting bigger. Apple's hardcore loyal customer shows that Apple has a huge market since their customers are willing to wait for a long time in front of the stores just to become the first to have that smartphone.

Thirdly, the place. It is quite easy for people to find iPhone since Apple has many Apple stores were spread around the world. That means, consumers do not find it hard for them to buy the product. Apple uses direct sales as their distributional channel. Apple sells iPhone 11 directly to end customers. This kind of distributional channel helps Apple to collect customers buying habits, getting closer to customers so Apple could build relationships with customers that would lead to customer's loyalty, and it will be easy for them to respond customer's feedback since they are close with customers. However, it will be hard for them to distribute their products since the huge amount of cost.

Lastly, promotion. The promotional mix describes advertising, sales promotion, public relation, and personal selling. For advertising, Apple uses tv commercials and online marketing. Apple's tv commercials only appear in developed countries. And online marketing that Apple did was google ads, Facebook ads, YouTube ads and many other online ads that commonly appears on our devices. If we saw some advertising through magazines and other printed media, it was basically advertising by other companies such as cell phone provider companies. In terms of personal selling, Apple trains their sales person to have knowledge about the products. They are basically trained to become salesperson and customer service. The employees of Apple stores are usually called "Apple Geniuses".

In dimension of marketing strategy, the company needs to know their product classifications. That means, they need to know in which group/category the product belongs to. Product classification is basically a process that companies do in order to prepare and plan their marketing strategies by classifying the products into groups. The reason why a company should classify their products into groups in the first place is because certain products tend to have the same characteristics in terms of price level and the way customers do the buying process. Those groups have their own marketing approach and by classifying products into those groups, companies could easily plan their marketing strategies. There are 4 main product categories in the product classifications, which are; convenience goods, shopping goods, specialty goods, and unsought goods

Each category has different characteristics towards the product. The first category is convenience goods. Convenience goods are products that have been used in daily life. Consumers tend to buy this kind of product routinely and considered as a habit. In this category, there are little differences between brands that sell the same product. Normally, the moment consumers pick a brand for the first time, they will remain buy and use the same product without consideration. Convenience goods are basically low-price products. Example of convenience goods is shampoos, soaps, toothpastes and toothbrushes. Consumers tend to be loyal to a brand of shampoo since the first time they buy that shampoo. In the next purchase, consumers will likely buy the same shampoo without consideration, perhaps, even grabbing whatever brand of shampoos are available on the shelves.

The second one is shopping goods. Shopping goods are products that

consumers normally do research and compare with other brands before they purchase. Shopping goods are more important in a consumer's life and tend to have a higher price in comparison to convenience goods. Example of shopping goods is deciding to buy a city car. I take Honda jazz and Toyota Yaris as my example. Both cars are city cars. They tend to have similar prices. The specifications are quite similar. Consumers will basically do research such as googling about those 2 cars before they decide which car that they consider as the best one, although there are no significant differences.

Thirdly, the specialty goods. This kind of goods is basically goods that consumers find interesting. Consumers believe that those products are unique. Goods from certain brands are worth the wait so basically consumers stay loyal and most of them become hardcore loyal customers. That means, consumers do not compare with other brands. Example of specialty goods is sneakers nowadays. Take a look at Adidas *Yeezy*. Every time Adidas announces the release date of the newest Adidas *Yeezy*, there will be a really long queue in the front of Adidas stores or any other retail stores and even people are willing to stay though the night only to buy those shoes. Even though some people are wait that long to buy and resell the sneakers for a very high price, those hardcore loyal consumers believe that it is worth the wait. Other hardcore loyal consumers who are not willing to wait for a long time in front the store will definitely buy the sneakers from reseller even though the price jumps really high from the actual price from the stores.



And the last one, unsought goods. Unsought goods are basically products that rarely or even never cross our minds. Consumers rather do not know or never think of buying the product. Marketers tend to use advertising or personal selling so it creates an awareness about the product. For example, insurance or CCTV Cameras. Unsought goods are also considered as goods that are not important but suddenly become really important once the products or the function of the product do not exist anymore, like batteries. No one will ever buy batteries for their supplies at home. They will buy new batteries once the old ones are already dead. And now, the

question is, where does Apple's iPhone 11 belong to? In my opinion, the iPhone 11 belongs to specialty goods. I know it is just a smartphone. But if we look at reality, people are crazy about the iPhone. People are willing to wait in the long queue in the front of Apple stores, just because they want to be the first to have. People find iPhone unique. People also feel that they have pride if they own an iPhone. There is a meme of iPhone 11 where a man is bragging on the social media because he owns the iPhone 11.



Notes from Kevin on Marketing

Continuing on my babbling stories previously, I remembered that I have told you about the bad side of marketing. Now, we will dwell into an unusual one, yet, had proven successful.

A fast-food giant, Wendy's is known throughout the world. Of course, it is hilariously small to McDonald's. But Wendy's has its own quality for which I will tell you now. Wendy's has decided to enter their marketing mix into digital marketing seeing that putting promo or advertising their food the traditional way is not enough. They decided to do no one has ever done. Insulting their customers.

I know it sounds too good (or bad) to be true, but it really happened that Wendy's decided to make a twitter account and proceed to roast their customers and other companies. However, it wasn't the mock that made people angry. It was dubbed-roast where people got insulted in humorous intent for example, as shown in the illustration.



Wendy's did not stop there. So many companies were also got jabbed by

Wendy's roasts. None of them were safe from Wendy's insults.

It may sound mean. However, this worked beautifully for Wendy's and Wendy's were booming in terms of popularity that everyone wanted the piece of it. Felt hurts or not, but most of them caught the public to be very humorous and fun. The fad still raged today, but had lost momentum because it was already occurred 5 years ago.

However, there was a focus of topics in these roasts when it came to McDonald's, McDonalds are heavily known for their use of frozen beef and the frequent error of their ice cream machine. Wendy's was not afraid to poke on the giant's belly...



These tweets had also contained special reasons. It was actually a clever use of social media and may have evaded legal matters. Defining this as a "defamation" may be very unconvincing. Wendy's used its comedic characteristics to persuade people not to eat at McDonald's. If those were not put in comedic natures, Wendy's could have been sued by McDonald's, on the ground of defamation. With the use of such comedic format discouraged McDonald's to press charges against Wendy's.

It was a very clever move from Wendy's marketing team. Wendy's has gained its popularity. Wendy's has reached the public's opinion as the "hip" or very relatable to current trend and bale to make McDonald's, considered as threatening, such as; the frozen beef and the impairment of the equipment. The people realized and embraces the statement that Wendy's delivered. And often it was proven true. Many of McDonald's customers confirmed and even shared statements that Wendy's delivered

and created a bad image for McDonald's.

Despite what Wendy's has done, however, it has affected little to McDonald's that whole thing only reinforced the words that had been stated long ago. Before this Wendy's twitters, it was only a minor inconvenience that people found uncomfortable, but acceptable. With Wendy's twitters, it became a joke that everyone acknowledged. People still bought McDonald's ice cream and burgers though. The real thing that Wendy's had achieved was just a public opinion that Wendy's is very social-able and relate-able to the current generation. Wendy's interacts. Wendy's is a company that can make our days a little brighter with comedic reliefs. Wendy's also proven that a company can literally be your friend. Wendy's twitters had made an impression that Wendy's was, in fact, a humorous human being with a twitter account.

Wendy's whole twitter phase has proven that even a company can pull off its own stunt to make it recognizable or even more recognizable by doing something that nobody has even dared to do, by insulting people in humorous way. I can only imagine in the marketing meeting on that day. Someone must have given an idea to the Head of the Marketing Department to start insulting customers (or potential customers). Everybody in the meeting room must have believed that the person was probably crazy. Nonetheless, that crazy idea on insulting customers was something that they eventually agree. They did so, roasting their customers...

Wendy's had proven that even the most-craziest idea can work. Insanity and creativity appeared to be closely related, in this case. In Wendy's case, it is believed that the best way to boost Wendy's name was by insulting consumers softly. There are some people that insists they are deserved to be recognized and they starting to believe they are what they perceived to be, not what they truly are.

Lucinta Luna, a singer that mainly focuses on Indonesia's sensual electronic rave or "dangdut" is known to be very controversial. Lucinta Luna is very familiar of controversy and clash with other celebrities. However, the origin story of this person is way deeper than an attention grabber. The start of this person's careers was very vague and shrouded in mystery. Lucinta Luna was first perceived as a celeb-gram. Celeb-gram in Indonesia is a status that someone is famous through social media. Now, there was not much known about Lucinta Luna, other than she was a

sensual model. She is very open about herself. This gives an impression that she is a rich, beautiful and famous individual, with a diva status, perhaps.

However, people in Instagram have gained suspicion. People who have met Lucinta Luna in real life, stated that something was “off” with her. Many speculations were made. In one faithful day, an Instagram account has made a very controversial statement. I forgot the account’s name, but I remember that he predicted 3 individuals, who were transgenders.

Let me give you a brief insight on Indonesian transgenders. Though the country is not an Islamic state, Indonesia has the biggest Islamic population in the world. This has made the majority of its residents/citizens are relatively strict conforming to the Islamic views/beliefs. Like other religions, Islam is not a “supporting fan” of LGBT. This made Indonesians views gay and transgenders rather negatively.

Back to the prediction above, DJ Butterfly, a Filipino, and Indonesian resident, this DJ had been performing to various clubs, DJ Gebby Vesta, a DJ in Bali, and lastly none other than Lucinta Luna. The prediction was the main topic of that day. Everyone started speculating and starting to cornering these 3 individuals. The first suspect DJ Butterfly opened-up and shown to people that she is, in fact, a female with her personal government-issued ID from the Philippines. She stated that people can change your gender, but the government-issued ID must remain stating the same original gender of the ID holder. DJ Butterfly showed her ID revealing the fact on the true gender, which is female. After that whole revelation, everybody started to doubt the account’s reliability. In the meantime, the other two DJs kept their silence. Indonesian continued to cornered them both. DJ Gebby Vesta stalled the accusation by claiming that she is a female though without the willingness to provide any evidence, like what DJ Butterfly has shown. Following many questions all the way until people started to turn their backs from DJ Gebby Vesta, then the truth was finally revealed. After many months of cornering from Indonesians, DJ Gebby Vesta finally revealed that she is a transgender.

With the DJ Gebby Vesta transparency, now the last target was Lucinta Luna. Just like DJ Gebby Vesta, Lucinta Luna persisted that she is a true female. Evidence shown by Lucinta Luna offered dissatisfaction to Indonesians. The public continued to search and kept digging-up official records on Lucinta Luna. One day one person found an ID with the name

written as Muhammad Fattah. Of course, this is a rather masculine name and the gender is male. Regardless of the push from the society, Lucinta Luna kept insisting her female gender.

The next move from Lucinta Luna, in response to the society demands to reveal her original gender, she announced her pregnancy. The pictures below were her weapon for the public.

People became even more hysterical of this pregnancy pictures because people swore that even 3 weeks prior to the picture, she wasn't pregnant. People said that the size of her belly was for a pregnant-women around 5



months. Three days later, she was seen normal again without the belly-bump like shown in the picture. Perhaps, Lucinta Luna forgot that she should have been in the stage of pregnancy.

People continued to corner Lucinta Luna. She insisted that she was pregnant, but later she had a miscarriage. To me, this was abruptly the most stupid move that I have ever seen. Lucinta Luna insisted with her story and proposed believe-it-or-not statement. If such a miscarriage was true, of course, this was unfortunate for her.

Following such incidents, Lucinta Luna was called to many Indonesian talk shows, youtubers and many journalism-based programs. This revealed unintentionally (or intentionally?) made her even famous, perhaps. In Indonesia, when people recognize you, it's good enough. It does not really matter what you do, Indonesians start to pay attention to you.

Back to Lucinta Luna, she was called to numerous talk shows in Indonesia, including Uya-Kuya's show. As many Indonesians know, the ultimate objective of the Uya-Kuya show and other talk shows remained the same, "are you really a woman?".

The behavior of Lucinta Luna has been growing considerably noticeable now that she is in every social media and show that are aired on TV stations. What confuses me is that people show negative "feelings" towards her but somehow the people can't get enough of her. I guess this is what they called guilty pleasure. I could have sworn that people are rallying a hate campaign against her, but when Lucinta Luna was trying to

disappear, everyone asked, “where did she go”?

Lucinta Luna is not a morally-good celebrity. You see, Lucinta Luna is a very erratic person. People often dubbed her delusional, and I can vouch for the last statement because there were so many evidences that backed it up. She claimed that she was born female, but, many colleagues from her past have actually stated otherwise. People from her pasts stated that she was a male in a cross-dressing. Some even claimed that Lucinta Luna was a mere transgender prostitute. All of those claims were never confirmed though rather convincing. Lucinta Luna wasn't going to take this easy. She stated that everyone who called her a male was only slanderous people. She grew even more despicable. You see, maybe fame does corrupt someone. There were so many occasions that fame made someone showed their worst-side. Personally, I think it was the case with Lucinta Luna.

After that whole stuff, Lucinta Luna started to show some unimportant content on YouTube. She always claimed to be a female. In the videos, she gave ambiguous hints that shape the public opinion that she is a male. She often used her real, terrifyingly, very heavy voice. In one occasion, she was at a mall, and I was there too so I can share my honest opinion here. I was with my cousin in Central Park Mall. My cousin spotted Lucinta Luna with 5 other individuals. My cousin insisted that we should be staying around. I insisted that we should go because I can't stand looking at her.

A day had passed. There was something in my YouTube recommendation, and I instantly called my cousin. In that video clip, Lucinta Luna was hanging with her boyfriend(?) in a café, and someone had snatched her wig only to reveal that she is actually bald. Everyone would have thought that this was a real beef. The individual that had snatched her wig was unknown. Lucinta Luna would have done so to get notice by public.



Of course, it must have been scripted. I was there to witness. All of those individuals involved in that event were only the perpetrators. My point of rambling this much about someone deluding herself into fame is possible. I was trying to point out that Indonesians are willing to do anything to get famous for some bucks. I am continuously seeking the answer why do

people are very keen to be fame, to the point that they would humiliate and disgraced themselves.

What I am trying to say, contents, acts and stuff like these are really the main contributors in our society's decrease of progressivism. It may sound too harsh or too accusing, but I speak not only from my personal opinion, also but based on the available evidence.

Indonesia is a very diverse country with thousands of cultures and languages. Nevertheless, Indonesians are often labelled as also close minded. It is very surprising though considering the fact that this country is very much diverse. With all that rambling I just want to point out that this kind of entertainment had successfully made the public more stupid. It is the sad tragedy for Indonesians. The entertainment has been made purposely to dumbing down the mind with no moral or educational benefits. All of the Indonesian-based entertainments revolve around conflicts and gossips stories and scripts. It has never shown about something more educational that makes people developing their mind, sensitivity and tolerance in education and culture. The brink of destruction of this country has certainly been seeping through the cracks of these false idols.

I am not going to blame all celebrities though. The quality of the famous Indonesians is often unworthy. Of course, Indonesia also has talented and inspiring people to move forward and make a better Indonesia. At the same time, we have people like Lucinta Luna and her friends that deteriorates the quality of our culture and entertainment. I believe, the fault is on the media too. I am going to give the media the benefits of the doubt. Media companies rely on revenue from shows. Unfortunately, the shows need to cater and follow the public trends to become successful. Sadly, the trends in Indonesia are often the sole benefactor of deterioration of culture and progressivism in Indonesia. I believe that the media companies in Indonesia have certainly realized the promotion of harms and diminishing the quality of the country's culture and progressivism. But the money-making revenues are from promoting these kinds of entertainments; gossips, cheesy soap dramas and many abominations. Those degradation of shows have proven to be lucrative that these media and entertainment companies cannot stand still, but join the wagon for bucks. I know that people got to do what people got to do to survive. However, we can make something new and better out of those shows and we can turn them into something more useful and benefiting for the public.

The demand of this kind of contents is ridiculously high. It is a trend in Indonesia, and I believe, it is also happening in other countries as well. As much as people are aware of such destructive natures in the shows' contents, those shows sell. This is also the reason why many residents prefer to switch into international channels with better moral and benefits. This certainly made people are becoming accustomed to western-oriented norms, trends, ways of life, ideology, and holiday activities/destinations, perhaps. This has certainly pushed toward better technology in Indonesia, including digital infrastructure.

Speaking of digital, I would like to re-tell a story of a digital phenomenon that took the world by storm with an event so unexpected that it still shocked people today. It is none other than the long bull run of bitcoin. Bitcoin is a crypto currency made by a Japanese programmer, Satoshi Nakamoto. Satoshi is not a real person. It is only an alias by a programmer to further proven that bitcoin is decentralized. It was emerged around 2009 as an alternative on digital payment. Around 2009, the value of bitcoin was only 50 cent-bitcoin per every US dollar. It was meant to be a digital currency that eases the payment, and avoiding the close-monitoring of the world banking systems.

Q2 on Marketing Issues

Guys, below is our notes on the “Q2” in this lovely course of Business Management 2....

Name of Students	Name of Industry	Brand	Product	Price
M. Fadel Ramadhan	Smartphones	Apple	iPhone	Rp. 19 million
Raditya Kevin Wisnumurti	Automotive	Daihatsu	Ayla	Rp. 100 million

1. Pick a certain product of your choice and plug this product into the PLC. In your opinion, which stage on the PLC that this product is now positioned at? Why?

Fadel	Kevin
<p>iPhone 11 Pro was release on September 19, 2019. iPhone 11 Pro was presented as a mobile phone that has ability to optimize when customers taking photo and video because it provides three cameras on the back for optical zoom which giving customers more range. Apple is more focused in terms of photography and videography for this product. Apple always introduced their products as a luxury but simple products. And apple has successfully given impression that their products are worth to wait. They have got so many customers that are willing to wait and queue for days just to become the</p>	<p>The Daihatsu Ayla can be assumed has entered the declining stage first presented for public in 2012 Daihatsu has introduced the Indonesian people the new cheap, affordable and minimum cost city car and also the popularity for Daihatsu Ayla has peaked in 2016 however the decline started in 2018 and Daihatsu has announced the newest version of Ayla with a higher price and specs. However, that would be the last improvement for Ayla which Daihatsu claimed that they will not add any more improvements for the Daihatsu Ayla line</p>

Fadel	Kevin
<p>first to have that iPhone. At this moment, iPhone 11 pro is at the growth stage. It has been 4 months since they launched that mobile phone. They definitely have a huge market since people are willing to wait for a long time. People also accept the product positively.</p>	

2. Which distributional channel do you think this product is using? Why not using different channels? What are the positive and negative impacts of using different channels?

Fadel	Kevin
<p>Apple use direct-to-consumer or known as direct sales channel where apple sells their iPhone directly to the end customer. In my opinion, there is no need to use wholesaler since they sell mobile phones. The advantages of direct sales are apple can collect data on customers buying habits, apple could respond product performance and customer feedback, and also build relationship with customers. However, the disadvantage of this channel is the cost from distribution. It will be hard for them to distribute their products since the cost will be huge.</p>	<p>The channel that is used by Daihatsu is the producer direct sale to the consumer channel. Because Daihatsu is specifically selling Daihatsu Ayla which is a car there is no need for wholesalers</p>

3. Referring to the price of that product, in your opinion, why the manufacturer of that product has decided to put the price tag as such? What pricing strategy do you think that was?

Fadel	Kevin
<p>Apple uses skimming pricing strategy to sell iPhone 11 pro. Apple tends to put the highest possible price for iPhone 11 pro which is their new product. This iPhone 11 pro would be more likely become lower and lower as soon as the new product of iPhone presented and iPhone 11 pro become less popular just like the old product of iPhone like iPhone 7</p>	<p>Penetration pricing was the pricing strategy that was used by Daihatsu to mobilize Daihatsu Ayla. Daihatsu Ayla was meant to be an affordable car and aimed to be owned by mass number of people they decided to put the car as one of the cheapest city cars in the market hoping to get as much sale as possible</p>

4. Search for evidence of the promotional mix of that product. Please be sure to include all the 4 elements on promotional mix (advertising, sales promotion, personal selling & public relations/publicity)

Fadel	Kevin
<p>Advertising: Apple advertises iPhone through online and TV commercials. For the TV commercials, it only appears on developed countries. Online ads such as google ads and Facebook ads mainly appears on our device. Most ads that appear on magazines and newspaper are done by other companies and mostly did by cellphone operator companies</p>	<p>Advertising: Daihatsu Ayla started appearing in people's TV in 2012 and Daihatsu also decided to put massive billboard saying "NEW DAIHATSU AYLA"</p> <p>Sales promotion: sales promotion of Daihatsu Ayla consists of cheap installment and free service for a whole year.</p> <p>Public Relations: the Daihatsu Ayla has caught the attention</p>

Fadel	Kevin
<p>Sales promotion: Apple does not want to lower their iPhone in terms of doing sales promotion. Instead, they offer discount or even free selected items such as accessories and software for every purchase of iPhone</p> <p>Personal selling: Apple stores are basically home to knowledgeable sales representatives. They are trained for product information and customer service. Information such as latest technology of the product</p> <p>Public Relation: apple gave iPhone to some YouTube video bloggers before the iPhone presented to the market</p>	<p>of the public when a famous car reviewer, Fitra Eri tested Daihatsu Ayla and praise for their economically friendly vehicle</p> <p>Direct Marketing: Daihatsu begins to open a showcase stand in malls and handing out brochures</p>

5. Try to calculate the overall value of the product

Fadel	Kevin
<p>Test...</p> <p><i>Hm... I don't get it guys. Help me.....</i></p>	<p>Revenue = Cost – Gross Margin Revenue = 7,365.131 – 0.7500 Revenue = 29,460.52</p> <p>Gross Profit = Revenue × Gross Margin Gross Profit = 29,460.52 × 0.7500 Gross Profit = 22,095.39</p> <p>Mark Up = Gross Profit Cost × 100 Mark Up = 22,095.39 / 7,365.13 × 100 Mark Up = 300.00%</p>

Fadel	Kevin
	<p><i>The above numbers are just my assumptions, guys.... No complaints are accepted, haha...</i></p>

6. Which of the product classification do you think that product is listed under?

Fadel	Kevin
<p>iPhone is considered as specialty goods. iPhone is categorized as a unique product and have loyal customers that crave for the product. iPhone has an attractive value for their customers. Basically, specialty goods considered as luxury goods and iPhone could be considered as luxury goods</p>	<p>Daihatsu Ayla falls under the classification of shopping goods, consumers looking to purchase shopping goods are willing to do research to compare which one is the best of value, in this case Daihatsu Ayla is often regarded as best choice for daily transport</p>

7. What are the characteristics of convenience product, shopping goods, specialty goods & business products?

Fadel	Kevin
<p>Convenience goods: products that people buy routinely and people buys these goods without much thought given. It is basically a low cost good and there are usually little differences between brands</p> <p>Shopping goods: goods that consumer purchased based on research and comparison from other product options. Example like buying modest</p>	<p>Convenience goods: convenience goods are products that consumers purchase often or habitually such as soaps, toothpaste and snacks</p> <p>Shopping goods: products that are specified as shopping goods possesses higher prices than convenience products, these goods ranges from clothes, cars even house the key characteristics of</p>

Fadel	Kevin
<p>clothing would be described as shopping goods</p> <p>Specialty goods: goods that have unique aspects and have loyal customer that craves for the type of product. Loyal customer even willing to wait for a long time just to get this type of goods</p> <p>Unsought goods: goods that generally customer don't know or even don't think to buy. People also buy these goods because sense of fear like fire extinguisher. Batteries are also considered as unsought goods because no one will ever think to buy this thing until the old one died</p>	<p>shopping goods is that the consumer are willing to research to the point which brand is of best value</p> <p>Specialty goods: are products are so unique or have such a loyal following those consumers will go to extensive lengths to seek them out. Rather than comparing brands looking for an attractive value, buyers of specialty goods focus on seeking out the one specific product they are looking for. Examples include Ferraris, GoPro cameras, and iPhones</p> <p>Unsought goods: unsought goods are products that consumers either do not know about or would never think of buying. They are things that people buy out of fear or danger, such as life insurance or fire extinguishers. Another example is batteries; no one ever thinks to buy a battery until their old ones die and need replacement.</p>

8. The product of your choice, do you think it follows the push or pull strategy? Why? Provide evidence

Fadel	Kevin
Apple uses pull strategy.	Daihatsu Ayla presumably uses push marketing due to the fact that they are a new

Fadel	Kevin
<p>Apple tends to attract customers in order to search, look, and gaining information towards the production. Apple is considered as market leader in terms technology. So, it will be okay if they act passively in terms of market their product since they are known by everyone</p>	<p>line of product at the time and trying to operate in a niche market, and providing they are cheap for a car and aims to gain a mass purchase from the people</p>

9. Discuss the STP of that product

Fadel	Kevin
<p>Segmenting: apple segments their iPhone internationally based on geographic. As we can see we could find iPhone anywhere in this world. In terms of demographic, they segment their product for customer from 20 to 45 years old. They segment their product for active users so basically for bachelor stage, newly married, full nest 1 and full nest 2. iPhone is an expensive product so it is segmented for high incomers. In terms of psychographic, apple segments their product to middle high of social class and for customer that tends to be explorer and aspirer.</p> <p>Targeting: apple target their products for people that prioritize the style, design and the simplicity of the product.</p>	<p>Daihatsu Ayla aims to be the next Indonesia's favorite city car, which was previously was Avanza which was the most selling car in 2010's their market aims to be people that middle to low classes and aims to be their everyday car.</p> <p>Daihatsu also offers Ayla to be very cheap for a city car, arguably the cheapest whereas it is cheaper than any small city car in the market at that time which is Brio, Yaris, and its half-twin-sibling Toyota Agya</p>

Fadel	Kevin
<p>Product of apple has user interface which means the product have style but still easy to use. So basically, Apple targets teenagers, university students, business people and also adults</p> <p>Positioning: apple positions iPhone by its class as iPhone considered as luxury goods. It helps apple because they differentiate the product from apple's competitors</p>	

10. Discuss the PETAL of that product

Fadel	Kevin
<p><i>Hm... I don't get it guys. Help me.....</i></p> <p>Politics: Apple is an American technology company. Apple sells their products globally. USA has a political issue with China which is called China-US trade wars. USA keeps increasing tariffs towards Chinese imported products. This trade war is surely affecting Apple's performance and market in Chinese market. Apple products will definitely face heavy charges by the Chinese government once they were exported to China. Apple is potentially losing their Chinese consumers</p>	<p><i>Help..... I am truly not sure about the answer below. But, let me just give it a try</i></p> <p>Political: the political aspect of this product is a sign of Japanese engineering and presumably to improve the relation of Indonesia and Japan, this is received positively by the Indonesian people</p> <p>Economical: The economic impact this product has brought is perceived to be improving the current market due to the enable the market that seeks cheap city car to</p>

Fadel	Kevin
<p>because the effect of both countries' trade war.</p> <p>Economy: Opportunities for apple will potentially come from economic stability in many developed countries around the world in terms of business expansion. Advantages for apple such as high growth rates in Asian countries will bring great things for apple. On the other hand, US has a strong dollar exchange rate that could bring negative impact for apple to expand their business operations. Also, apple targets their products to high-end consumer. This will bring challenge to apple in terms of entering market in developing countries which the people generally look at products with affordable price.</p> <p>Technology: Apple is a technology company. They target their products to high-end consumer. As time goes by, the development of science and technology happened as well. Many competitors start to pop up as they sell gadgets with a high technology but with affordable prices. For example, Lenovo entered and maintained its position in the</p>	<p>have an economically friendly option</p> <p>Technology: the technological aspect of this product does not bring anything new</p> <p>Atmosphere: Ayla is a very eco-friendly vehicle Daihatsu claims that the car produces minimal carbon footprint thus a very eco-friendly product</p> <p>Legal: the product has not encountered any problem in legal matter, the product is a legal product that has no problem of legal matters in the future</p>

Fadel	Kevin
<p>market in terms of PC because they sell PC's and laptops with lower prices but moderate or even high technology. Chinese brands such as Oppo, Vivo, and Xiaomi also distract apple's market in terms smartphone because same thing happened like what Lenovo did.</p> <p>Attitude/atmosphere: Apple is mostly manufacturing their products in China. They face concerns such as pollution which could lead to regulations in terms of increasing manufacturing costs in the future. Climate change is also taking parts in terms of giving challenges to apple. This could bother apple in terms of shipping through sea and apple's supply chain.</p> <p>Legal: Apple is facing privacy issues by users and governments. US Congress asked Apple to protect user's privacy because back then a few years ago, there were issues where many celebrities' iClouds were hacked. This example regarding legal factor could threat apple because the failure of protecting user's private information and data. Example of the failure is the hacking of many celebrities' iCloud which leads to leakage</p>	

*Ken Ginn
Beruang*



Fadel	Kevin
of the celebrities private and explicit contents.	

*So, what do you guys think about the discussions above?
Any inputs & comments? Be sure to email us:
pressiuli@gmail.com*

Q3 on Digital Marketing

Guys, below is our notes on the “Q3” in this lovely course of Business Management 2, particularly on the issues surrounding Digital Marketing...

Anyone of you is familiar with the digital marketing, at least the basic concepts first that all digital marketing should consider?

Fadel’s Version on Digital Marketing

To answer the following questions, please pick a certain website or application of your choice. Website/Application: **AirBnB**

Your job is analyzing any website or an application within the area of digital marketing. There are countless of websites and applications in the marketplaces now that you can choose 1 to be analyzed, as per the queries below.

A. Considering the characteristics of digital marketing, there are 5 characteristics, at least, which are; **addressability, interactivity, accessibility, connectivity, and control**. Please kindly use the following table as your guidance to organize your answers.

	Usability (Purpose/Objective)	Examples
Addressability	<p>AirBnB tries to approach their customer before the actual customer even tries to reach AirBnB.</p> <p>The purpose is to make that AirBnB is there when we need them</p>	<p>People nowadays look for different atmosphere when they want to stay the night on holiday. They prefer to stay at apartment or even villas because of privacy as well. When we type for example “villa daily rent” or “apartment daily rent” on google, those places from AirBnB will surely pop on the very top.</p>

	Usability (Purpose/Objective)	Examples
Interactivity	AirBnB is willing to be interactive on the eyes of customers. Since AirBnB is the biggest lodging company without having any places to be rented, they provide chat feature between tenants and customers	Customers can reach and communicate with tenants from website and app. Customers also could reach them even before they do their payment in terms of gaining information by tenants in order to convince customer to decide.
Accessibility	AirBnB aims to give detailed information regarding the needs of customer on why they have to choose AirBnB from the first place. AirBnB is basically a platform that mostly used for holiday. AirBnB wants to provide information regarding holiday needs	When we open the AirBnB's website or app, we will see sections such as stays, experiences and adventures which potentially increases customer's interest. Experiences such as "samurai" atmosphere, cooking on the hills. Adventures as well such as hiking in west Sumatra, wine visit in Mexico. They also show some references for customer's next trip by showing awesome places around the world on their homepage.
Connectivity	AirBnB tries to be connected with their customers in order to maintain customer's loyalty by concerning about customer's satisfaction emotionally.	AirBnB made a campaign named "We accept" in order of respond accusations of race and gender discriminations. AirBnB showed that they listen to their customers. The impact is the increases of customer's loyalty. On every page of AirBnB's accommodations, there's a "guest review" section where customer showed their satisfactions towards the accommodations emotionally.

	Usability (Purpose/Objective)	Examples
Control	AirBnB allows customer to take control of regulating information that customer wants to receive. The purpose of control is to make sure that customers could found products and services that exactly what they want	AirBnB gives the customers features like preferred date, location, durations, number of guests. When we are inside the search engine, there is also "filter" column where customers could choose their preferences specifically.

B. In your opinion, do those characteristics applicable to Social Media? Why or why not? Be sure to provide reasons and examples of any social media

In my opinion, those characteristics mentioned above are also applicable to social media. In this global era, those characteristics of marketing are the ones that could attract customer. Those characteristics are potentially defining consumer's behavior. Social media nowadays is a crucial thing in our daily life. To become the social media that the most consumers needed, those characteristics will play a huge role in terms of marketing for that social media itself. For example, Instagram. Instagram is one of the biggest, or maybe the biggest social media that has been used by people around the world. They become our "daily activity" not because all of the sudden. Instagram is basically everywhere. When we want to find someone on the internet, their Instagram's account will appear at the top of google. They also aware of bullying with promoting anti-bullying stickers that usually appears on our friend's Instastories. Users are fully taken control of their accounts where they could choose types of posts that appears on their explore section by filter their preferences. Digital marketing is basically a virtual marketing that concern about consumer's attitude and it is worth every penny because people live really close with their gadget and that is why those characteristics will applicable to social media.

Kevin's Version on Digital Marketing

To answer the following questions, please pick a certain website or application of your choice. Website/Application: **Gojek**

Your job is analyzing any website or an application within the area of digital marketing. There are countless of websites and applications in the marketplaces now that you can choose 1 to be analyzed, as per the queries below.

A. Considering the characteristics of digital marketing, there are 5 characteristics, at least, which are; addressability, interactivity, accessibility, connectivity, and control. Please kindly use the following table as your guidance to organize your answers.

	Usability (Purpose/Objective)	Examples
Addressability	Addressability is the ability of a digital device to respond a message sent to many similar device	Gojek has a very advanced and sophisticated chatting system and communication platform that enables millions of users to connect and help their daily and business activities. Their server is also proven to be top quality thus Gojek has minimal problem in terms of addressability
Interactivity	How much a user can do in the website/device	Gojek is fundamentally a service application thus the user can only interact by choosing their intended service that is available
Accessibility	Accessibility is the term to make sure there is no barrier that prevent the user to access the app/device	Gojek has never had major issue in accessibility the app is free and very polished thus no major glitch or barrier that has ever halts the accessibility of the app

Connectivity	The quality of being connective to the intended subjects	Gojek is very attentive in terms of connectivity of their application. Gojek makes sure they are connected to every customer Gojek has
Control	The amount of how much a user can control or restrict the app	The user can control their payment information, they can edit their personal information, users also have control to what service that they would order, users can also set their maximum Go-pay top-up limit.

B. In your opinion, do those characteristics applicable to Social Media? Why or why not? Be sure to provide reasons and examples of any social media

Social media are fundamentally a platform of connecting people around the world in hope to satisfy their social needs. Additional function of social media can be a source of information and notice, however not every social media apply same approaches to connect people to another. For example. The comparison of the main approach of twitter and Instagram is very different. Of course, they have personal message. Feed system and comment section, however the main template of two apps is very different. Instagram has a very sophisticated feed system where is lined 3 posts per row neatly puts the posts in order whereas, twitter does not have. And that changes the dynamic of how two platform works where Instagram is mainly to show personal activities or memories. Whereas twitter is focused on big current events and what the user's take about the big events. Addressability, interactivity, accessibility, connectivity and control is very important it is the very foundation of every social media. Addressability is to make sure the social media are able to handle multiple individuals to communicate with other individuals. Interactivity is to make sure the user has something to do in the app, accessibility is where the people who use the social media has the ability to access everything that is available, connectivity is to make sure the user connects and stay connected to their

*Kang Guru
Beruang*



contacts, and control is the amount of how a user can navigate and use the social media

Pricing

Notes from Fadel on Pricing

First thing first, this is not a song written by the Script. This break-even point is related to business. When we do business activities, we tend to look at their “break-even point”. This breakeven point is targeted to inform the company that they need to sell that product at a certain amount so the company will know when they will make profits. In order to make profit, the company needs to make revenues that are bigger than the production cost. The break-even point means the amount of revenue is “even” with the amount of production cost. In conclusion, break-even point is when the business is in the position where their business activities does not either bring profit or loss. Break-even point uses unit and money as its measurements. That means, break-even point analyzes how many units that need to be sold or how much money that the company needs to make in order to make it “even”.

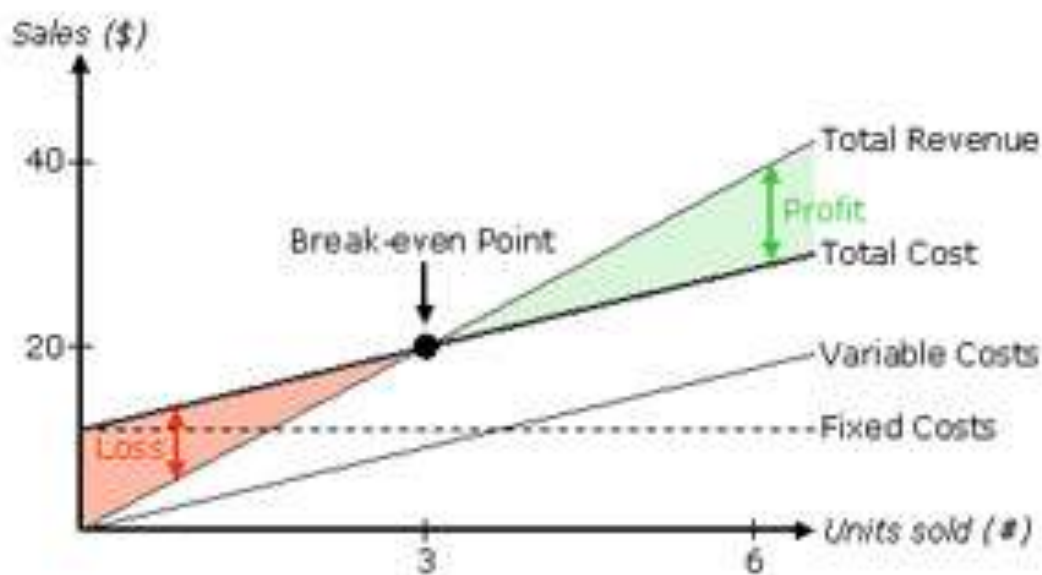
If we talk about making profit, that means we talk about calculating money. Yes, we will be dealing with numbers in this chapter. That means, we need variables in order to calculate the break-even point. There are 3 variables that have been used to calculate the break event point, and those variables are; fixed costs, variable costs, and selling price per unit

The first variable is fixed costs. Fixed costs are those costs that company needs to pay. The company needs to pay fixed costs consistently. The amount of fixed costs is also consistent. This amount of fixed costs will not be changed if the company does the production activities or not. The company also needs to pay fixed costs whether the company does the production activities or not. The example of fixed costs are salary expenses, rent expenses, and depreciation expenses. The second variable is variable costs. Variable costs are totally different from fixed costs. Variable costs tend to be relative. That means, the amount of variable costs could be higher or lower. The amount of variable costs will be affected by the production activities. That means, if the company produces more units than the company average, the variable costs increase and it goes vice versa. If the company produces less than the average, the variable costs will be lower. The example of variable costs are costs of materials, electricity expenses, and gas and fuel expenses. The third and last variable

is selling price per unit. The selling price per unit is definitely a price of the unit that has been set by the company towards the unit that the company has been produced. The selling price per unit is set by the company by adding the cost of goods sold and the amount of profit per unit that the company wishes to obtain.

We already discussed the definition of the break-even point. We also already discussed the variables of the break-even point. Now we will discuss how to calculate the break-even point. There are 2 ways of calculating the break-even point that the company needs to understand, those 2 ways are break-even point in unit and break-even point in sales. The break-even point per unit means how many units that the company needs to produce in order to reach the break-even point. On the other hand, break-even point in sales means how much revenues that the company needs to make in order to reach the break-even point. Those 2 ways of calculating the break-even point have the same purpose, which they are both try to figure out when the company starts making profit. The difference between those 2 ways is just each one has its own perspective. One uses unit as the measurement and one uses money as the measurement.

Break-even point in unit	Break-even point in sales
$\frac{FC}{SP - VC}$	$\frac{FC}{1 - (SP - VC)}$

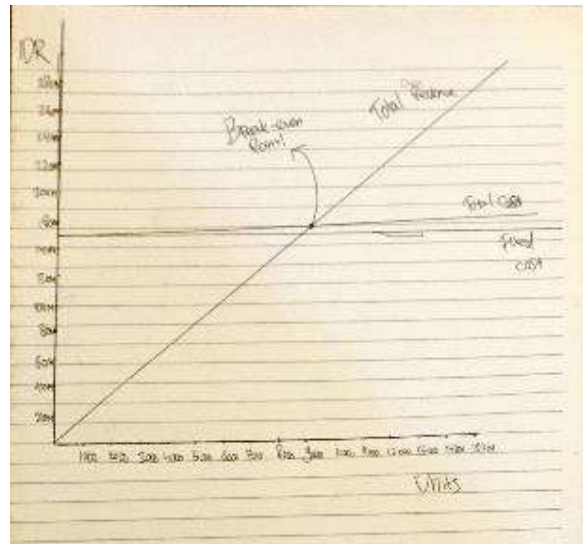


After the company calculated the break-even point, the break-even point graph might be useful for the company. The break-even point graph will show the calculation of the break-even point in a picture so the company will know about the potential and the progress of the selling product.

The example of break-even analysis is my analysis towards Apple's iPhone 11 Pro. Apple charges their customer 19.000.000 Indonesian rupiah for 1 unit of iPhone's 11 Pro. Apple's total costs are Rp. 170.734.364.800 and Apple's variable costs are Rp. 699.126. Now I am going to calculate the break-even point in unit.

$$\frac{FC}{SP-VC} = \frac{170.734.364.800}{19.000.000-699.126} = 9.329 \text{ units}$$

Based on the calculation, it takes 9.329 units of iPhone 11 Pro to make Apple reach its break-even point for the production of iPhone 11 Pro only. Now, I am going to make the break-even point graph based on my break-even point calculations.



In my opinion, this situation will not give any difficulties for Apple to reach the calculated break-even point. Apple sells their iPhones globally so that means we can find iPhone anywhere in the world and the market and potential buyers are widely available. If iPhone could sell their iPhones 100 units globally for a day, which means it will take them only 3 months to reach the break-even point.

Notes from Kevin on Pricing

I am continuing my stories above, guys.....

The bull run, or the rise of bitcoin has started. Bitcoin started to rise cents by cents. It kept rising. People acknowledged the rise, but paid no extra attention to it. People around the world were just monitoring. In 2011, one

piece of bitcoin was already having the same market value as a single American dollar. Certainly, it was pretty crazy. Sadly, it is not enough for people to start considering it as a savvy business opportunity.

The rise of the market value of Bitcoin had been very concerning. By 2015, it has reached the market value of \$9,700 per bitcoin. It is the most breath-



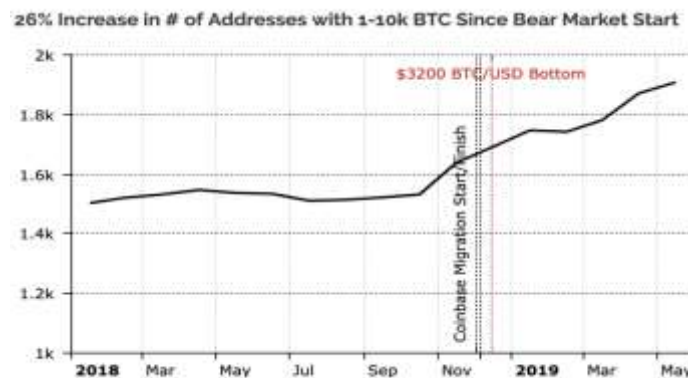
taking event in the financial world. It just did not make sense how can a crypto-currency that people used to buy pizza with now have the same value of a used car per bitcoin.

There are many evidences of why bitcoin is rising significantly in price, one of the reasons is underestimation, as it turns out the number of people that owns bitcoin is much more than people expect 97% of bitcoin's market cap is publicly owned that mean the demand of bitcoin is high with very low supply, and people are holding their bitcoin, The adoption of Bitcoin is increasing, but people are still not utilizing this coin to buy an asset. Research reveals that in the year 2019, above ninety percent (98.7%) Bitcoin transactions are contributed by exchanges and the remaining 1.3% from merchants. Its involvement in payment system around the globe is still negligible, and most people just hold Bitcoin.

One of more reason why bitcoin is rising in price is that the trend of cyber world is very potent these days everything now is reachable through a glass screen of a machine this emphasize the growth of digital entities one of them is bitcoin, the start of bitcoin surge is where the application that is available on phones started requiring digital payment method, whereas bitcoin sole purpose however bitcoin supply remains the same but the demand of crypto currency is very high due to the digital transaction and services that is available these days.

People also starting to invest in bitcoin. Grayscale Bitcoin Trust (GBTC), a \$1.4 billion closed-end fund that invests exclusively in bitcoin, serves as perhaps the best indicator of institutional investment in Bitcoin. Data is showing a rise in the institutional demand. By the end of April 2019, GBTC held 225,638 Bitcoins or just under 1.3% of bitcoin's total circulating supply. Bitcoin inflows, or the amount of bitcoin added to GBTC's holdings, have reached an all-time high in April signaling an increase in institutional demand. Nearly \$58.2 million was added to GBTC's holdings in April, which is almost as high as \$60.8 million at the height of the bull market in December 2017. This shows a shift of the sentiment in the market

The mysterious case of bitcoin is no longer a mystery to public thus everyone now is rattled by the staggering price that bitcoin is at right now, right now bitcoin values at Rp. 128,064,565.30 per bitcoin it is very shocking to most people that considered bitcoin is used to buy pizzas, now bitcoin is the leading feature of future socio economic of tomorrow, pioneering the first most notable and valuable digital currency



It took the internet by storm and many people sought to compete with bitcoin, thus everyone started to make their own crypto-currencies as well, and some of them created that almost competes with bitcoin such as, Ethereum, ripple, Litecoin, Tether, Libra, Monero, EOS. One of the crypto mentioned above is made by American social network company or you might know them as Facebook.

Yes, even mark Zuckerberg acknowledged the potency of bitcoin in economics (keep in mind at this point the most informed private individual is Mark Zuckerberg) if Mark Zuckerberg realizes that cryptocurrency can be the future it might be another reason for us to invest in crypto currency, or at least it is a hint that cryptocurrency could be something new. It is too calculated to be a coincidence that someone as mark Zuckerberg coincidentally creates something out of chance

The economy currently is very troubled lately, 2 months ago there was a

case of a person having severe pneumonia in just several days, the person sadly passed away but that was the end of it, or is it? 3 months later the Chinese government has broadcasted a news to the world that one of the cities is infected with a mysterious virus. The virus wasn't reported in a detail by the government. However, is just a passing news back then.

In just two days the Chinese government asked the WHO to help them, of course the world demands explanation. It turns out the Chinese government has been hiding this virus for 3 months the virus was dubbed to be "corona" a mysterious virus that only starts out as a simple fever and can turn into a fatal illness in just matter of days. The world is terrified by this the death toll of this plague is currently 325 people. And 900.000 people are infected by the virus. The virus is originated from Wuhan Province thus the whole Province is shut down no one can come in or come out from the province. The Chinese government is very affected by this by closing the province it has lost one of their productional region. However, we don't even know the true scale of how severe this virus is. Communist country is known for their intensity of keeping their image for the rest of the world, it has shown lately how they love to keep the bad things secret and too proud to reach out for help.

The cause of this virus is still debated heavily some of the speculation is the mutation of the black death, the plague that killed 200 million people in the dark age. This virus is the inherited mutation of the virus that killed 45% of the human population in 16th century. Thus, people are very concerned with this news. However some speculated that it was caused by the unorthodox diet of the Chinese people, Chinese people are known for their unique taste of cuisine, thus includes, Dogs, cats, worms, maggots, turtle and bats or any breathing being at this point however the virus was heavily speculated to be originated from the heavy consumption of bat soup, yes bat soup, the research heavily proposes that the bats that inhabited Wuhan province carry some kind of unknown virus that is very fatal to be in contact with the human system, however the people ignored the research and proceed to consumes them as usual because it was tradition.

Whatever the reason maybe now China has a very huge problem coming, the economy of China is at shambles whereas firstly, their tourism income is declining significantly and at haste, because the fear of Wuhan virus, many of the productional facility is suspended due to the health warning that ensues the country. The perception of Chinese healthcare is now

questioned worldwide and if China failed to contain this plague and becomes global pandemic the world will know who's to blame for this tragedy, however the world is very keenly to prevent this plague to infiltrate this country everybody on the world now purchases maskers and now the demand of face maskers is all time high. People now practices sanitation action everywhere they at, they wash their hands. They clean things more often.

This disease and phenomenon are very devastating to China and the Chinese people, it has killed hundreds and surely will kill more if it is not handled and destroyed completely. This threat is also affects the economy and politic aspect of China badly, the halt in productivity, the expense of damage that is caused by the corona virus, the hiatus of tourism in Chinese lands, the global view of the world is also speaks negatively about China and their transparency events that could be a danger to the world, however the last problem is strangely accepted by the world, it is not the first time that a communist country hides a world threat so that they don't have negative public opinion.

One of the events that even still talked and condemned for today is that the event so inhumane that the Chinese government still denies it even for today, April 15th 1989 the news of the death of Hu Yaobang has spread around the country Hu Yaobang was a high ranking official of the PRC. He held the top office of the communist party of China, he is considered to be the most loved figure in the eyes of the student all over China, the love came from his acts which were his attempts of him trying to make China's government more transparent and straightforward. The man was idols to so many students all across China. However, he was pressured to resign by the government. However, being the patriot and a man of him he refused to resigned, this shows even more support from the students to Hu, suspiciously a day after his attempt of being forcefully resigned he passed away shortly, the student all across China mourned him made offerings and parade to mourn his death. The students knew something was up it is obviously suspicious the man died after his refusal of resignation.





The students held a protest and gathered in large numbers, in university campuses, many posters appeared idolizing Hu, calling for a revival of Hu's legacy. Within days, most posters were writing about broader political issues, such as freedom of the press, democracy, and corruption. Small spontaneous gatherings to mourn Hu began on April 15 around Monument to the People's Heroes at Tiananmen Square. On the same day, many students at Peking University and Tsinghua University erected shrines, and joined the gathering in Tiananmen Square in a piecemeal fashion. Organized student gatherings also began on a small scale in Xi'an and Shanghai on April 16. On April 17, students at the China University of Political

Science and Law made a large wreath to commemorate Hu Yaobang. Its laying-party was on April 17 and a larger-than-expected crowd assembled. At 5 pm, 500 CUPL students reached the eastern gate of the Great Hall of the People, near Tiananmen Square, to mourn Hu. The gathering featured speakers from various backgrounds giving public orations commemorating Hu and discussing social problems. However, it was soon deemed obstructive to the operation of the Great Hall, so police tried to persuade the students to disperse.

Starting on the night of April 17, three thousand PKU students marched from the campus towards Tiananmen Square, and soon nearly a thousand students from Tsinghua joined. Upon arrival, they soon joined forces with those already gathered at the Square. As its size grew, the gathering gradually evolved into a protest, as students began to draft a list of pleas and suggestions (Seven Demands) for the government.

However, all the demands even though it was heard but not heed. Still the students waited in-front of the square, the students marching around and stayed to wait the result, meanwhile they sing the patriotic songs, impromptu speeches and all of that, On April 20, most students had been persuaded to leave Xinhua Gate. To disperse about 200 students that remained, police used batons; minor clashes were reported. Many students felt abused by the police, and rumors about police brutality spread quickly. This incident angered students on campus, where those who were not politically active decided to join the protests. Also, on this date, a group of workers calling themselves the Beijing Workers' Autonomous Federation issued two handbills challenging the central leadership.

Emotions run wild, the students started retaliating, this forces the people's

police to take drastic action such as beating students until the inch of their life. This outrages the students that have dispersed thus the dispersed students came back to the Tiananmen to continue the protest, many days after people starting to realize the government are only to hoping this would pass away, however the government has something else to come, the students are eager for the government to reinstate the Hu's works into their legacy, thus the protest became more less peaceful over time

Students began the hunger strike on 13th may, two days before the highly publicized state visit by the soviet leader, Mikhail Gorbachev, knowing that the welcoming party for Gorbachev was scheduled to be held on the square, student high ranking self-proclaimed leaders wanted to use the hunger strike there to force the government into meeting their demands. Moreover, the hunger strike gained widespread sympathy from the population at large and earned the student movement the moral advantage it sought, by the afternoon around 300,000 were gathered at the square ready to help the cause.

Inspired by the course of the event in Beijing, the protests began at universities at in other cities, so many students travel to Beijing from around China to join the movement. Afraid that the movement would spin out of control, Deng Xiaoping ordered the Square to be cleared for Gorbachev's visit. Executing Deng's request, Zhao again used a soft approach, and directed his subordinates to coordinate negotiations with students immediately. Zhao believed he could appeal to the students' patriotism, and that



the students understood signs of internal turmoil during the Sino-Soviet summit would embarrass the nation (not just the government). On the morning of 13 May, Yan Mingfu, head of the Communist Party's United Front, called an emergency meeting, gathering prominent student leaders and intellectuals, including Liu Xiaobo, Chen Ziming and Wang Juntao. Yan said the government was prepared to hold immediate dialogue with student representatives, but that the Tiananmen welcoming ceremony for Gorbachev would be cancelled whether the students withdraw or not, in effect removing the bargaining power the students thought they possessed. The announcement sent the student leadership into disarray.

The strike and demonstrations gathered support for the students and achieved sympathy across all over China. Around a million Beijing residents from all walks of life demonstrated in solidarity from 17-18 May, the participants included PLA personnel, police officers and party officials, many grassroots parties and youth league organizations, as well as government-sponsored labor unions, encouraged their membership to demonstrate, in addition, several of China's non-communist parties sent a letter to Li Peng in support of students. The Chinese red cross issued a special notice and sent in a large number of personnel to provide to provide medical services to the hunger strikes on the square. After the departure of Mikhail Gorbachev, many foreign journalists remained in the square to cover and get some scoop of the protest to give the movement an international spotlight.

The Chinese government declared martial law on May 20 and mobilized at least 30 divisions from five of the country's seven military regions. At least 14 of PLA's 24 army corps contributed troops. As many as 250,000 troops were eventually sent to the capital, some arriving by air and others by rail. Guangzhou's civil aviation authorities put regular airline tickets on hold to prepare for transporting military units.

The army's entry into the city was blocked at its suburbs by throngs of protesters. Tens of thousands of demonstrators surrounded military vehicles, preventing them from either advancing or retreating. Protesters lectured soldiers and appealed to them to join their cause, they also provided soldiers with food, water, and shelter. Seeing no way forward, the authorities ordered the army to withdraw on 24 May. All government forces retreated to bases outside the city. While the army's withdrawal was initially seen as 'turning the tide' in favor of protesters, in reality mobilization took place across the country for a final assault.

At the same time, internal divisions intensified within the student movement itself. By late May, the students became increasingly disorganized with no clear leadership or unified course of action. Moreover, Tiananmen Square was overcrowded and facing serious hygiene problems. Hou De Jian suggested an open election of the student leadership to speak for the movement, but was met with opposition. Meanwhile, Wang Dan moderated his position, ostensibly sensing the impending military action and consequences, and advocated for a temporary withdrawal from Tiananmen Square to re-group on campus, but

this was opposed by 'hardliner' student factions who wanted to hold the Square. The increasing internal friction would lead to struggles for control of the loudspeakers in the middle of the square in a series of 'mini-coups': whoever controlled the loudspeakers was 'in charge' of the movement. Some students would wait at the train station to greet arrivals of students from other parts of the country in an attempt to enlist factional support. Student groups began accusing each other of ulterior motives such as collusion with the government and trying to gain personal fame from the movement. Some students even tried to oust Chai Ling and Feng Cong De from their leadership positions in an attempted kidnapping, an action Chai called a "well-organized and premeditated plot."

On June 1, Li Peng issued a report titled "On the True Nature of the Turmoil", which was circulated to every member of the Politburo. The report aimed to persuade the Politburo of the necessity and legality of clearing Tiananmen Square by referring to the protestors as terrorists and counterrevolutionaries. The report stated that turmoil was continuing to grow, the students had no plans to leave, and they were gaining popular support. Further justification for martial law came in the form of a report submitted by the Ministry of State Security (MSS) to the party leadership, which emphasized the infiltration of bourgeois liberalism into China and the negative effect that the West, particularly the United States, had on the students. The MSS expressed its belief that American forces had intervened in the student movement in hopes of overthrowing the Communist Party. The report created a sense of urgency within the party, and provided justification for military action. In conjunction with the plan to clear the Square by force, the Politburo received word from the martial law troops headquarters stating that the troops were ready to help stabilize the capital, and that they understood the necessity and legality of martial law to overcome the turmoil.

However, it seems the government had it they decided to use kind of more "unfriendly approach to deal with the protesters, the military personnel decided to use more violent method such as, apprehending "uncooperative" protestors violently, thus however still, the students do not show any signs to leave the scene. The protestors must have thought the police would not attempt anything drastic knowing now their movement has reached an international exposure, however the government has something else in mind, the unthinkable happened, the military started to opening fire to the masses, one British news channel was currently at the event and it was recorded and broadcasted Worldwide that gunshot has

started ripping through, it was shocking to say the least, the reporter who was present at the time describes the event was like a battlefield with an exception that the other side has no guns to fight back thus dubbed this a slaughter, the broadcast shows people being carried to impromptu hospital, or real hospitals occasionally, so many people dragged out from the streets, considering they might be still alive

The event was quickly over after that incident, nobody would have dared to set foot near that place again knowing what just happened, the media does not have access to see the wounded let alone the dead, however there were certain video leaks that reveals the severity of this so called “disciplinary action”, after that the Chinese government has decided to keep this a secret or deliberately deny the happening of this event, however until recently the Chinese government has stated that the death of “unfortunate event” has tolled around 200 to 400 people, however some inside sources stated that the death toll reaches around 40,000 to 50,000 people.



The example of atrocities that China has commit and hiding is one of the example why Communist ideology is shunned upon, the non-transparency of the government to the people has gained the communist ideology a very infamous reputation, the country tries too hard to make the country looks good and stays good, this makes some country in the world has some kind of reluctancy to offer a cooperation and trade with some communist country due to non-transparency, if they would lie to the world why wouldn't they lie this time.

Another instance of what makes the communist government shunned is the berlin wall phase of Germany, after the staggering defeat of Germany in WWII, berlin was occupied by the allied force. USA, France, United Kingdom and Russia has occupied the city, due to The Potsdam Agreement (German: *Potsdamer Abkommen*) was the August 1945 agreement between three of the Allies of World War II, the United Kingdom, the United States, and the Soviet Union. It concerned the military occupation

and reconstruction of Germany, its borders, and the entire European Theatre of War territory. The British, French and American forces has claimed the western part of Germany, and the Russian forces decided to occupy the eastern part of Germany, thus the occupation has resulted a different kind of authorities in respective parts, the western parts of Germany following their occupiers followed the capitalism way of life, the markets are more open and focused on slow rebuilding of the country, by thriving in trade and productivity, meanwhile the opposite side practices what their occupant ideology which is clearly, communism. The eastern part practices industrialization and strict parole living, and propaganda began that the western part is just another Reich in the making because of the capitalistic nature. Back then travelling to another part is just one bus stop away, the people, of course, prefer to live in the western part of the country because the country offers more freedom and more opportunity than the eastern part offers, this grows troubling for the eastern government, The eastern part decided to build a high wall with watch towers and landmines, what's funny is that they still have the guts to broadcast a propaganda that the western part is "oppressive".

It was always obvious that East Germany's border guards were ordered to shoot at people trying to flee to the West. Had no such order existed, they wouldn't have killed an estimated 1,100 defectors making desperate bids for freedom across the Berlin Wall or the minefields of the 860-mile border between East and West Germany. Most of those victims were shot -- 18-year-old Peter Fechter, for example, who bled to death at the foot of the Wall in August 1962 after guards fired into his back as he tried to escape.

But after the Berlin Wall collapsed in 1989, East Germany's former leaders and top Stasi secret service officials insisted there had been no shoot-to-kill order, and the absence of evidence to the contrary helped many of them to escape prosecution or get away with only lenient sentences in a series of trials.

Now, coinciding with the 46th anniversary of the start of construction of the Berlin Wall on August 13, 1961, a seven-page document has surfaced in an archive of Stasi files that contains an explicit firing order. It was issued to a special team of Stasi agents tasked with infiltrating regular units of border guards to prevent their colleagues from defecting.

"It is your duty to use your combat skills in such a way as to overcome the cunning of the border breacher, to challenge or liquidate him in order to

thwart the planned border breach," says the order dated October 1, 1973. Don't hesitate to use your weapon even when border breaches happen with women and children, which traitors have often exploited in the past.

The document was found in an archive in Magdeburg west of Berlin, in the personnel file of a Stasi agent named only as Manfred L. who had signed the document to confirm he had read and acknowledged it.

The find has made front-page news in the German media in recent days and has led to calls for fresh prosecutions of former East German officials, even though it has since emerged that the order had already been discovered, and published in a history book, in 1997.



Finance Playground

This is yet another exciting topic to discuss. You have to read this as a bit of sarcastic statement though....haha.... What we meant by "exciting" was actually confusing. We believe that you all need a special talent to be able to grasp the whole concepts in finance. No, no.... we are not talking about the number crunching, guys. We were just informing you that a bit of finance passion is needed. At least, if you do not like "number crunching", at least, you have to like counting your money.

It is often said that if you would like to understand any organizations in the world, you have to be willing to look at into their financial records. Of course, this is referring to the attempt to understand financial statements. Undoubtedly, this topic should be relevant to everybody.... Like it or not, everybody is performing some sorts of financial activities. You better believe it because when we were putting time and efforts in typing this manuscript, we were actually performing some sorts of financial activities; in the future as well as now....

Most often, finance issues have, are and will still be confusing. Challenging? Yes.... Very much challenging. Just like we have said previously, continuous practices are necessary to keep sharpening-our-saw on interconnectedness of the finance issues. The world of finance is evolving... before we are able to comprehend even the basic issues on finance, we have heard about "behavioral finance"... so, when are we going to have the firm grip on finance?

Money, Capital Market & Financial Systems

Notes from Fadel on Finance

Okay... this is where most people start to get bored. Finance is all about numbers inside the business. It is all about the money. Finance deals with the money and how to use it. In this chapter, I am not going to discuss finance generally. I am going to focus on financial statements. Financial

statement is a written report of the business activities and business performance. Because this is about finance, basically this report is “money-oriented”. Financial statements are used to evaluate the business’ financial health and predictions for future matters. This statement is commonly used by investors, market analysts and creditors. There are 3 reports in the financial statement, which are; income statement, balance sheets, and statements of cash flow.

Income statement is used to find out whether the company is making profit or loss. Income statement deals with the sales that the company makes and the expenses that the company needs to pay in a certain period. It could be monthly, quarterly and annually. Inside the income statement, we can see the company’s revenue, expenses, net profit or loss, and earning per share. How do we calculate the income statement of a company? The simple answer is by subtracting the revenue with the expenses. Well, actually it is not that easy. First, we subtract the revenue with the costs of goods sold, then we have gross profit. After that, we subtract the gross profit with operating expenses such as distribution, administrative, depreciation and amortization. After we subtract with operating expenses, then it becomes operating income or mostly known as earnings before interest and tax (EBIT). Lastly, we subtract the EBIT with interest then tax and then if the result is positive, it means net profit. But if the result is negative then it means net loss.

Next, balance sheet. Balance sheets are also known as statements of financial position. Balance sheet shows what the company has at the certain period. It could be monthly, quarterly, and annually as well. There are 3 elements that describe the balance sheet: Assets, Liabilities, and lastly Equity. Assets mean the things the company owns that have value. This is basically the source of power that the company has. That means, assets are things that can be used by the company to make products or maybe provide service. Assets could be sold as well for the business’ matters. Assets in this case include cash, inventories, cars, buildings, and equipment. Assets could be something that is not physically real but still has value for the company such as trademarks and patents. Liabilities are the things that the company owes to others. It is basically talking about the obligation that the company has. Examples of liabilities are the amount of money that is borrowed from the banks, payroll for employees, and debts. The last one is equity. Equity is the amount of money of the owners. This basically shows the differences between the amount of money in assets and the amount money of the liabilities. Now this is the interesting part of the

balance sheet. The formula of the balance sheet is $\text{assets} = \text{liabilities} + \text{equity}$. That means, the amount of assets must be equal with the total amount of liabilities plus the total amount of equity. For me, this case is like a life. What am I trying to say is, you get what you give, or you get what you did? It sounds completely nonsense when I am trying to relate the concept of balance sheet with our daily lives. But here is the thing. If we look closely and carefully, it all makes sense! For example, cash in the assets does not come from trees. When we start to do business, owners chipped their money in the company. That money will be used for the business' matters. See? It makes sense now, right? Some cash in the assets come from equity. Why not all the money? Why is it only some of the cash? When we do business activities, it is nearly impossible if we only use our money, or only depending on the owner's money. So, companies tend to lend money from banks to support the business' activities.

The last element is the statement of cash flow. This statement is only concerning the cash in the company. It is all about the movement of the cash. The concern of cash flow statement is to measure how the company generates cash in order to pay expenses, debt and purchase assets to do business' activities. There are 3 activities that this statement concerns:

- Operating activities
- Financing activities
- Investing activities

Operating activities in this statement means the movement of cash from the company's primary activities. That means, use of cash from running the business and selling products and services. Financing activities are inflows or outflows of cash from bank loans, cash from owners, dividends, and many more. Investing activities are uses of cash in terms of purchasing and selling of long-term assets. The examples of these activities are plant, property, equipment, investment securities.

Big companies tend to make financial statement and then publish the financial statement online. As I said before, this statement is used by investors. The financial statement is a base to calculate the financial ratio. Financial statement is so plain and detailed. What I am trying to say is, even though people could see those numbers in the statements, it does not conclude whether it is good or bad. Financial ratio is simple and easier to calculate and even easier to understand. Basically, it evaluates the company's performance, it is easier to understand because it is easier to compare since most companies use financial ratios so there will be industry

average, which means the average of that ratio in the market. Financial ratios are mainly focused on the company's liquidity, operational efficiency, and profitability by comparing information from the company's financial statement

Now, I am going to give an example of the financial statement and financial ratio analysis. I am using PT Gudang Garam Tbk as my example.

PT GUDANG GARAM Tbk DAN ENTITAS ANAK/ PT GUDANG GARAM Tbk AND SUBSIDIARIES				PT GUDANG GARAM Tbk DAN ENTITAS ANAK/ PT GUDANG GARAM Tbk AND SUBSIDIARIES			
LAPORAN POSISI KEUANGAN KONSOLIDASIAN/ CONSOLIDATED STATEMENTS OF FINANCIAL POSITION				LAPORAN POSISI KEUANGAN KONSOLIDASIAN (Lanjutan) CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Continued)			
31 DESEMBER 2018 DAN 2017/31 DECEMBER 2018 AND 2017				31 DESEMBER 2018 DAN 2017/31 DECEMBER 2018 AND 2017			
(Dalam jutaan Rupiah, kecuali dinyatakan khusus/In millions of Rupiah, unless otherwise specified)				(Dalam jutaan Rupiah, kecuali dinyatakan khusus/In millions of Rupiah, unless otherwise specified)			
ASET	Catatan/ Notes	31 Desember/December		ASET	Catatan/ Notes	31 Desember/December	
		2018	2017			2018	2017
Ases				LIABILITAS DAN EKUITAS			
Ases Lancar				LIABILITAS			
				Liabilitas Jangka Pendek			Current Liabilities
Kas dan setara kas	3	2.094.189	2.229.179	Pinjaman bank jangka pendek	18	17.322.145	20.600.000
Pinjaman usaha pihak ketiga	4	1.729.933	2.229.097	Utang usaha	11		
Persediaan	5	38.568.045	37.920.209	Pihak ketiga		1.116.975	1.189.089
Pajak pertambahan nilai dibayar dimuka		2.633.817	447.028	Pihak berelasi		18.569	24.545
Beban dibayar dimuka	6	631.087	667.545	Utang pajak	12	134.622	307.592
Ases lancar lainnya	7	298.740	171.552	Utang nilai, PPN dan pajak tolak	13	2.698.834	1.089
				Beban akrual	14	178.692	171.449
Total Ases Lancar		45.284.719	43.784.600	Liabilitas jangka pendek lainnya	15	539.736	317.278
				Total Liabilitas Jangka Pendek		22.081.567	22.611.042
Ases Tidak Lancar				Liabilitas Jangka Panjang			
Ases tetap, bersih	8	22.759.559	21.408.573	Liabilitas imbalan pasca kerja	16	1.599.943	1.577.537
Ases pajak tangguhan, bersih	12	117.752	119.114	Liabilitas pajak tangguhan, bersih	12	458.424	383.687
Pajak penghasilan dibayar dimuka		66.193	23.179	Total Liabilitas Jangka Panjang		1.968.367	1.961.224
Pinjaman dari pihak berelasi	26	-	834.687	TOTAL LIABILITAS		23.969.934	24.572.266
Ases tidak lancar lainnya	9	879.995	629.883	EKUITAS			
				Modal saham, nilai nominal			
Total Ases Tidak Lancar		23.812.506	22.985.440	Rp 500 (Rupiah penuh)			
				per saham			
TOTAL ASET		69.097.219	66.759.950	Modal dasar			
				2.316.000.000 saham			
				Modal ditempatkan dan disetor penuh	17	962.044	962.044
				1.824.000.000 saham	18	53.700	53.700
				Aksi saham	18		
				Salah satu transaksi dengan pihak	19	(33.379)	(31.399)
				non-pengendali			
				Saldo laba	20	200.000	200.000
				Ditahan/diagkr			
				Beban ditahan/diagkr		49.866.735	
				Ekuitas yang dapat dibagikan kepada			
				pemilik entitas induk	45	133.233	42.171.080
				Kepentingan non-pengendali		52	16.584
				TOTAL EKUITAS		45.133.285	42.187.664
				TOTAL LIABILITAS DAN		69.097.219	66.759.950
				EKUITAS			

As we can see, there is an improvement of Gudang Garam performance from year 2017 to 2018. But is it good enough? Does Gudang Garam perform better than their competitors in the cigarettes industry? I am going to give financial ratio analysis and focusing on current ratio, inventory turnover, return on assets (ROA), debt-to-assets ratio, and day's sales outstanding.

**PT GUBANG GARAM Tbk DAN ENTITAS ANAK/
PT GUBANG GARAM Tbk AND SUBSIDIARIES**

LAPORAN LABA RUGI DAN PENGHASILAN KOMPREHENSIF LAIN KONSOLIDASIAN
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
TAHUN BERAKHIR 31 DESEMBER 2018 DAN 2017/ YEARS ENDED 31 DECEMBER 2018 AND 2017
(Dalam jutaan Rupiah, kecuali dinyatakan lainnya in millions of Rupiah, unless otherwise specified)

	Tahun berakhir 31 Desember/ Year ended 31 December		
	2018	2017	
Pendapatan	21	95,797,663	Revenue
Biaya pokok penjualan	22	(77,063,336)	Cost of sales
Laba bruto		18,444,327	Gross profit
Pendapatan lainnya		141,448	Other income
Beban usaha	23	(7,511,875)	Operating expenses
Beban lainnya		(112,700)	Other expenses
Laba (rugi) lain, bersih		38,734	Foreign exchange gain (loss), net
Laba usaha		11,176,804	Operating profit
Beban bunga		(677,862)	Interest expense
Laba sebelum pajak penghasilan		10,479,242	Profit before income tax
Beban pajak penghasilan	12	(2,486,174)	Income tax expense
Laba		7,793,068	Profit
Penghasilan komprehensif lain		Other comprehensive income	
Penyesuaian nilai tukar		Items that will never be reclassified to profit or loss	
Pengukuran kembali liabilitas akrual	16	(64,903)	Reassessment of defined benefit liabilities
Pajak penghasilan lain penghasilan komprehensif lain		17,176	Income tax on other comprehensive income
Jumlah penghasilan komprehensif lain		(47,727)	Total other comprehensive income
Jumlah penghasilan komprehensif		7,745,341	Total comprehensive income
Laba yang dapat diatribusikan kepada:		Profit attributable to:	
Pemilik entitas induk		Owners of the Company	
Kepentingan nonpengendali		Non-controlling interest	
Jumlah penghasilan komprehensif yang dapat diatribusikan kepada:		Total comprehensive income attributable to:	
Pemilik entitas induk		Owners of the Company	
Kepentingan nonpengendali		Non-controlling interest	
Laba per saham dasar dan dilutasi (dalam Rupiah per saham)	24	4,030	Earnings per share, basic and diluted (in whole Rupiah)

Lihat Catatan atas Laporan Keuangan Konsolidasian, yang merupakan bagian tak terpisahkan dari laporan keuangan ini. See Notes to the Consolidated Financial Statements, which form an integral part of these financial statements.

**PT GUBANG GARAM Tbk DAN ENTITAS ANAK/
PT GUBANG GARAM Tbk AND SUBSIDIARIES**

LAPORAN LABA RUGI DAN PENGHASILAN KOMPREHENSIF LAIN KONSOLIDASIAN
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
TAHUN BERAKHIR 31 DESEMBER 2018 DAN 2017/ YEARS ENDED 31 DECEMBER 2018 AND 2017
(Dalam jutaan Rupiah, kecuali dinyatakan lainnya in millions of Rupiah, unless otherwise specified)

	Tahun berakhir 31 Desember/ Year ended 31 December		
	2018	2017	
LABA KAS DARI AKTIVITAS OPERASIONAL			CASH FLOWS FROM OPERATING ACTIVITIES
Penerimaan dari penjualan	96,211,412	83,942,044	Cash received from customers
Pembayaran kas kepada pemasok	(73,910,884)	67,709,936	Payments to suppliers
Pembayaran untuk beban usaha	81,746,891	(7,300,084)	Payments for operating expenses
Pembayaran kas kepada karyawan	(1,974,844)	(3,119,498)	Payments to employees
Pembayaran bunga	(1,149)	(7,061)	Payments of interest
Pembayaran pajak penghasilan badan	(1,997,486)	(2,818,969)	Payments of income tax expense
Pembayaran pengembalian pinjaman	(6,289)	(65,284)	Other cash received (paid)
Laba bersih dari aktivitas operasi	17,122,790	6,201,179	Net cash from operating activities
LABA KAS DARI AKTIVITAS INVESTING			CASH FLOWS FROM INVESTING ACTIVITIES
Penerimaan dari penjualan aset tetap	118,101	(1,000,000)	Proceeds from sale of property, plant and equipment
Pembayaran kas dari pembelian aset tetap	(1,100,000)	(1,100,000)	Cash used for purchase of property, plant and equipment
Laba bersih dari aktivitas investasi	(981,899)	(2,100,000)	Net cash used in investing activities
LABA KAS DARI AKTIVITAS FINANSIAL			CASH FLOWS FROM FINANCIAL ACTIVITIES
Penerimaan dari pinjaman jangka panjang	(7,000,000)	(7,000,000)	Proceeds from short-term loans
Pembayaran pinjaman jangka panjang	(30,700,000)	(11,000,000)	Repayments of short-term loans
Pembayaran dividen kepada Pemilik entitas induk	(1,000,000)	(1,000,000)	Payments of dividend to Owners of the Company
Pembayaran kontribusi modal	(1,000,000)	(1,000,000)	Non-controlling interest contribution
Pembayaran modal saham untuk pembelian saham perusahaan	(1,000,000)	(1,000,000)	Subsidiaries' capital contribution to non-controlling shareholders
Pembayaran saham untuk pembelian saham perusahaan	(1,000,000)	(1,000,000)	Subsidiaries' contribution to non-controlling interest
Laba bersih dari aktivitas keuangan	(39,700,000)	(21,000,000)	Net cash used in financing activities
Laba dari aktivitas lain-lain	1,000	1,000	Foreign exchange gain or loss and other
Perubahan kas dan setara kas	(17,557,109)	1,601,179	Net increase (decrease) in cash and cash equivalents
Kas dan setara kas pada awal tahun	1,325,176	811,877	Cash and cash equivalents, beginning of year
Kas dan setara kas pada akhir tahun	1,441,814	1,613,056	Cash and cash equivalents, end of year

Lihat Catatan atas Laporan Keuangan Konsolidasian, yang merupakan bagian tak terpisahkan dari laporan keuangan ini. See Notes to the Consolidated Financial Statements, which form an integral part of these financial statements.

Variables	2017	2018	Industry Average	
			Wismilak	Sampoerna
Current Assets	43,764,490	45,284,719		
Current Liabilities	22,661,042	22,003,567		
Current Ratio	1.93	2.05	5.9	4.30
COGS	65,084,263	77,063,336		
Inventory	37,920,289	38,560,045		
Inventory Turnover	1.72	1.99	1.47	5.35
Net Income	7,755,347	7,793,068		
Total Assets	66,759,930	69,097,219		
Return on Assets	11.62%	11.28%	4.1%	29.1%
Total Debt	24,572,266	23,963,934		
Total Assets	66,759,930	69,097,219		
Debt-to-Assets Ratio	0.36	0.34	0.2	0.24
Account Receivables	2,229,097	1,725,933		

Variables	2017	2018	Industry Average	
			Wismilak	Sampoerna
Revenue	83,305,925	95,707,663		
Days Sales Outstanding	9.77 (10 days)	6.6 (7 days)	16.5 (17 days)	13 days

As we can see, even though Gudang Garam performed better than before, they still below their competitors at some points. I used the ratios of Wismilak and Sampoerna as the comparison of Gudang Garam financial ratio.

Gudang Garam current ratio is a little bit below the Wismilak and Sampoerna current ratios. We can see that Gudang Garam tends to have a higher risk in terms of paying their short-term liabilities. Nevertheless, Gudang Garam is still considered in the safe position since their current ratio is above one.

The second one is the inventory turnover. This ratio described how many times the company replaces their inventory into sales in a certain period. That means, the bigger the ratio then the better the result. There is a slight increase in Gudang Garam inventory turnover in amount of 0, 27. Compared to Wismilak, Gudang Garam performed better. However, Sampoerna had a higher inventory turnover with 5, 35.

The third ratio is return on assets (ROA) ratio. This ratio shows us how the company creates profit from their assets. Based on the calculation of financial ratio analysis, Gudang Garam return on assets ratio went down from 11, 68% to 11, 48%. Even though their total assets and their net incomes increase, they performed worse in 2018 rather than 2017 in terms of turning their assets into profit. Gudang Garam might performed better than Wismilak since Wismilak only have 4,1% for their ROA, but Sampoerna's ROA was on the different level with 29,1%

Debt-to-assets ratio is showing us what percentage of the company's assets is being funded by borrowing. If this ratio is going lower, which means the company makes good progress because this ratio talks about debt. Borrowing is actually not a good idea for business. Because of that, Gudang Garam made good progress by lowering this ratio from 0, 36 into 0, 34. However, their competitor, Wismilak and Sampoerna tend to have

lower ratios than Gudang Garam. That means, Gudang Garam borrows more money rather than Wismilak and Sampoerna.

The last ratio is day's sales outstanding. This ratio talks about how long it takes for the company to collect their receivables. That means if the ratio is low, the company spent less days collecting receivables, which is good. In comparison to the competitors, Gudang Garam only spent 7 days collecting their receivables, which is better than Gudang Garam's competitor.

Okay... this is the last chapter of this diary. Pak Sam asked me to focus on monetary policy in this chapter. If we talk about economics, we may have heard multiple times about inflation. But what is inflation? Why does inflation sound negative if we relate that word into economics? The simple answer is the increase of the price in the market significantly and continuously. But how is it even possible? Is the price not set by the seller? Why does the seller higher the price in the first place? So basically, inflation happens when the value of the currency decreases. If the value of the money becomes lower, then the price of goods and services will generally increase. But still, how is it possible for a currency to become valueless? Here is an example, I am going to compare swallow sandals and Havanans sandals. How come swallow is cheaper than Havanans? Apart from the quality and many other aspects, swallow is easier to find. We can get those pairs of sandals even in mini markets and nearby kiosks. People will value swallow lower than Havanans since swallow is everywhere. Same thing goes to money, when the quantity is too much in the market, the money will start to lose its value. Just like what has been drawn on supply and demand graph. If the money in the market increases, that means the demand will be increased as well. Then if the demand goes up, the supply will be low and it will affect the price. It all makes sense now, right?

Inflation cannot be removed from a country completely. So that is why the only thing a country can do is control inflation. How is it even possible? Actually, it is. There are 2 ways a country could intervene in inflation, which are:

- Fiscal policy
- Monetary policy

Fiscal policy is basically a policy made by the government by setting the tax rate in the country. The government set the amount of tax rate so the

society will pay the government in order to reduce the amount of money in the market. On the other hand, every country around the world surely has a central bank. The main job of the central bank is to produce money. So, we can conclude that the central bank in a country has a power and an authority to control the money in the market and of course, the central bank runs by the government. This is what we call monetary policy. Since Pak Sam did not ask me to focus on fiscal policy then I am not going to discuss that policy any further. The monetary policy has a different concern towards the fiscal policy. Central banks to higher the interest rates in order to make people tend to save more in their savings account. Okay, let me tell you how monetary policy works. Because the central bank increases their interest rate, people will save their money more than you expect. Once people start to save their money in the bank, the amount of money will be decreasing and in the end because of the lack of the money supply in the market, the exchange rate will go up.

In terms of implementing the monetary policy, the central bank has 4 monetary tools in order to make the monetary policy work. Each tool has its own characteristics and approaches with other tools. Those 4 monetary tools are:

- Open market operation
- Discount rate
- Reserve requirement
- Credit control

The first tool is open market operation. It is an operation that has been done by central banks by purchasing or selling government securities in terms of controlling the amount of money in the market. If the central bank realizes the amount of money in the market increase, the central bank will sell the government securities to the society or commercial banks. And if the central bank feels that the quantity of money in the market decreases, the central bank will purchase the government securities that they sell. Just like what Bank Indonesia did in 2017. Bank repurchased Surat Berharga Negara when they felt that they needed to increase the amount of money in the market and it went vice versa.

The second tool is the discount rate. This is a tool that has been used by central banks in order to charge commercial banks at a certain interest rate. In order to increase the amount of money in the market, central banks will force commercial banks to lower their interest rate so people will save less in the bank and the money will go to the market. And if the central banks

feel that the amount of money decreases, the central banks will force the commercial banks to increase their interest rate so society will tend to save in the bank instead of spending their money in the market. This tool has been implied by Bank Indonesia in 2019. Bank Indonesia said that they are planning to lower their interest rates in 2020. That means, Bank Indonesia surely feel that they need to increase the amount of money in the market,

The third one is reserve requirements. It is a policy where central banks decide the amount of money that commercial banks must hold in their deposits. By increasing the ratio of money in their deposits, the money in the market will be lower. Instead, if the central bank lowers the ratio of money in their deposits, the amount of money in the market will be increasing. This tool refers to banks that have power to lend money to people or businesses. In 2019, Bank Indonesia was planning to lower the commercial banks ratio of deposits into 6.0%. That means, Bank Indonesia planned to increase the amount of money in the market.

The last tool is credit control. This tool described as a limit that has been forced to commercial banks by central banks in terms of getting loans from central banks. If the money in the commercial banks is higher than it should be, it will potentially increase the amount of money in the market. So, the central banks start to set limits that commercial banks forced to agreed

So that is my diary. Now I totally agree with what Pak Sam said. He said that this diary will quite challenging. It is not quite challenging, Pak. It is really challenging to me. But actually, doing this kind of assignment is fun. Well, I have to admit it. I feel like I understand this subject better because of this assignment, even though I don't understand all the materials completely. But the most enjoyable thing that I felt during I write this diary is I also have an opportunity to write my feelings. Yeah, I know most of my feelings that I wrote is about SEB. But it feels nice to be honest. I want to thank Pak Sam for giving me this opportunity, to do things differently. It feels like I need to do something out of my comfort zone. But thank you; Pak. Even though I got this opportunity to write this diary after I failed this subject twice. I hope this time I pass this subject. I really want to do OFSE at the end of next semester, Pak 😊

Notes from Kevin on Finance

In investments I have one concern in Indonesia that has been on my mind currently, Indonesia is the largest Muslim population, the middle eastern has nothing on us. We could easily dwarf some Muslim country in the middle east in term of Muslim population in number and percentage. Indonesia's politics and laws are also influenced heavily by Islamic law or Sharia due to the number of the religious population. Such as the president of the country must be a Muslim, public accessed and mass enjoyed food are mostly halal and must be certified by MUI (Majelis Ulama Indonesia) and many political parties are even blatant about their Islamic stance and vision.

Thus, the circumstances gave way into sharia banking and financing. Big banks such as; Mandiri, BCA and BNI has sharia banking and investment option, The practice of banking method is different from conventional banks. In sharia law, it is considered haram if a person or an organization to do *riba*. *Riba* is an act of getting loans and getting profits-off of percentages or interest due to the act is seen as profiting in someone else's work. Thus, the sharia banking has a system of revenue sharing. It is almost the same but with clever loopholes it does not count as *riba* and it is approved by MUI and OJK (Otoritas Jasa Keuangan).

The principle is "*fiqih muamalah*". The application of Islamic principles in the capital stock market is certainly based on Quran as the main and absolute source of law and Prophet Muhammad Hadith or words. Furthermore, from these two sources, the Ulamas derive of legal interpretations that the scholars do then call "*fiqih*". One of the discussions in "*fiqih*" is about *muamalah*, namely the relationship between human beings related to commerce. Thus, the activities in Islamic Capital Market are developed based on *fiqih muamalah*. Based on the Islamic capital market activities that are developed on the basis of *fiqih muamalah*. The rule which states that in essence, all forms of *muamalah* be done unless there is proof (*dalil*) that otherwise haram. This concept is the basic principle of Islamic capital market in Indonesia.

Despite the availability of sharia financing options, the sharia market only has half of the conventional counterpart. This comes to question why is the biggest Muslim populated country does not too keen in making investment in sharia practices. There are many arguments on why many people

decided to choose conventional banking or investments. In sharia investments, two key rules are the most concerning to the public. The first key rule is that if you buy a sharia mutual funds or any sharia portfolio. The portfolio cannot and does not have any firms that has *riba* practices, such as; conventional banking or loan-interest-based firms. Second, the firm that the portfolio invested must have a low liability or debt, thus the debt must be somehow significantly lower than their asset. These laws and requirements often shake off many people that wanted to invests in the sharia investments, the same concern plant seeds of doubt whether they will make less than they spend and the choice of firms to be invested to is very limited, thus it was perceived to be less lucrative than the conventional investments.

However, contrary to popular belief, if done correctly sharia investments can be safer and even more lucrative than conventional. Ironically, the same law that put-off and the one that they concerned the most is one of



the key factors on sharia investment, by those two laws where the firm does not have *riba* practices or having more asset than debt or liability, these factors offer stability and sustainability. With sharia investment, the safety is guaranteed due the teaching of Islam that forbids gambling or putting stakes too high. A lack of research and the recurring habit of Indonesians that is very minimal on literary aspect also contributes on the lack of supposed or probable number of sharia investments. Thus, the probable reason of lack of enthusiast of sharia investments.

The money market is an aspect of economy that provides short term funds. The money market deals in short-term loan, Generally, for a period of a year or less. Due to the covid pandemic, there has been a sudden surge of interest in this practice and one of type of firms that survives this pandemic are, trading companies, retail and institutional money market funds, banks commercial or central and cash management firms.

This practice also yields profitable investments. The money market lets commercial bank to use their surplus in profitable investments. The main objective of commercial banks is to earn income form their reserves or surplus. From it surplus the bank would often craft sustainable and

lucrative ventures.

These mechanisms are the ones keeping the economy running. The central bank is also assisted by these ventures. Although the central bank may function and affect the banking system even in the absence of a money market, the existence of a developed money market smooths the central bank's operations and improves its effectiveness.

The central bank benefits from money markets in two ways; (1) short-run interest rates are used to gauge the country's monetary and financial conditions and, as a result, influence policy, this practice is also sensitive and (2) integrated practices help central banks to secure quick and widespread influence on the sub-markets, thus facilitating effective policy implementation.

The following are some products of the money market;

- Certificate of Deposit, or often times referred to as “Time Deposit”, is commonly offered by banks, thrift institutions, and credit unions.
- Repurchase agreements, or often times referred to as “short-term loans”, which are normally less than one week and even frequently for only one day, are arranged by selling securities to an investor with an agreement to repurchase them at a fixed price on a fixed date.
- Money Market Mutual Funds are the short-term investment debt, which are operated by professional institutions. Money market mutual funds are an investment fund where a number of investors invest their money in mutual fund institutions, and they diversify the funds in various investments.
- Commercial Papers are the short-term instruments promissory notes issued by companies at a discount to the face value and repurchased at the face value
- Eurodollar Deposit are deposits made in US Dollars at a bank or bank branch located outside the United States.
- Federal Agency Short-Term Securities are the US short-term securities issued by government sponsored enterprises such as the Farm Credit System, the Federal Home Loan Banks and the Federal National Mortgage Association.

- Federal Funds are the US interest-bearing deposits held by US banks and other depository institutions at the Federal Reserve. These are immediately available funds to banks, which are usually borrowed on an overnight basis.
- Municipal Notes are the US short-term notes issued by municipalities in anticipation of tax receipts or other revenues
- Treasury Bills are the short-term debt obligations of a national government that are issued to mature in three to twelve months.
- Money Funds are pooled short-maturity funds with a relatively high-quality investments that buy money market securities on behalf of retail or institutional investors
- Foreign Exchange Swaps are the proses of exchanging a set of currencies in a spot date and the reversal of the exchange of currencies at a predetermined time in the future short-lived mortgage, and asset-backed securities

Capital Market

Contrary to the money market, capital market could be a financial market during which long-term debt (over a year) or equity-backed securities are bought and sold, in distinction to a securities industry



wherever short debt is bought and sold-out. Capital markets channel the wealth of savers to people who will place it to long-run productive use, like corporations or governments creating long-run investments. Financial regulators like Securities and Exchange Board of Asian country (SEBI), Bank of European country (BoE) and therefore the U.S. Securities, Exchange Commission (SEC) and Otoritas Jasa Keuangan (OJK) oversee capital markets to safeguard investors against fraud, among different duties.

Transactions on capital markets area unit usually managed by entities among the financial sector or the treasury departments of governments and companies, however some can be accessed directly by the general public. As an example, within the US, Americans with an internet connection will

have to sign-up for an account with Treasury Direct and use it to buy bonds within the primary market, although sales to people kind solely a small fraction of the whole volume of bonds sold. varied non-public corporations offer browser-based platforms that enable people to buy shares and typically even bonds within the secondary markets. There are several thousands of such systems, most serving solely small parts of the general capital markets. Entities hosting the systems embody stock exchanges, investment banks, and government departments. Physically, the systems area unit hosted everywhere the on planet, although they have a tendency to be focused in money centers in London, New York, and Hong Kong.

This market is very different that their money counterpart this market is a long-term investment due to the product they have their investment are derived mostly or at all are dividends. This kind of financial securities are often the main subject of an investors' portfolios. This due to the fact that can result in "passive income" passive income is a very common term for individuals who are keen on living with extra income with less work or no work at all. This is the common engine of that principle. Thus, many investors or financially informed individuals often prefers this method of having extra income.

Financial ratios measure numerous viewpoints of a commerce and are a fundamentally portion of the financial explanation investigation. Financial ratios are categorized concurring to the monetary angle of the commerce which the ratio measures. Liquidity proportions degree the accessibility of cash to pay debt. Action proportions degree how rapidly a firm changes over non-cash resources to cash assets. Obligation proportions degree the firm's capacity to reimburse long-term debt. Productivity proportions degree the firms utilize of its resources and control of its costs to produce a satisfactory rate of return. Advertise proportions degree financial specialist reaction to owning a company's stock additionally the fetched of issuing stock, these are concerned with the return on venture for shareholders, and with the relationship between return and the esteem of a venture in company's shares. Financial Ratio permit for comparisons: between companies between, industries between distinctive time periods for one company, between a single company and its industry average. Ratios generally are not useful unless they are benchmarked against something else, like past performance or another company. Thus, the ratios of firms in different industries, which face different risks, capital requirements, and competition are usually hard to compare.

Ratios is fundamental to the aspect of a firm or a business by having and calculating the ratio that is given it is very likely that the owner or the leader of the firm of the business to have a perspective of how the firm is doing currently and the financial and economic situation of the firm. However, the ratio is not just an independent means of measure but also it Is required by law to inform the public of the ratio of a company to make it accessible to public of how the situation is going on the company, by this method the public knows what kind of public company that they're going to invest in.

This prevents or trying to weed out events such as the Enron incidents whereas billions upon billions of dollars are taken from unwary investors that is frauded millions of dollars. This event also makes SEC and every other financial monitoring firm to re-evaluate their policies and monitoring systems by publicly announcing ratios and financial statement Investors has well informed decisions that can be executed to make their portfolio.

The first prototypes of modern central banks were the Bank of England and the Riksbank, and their history dates back to the 17th century. The Bank of England was the first bank to



recognize the role of lender of last resort. Other early central banks, notably Napoleon's Bank of France and the Reichs Bank of Germany, were established to finance costly government military operations. Mainly because the European Central Bank made it easier for the federal government to develop, launch wars and enrich special interests. Many of the founding fathers of the United States, Thomas Jefferson, the most enthusiastic, opposed the establishment of such an entity in their country. New country. Despite these objections, this young country did have an official national bank and numerous national licensed banks in the first decades of its existence, until the "free banking period" was established between 1837 and 1863.

The National Banks Act of 1863 created a network of national banks and a single US currency, with New York as the central reserve city. Subsequently, the United States experienced a series of banking panics in

1873, 1884, 1893, and 1907. In response, the United States Congress established the Federal Reserve System and 12 regional Federal Reserve banks across the country in 1913 to stabilize financial activities and banking operations. The new Federal Reserve provided funds for World War I and World War II by issuing Treasury bonds.

Between 1870 and 1914, when the world currency was linked to the gold standard, it was much easier to maintain price stability because the amount of gold available was limited. Therefore, monetary expansion cannot occur simply because of the political decision to print more money, so inflation is easier to control. At that time, the central bank was primarily responsible for maintaining the convertibility of gold and currency; issued banknotes based on a country's gold reserves.

When the First World War broke out, the gold standard was abandoned. Obviously, in times of crisis, governments that face budget deficits (because it costs money to start a war) and require more resources will order more money to be printed. the government does. At that time, they encountered inflation. After the war, many governments chose to return to the gold standard in an attempt to stabilize their economies. In this way, they realized the importance of the independence of the central bank from any political party or government. After the turbulent period of the Great Depression in the 1930s and after World War II, governments around the world mainly supported the restoration of central banks that relied on the political decision-making process. This view is mainly due to the need to control the war-torn economy; in addition, the newly independent country chooses to maintain control of all aspects of its country, which is a response to colonialism. The rise of the Eastern Group's management economy is also the reason for the increase in government intervention in the macroeconomic. However, in the end, the central bank became independent of the government and became popular again in Western economies and prevailed as the best way to achieve a stable and free economic system.

Now the central bank as a regulator and the center of deflation of any country, the main goal of central bank is to ensure the healthiness of economy of a country, by managing and making optimal tweaks into the Monetary circulation of a country by issuing fiscal policy or monetary policy. One of the goals given to the central bank by the Constitutional Organic Law is to "ensure currency stability." In practice, this means that banks must avoid currency depreciation due to inflation. Therefore, it is

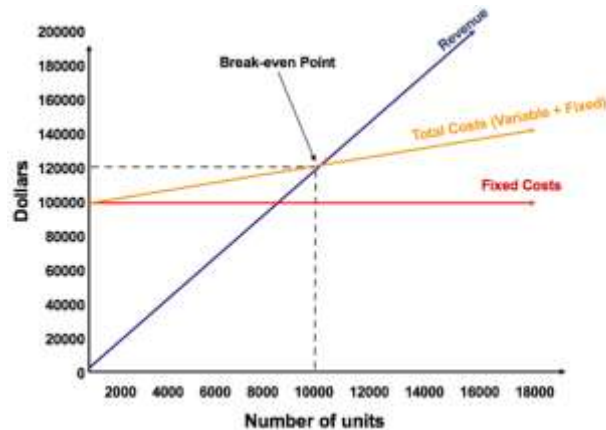
interpreted as a price stability target. The series of actions taken by the central bank to achieve this goal is called monetary policy. The monetary policy interest rate is the main operational tool of monetary policy. The board of directors of the central bank analyses and sets the level of the interest rate at its monetary policy meeting and communicates the trajectory to achieve the inflation target within two years. In practice, the monetary policy interest rate determines the level of interbank lending rates and is implemented through open market operations. In order to achieve the goal of price stability, the central bank has set a clear target, that is, it is expected that the inflation rate will remain at 3% within two years. Low and stable inflation can help increase economic growth in several ways. Most importantly, because it reduces uncertainty, it encourages investment and consumption, thereby achieving more efficient resource allocation. In addition, keeping inflation low and stable is beneficial to the poor because they do their best to protect themselves from the effects of rising inflation. The Bank implements a floating exchange rate system, where the market determines the exchange rate based on the supply and demand of foreign exchange and implements an independent monetary policy. The main advantages of the floating exchange rate system are to promote economic adjustment to real shocks, avoid rapid misalignment of the exchange rate (excessive rise or fall), avoid more costly adjustments in output variability, and principles to reduce flows of speculative capital.

Breakeven point is a staple of business conducting formula with it, the firm and the company can determine whether how much they have to gain in order to justify the expense which is the basic of economies. In accounting, the breakeven formula is determined by dividing the total fixed cost associated with production by the unit revenue minus the variable cost per unit. In this case, fixed costs refer to costs that do not change with the number of sales. In other words, the breakeven point is the level of production when the total revenue from the product equals the total cost.

This term is also used for investment. The breakeven formula for trading stocks or futures is determined by comparing the market price of the asset with the original cost; the equilibrium point is reached when the two prices are equal. For option transactions, the break-even point is the market price that the underlying asset must reach in order for the option buyer to avoid losses when exercising the option. For the buyer of a call option, the break-even point is reached when the underlying material is equal to the strike price plus the premium paid, and the BEP of the selling position is reached

when the underlying material equals the strike price minus the premium paid. The break-even point usually does not take into account the cost of commissions, but these can be included if needed. Now that BEP is covered now of course there is BEP analysis.

Break even analysis involves calculating and checking the entity's margin of safety based on the revenue collected and related costs. In other words, the analysis shows how much sales are needed to cover the cost of doing business. By analyzing different price levels



associated with different levels of demand, equilibrium analysis determines what level of sales is needed to cover the company's total fixed costs. Demand-side analysis will enable the seller to have a meaningful understanding of sales capabilities. Breakeven analysis can be used to determine production levels or specific desired sales mixes. This research is only used by company management because these indicators and calculations are not used by external parties (such as investors, regulatory agencies, or financial institutions). This type of analysis involves the calculation of the BEP. The break-even point is calculated by dividing the total fixed cost of production by the price per unit minus the variable cost of production. Fixed costs are costs that remain constant no matter how many units are sold.

Breakeven analysis analyzes the relationship between the level of fixed costs and the profit earned per additional unit produced and sold. Generally speaking, companies with lower fixed costs have lower selling points. For example, assuming that variable costs do not exceed sales revenue, a company with a fixed cost of \$0 will automatically break even when selling the first product. This method has been a staple of business conducting method for as business has appeared. This ensures many companies to have healthy financial statements or even financial at all.

Thus, my diary, though I agree that making a diary isn't certainly a walk in the park as I originally thought but here are the result of my experiences and everything in my mind. Writing this diary and this closing note is such a new experience to me on how to compose a long diary and many other

*Kang Guru
Beruang*



subjects that relevant to my diary, it felt like a paper however without restricting guidelines it is surprisingly hard being too free. Creativity and idea are a wonder of human mind but one can be lost by wandering too far into their own mind.



From the strictly-enforced guidance on writing assignments in multiple classes, to the loosely-enforced & creative-based writing assignments, it is certainly problematic for us. We spent hours and days just pondering upon on how we are going to start our writing. Believe us, guys.... the first step is always be so very difficult. The first baby step seems simple for adults, but for the babies, those keep-stumbling-baby-steps represent the giant leap in babykind! (you have to read it as “mankind”, haha).

So, this is what we have done guys, during the very short period of time when we were doing our short course in Business Management 2. The reason that we were taking that short course in BusMan 2 was because.... (please do feel free to fill-in the blanks, guys). Do not every follow our foot-steps!

IULI, BSD City, Serpong, Tangerang
September 2021,

M. Fadel Ramadhan
Raditya Kevin Wisnumurti



Raditya Kevin Wisnumurti

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