

## OPERATIONAL STRATEGY AND PERFORMANCE RECOVERY AT PT LAUT BONTANG BERSINAR (LBB) BONTANG

Muthia Indah Permatasari <sup>1\*</sup>, Ramlawati <sup>1</sup>, Mahfudnurnajamuddin <sup>1</sup>

<sup>1</sup> Faculty of Economics and Business, Universitas Muslim Indonesia, Makassar

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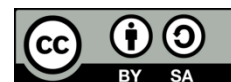
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### ABSTRACT

This study aims to analyze the operational management strategies implemented by PT LBB in efforts to recover company performance, especially after leadership changes and the signing of a new contract, and to evaluate the effectiveness of the 100-day recovery plan launched by the new board of directors. The research method used is a qualitative case study approach with secondary data analysis techniques derived from trusted media coverage from May 2024 to March 2025, official company documents, and previous community service reports involving PT LBB. The findings reveal that PT LBB implemented a recovery strategy based on comprehensive internal audit, operational cost efficiency of up to 10%, gradual port infrastructure improvements, and restructuring of the financial reporting system. As highlighted by Sudirman et al. (2023) regarding the importance of discipline in reporting and contribution payments, this study also found that non-compliance in fiscal obligations has worsened the company's financial crisis. The operational recommendations proposed include implementing Internet of Things (IoT)-based information technology for real-time monitoring of port facilities, strengthening collaboration with all stakeholders, and preparing a sustainable master plan for the port (RIP) aligned with regional spatial planning. This study is expected to provide academic and practical contributions in the form of an operational recovery model for regional port companies experiencing similar crises.

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### Corresponding Author:

**Muthia Indah Permatasari** | Faculty of Economics and Business, Universitas Muslim Indonesia, Makassar

Email: mutiaindahpermatasari8@gmail.com

## 1. INTRODUCTION

Ports, as key nodes in national and international logistics and trade chains, play a strategic role in driving economic growth, regional connectivity, and industrial competitiveness (Notteboom & Rodrigue, 2005). The efficiency and effectiveness of port operations not only determine the smooth flow of goods and passengers but also serve as vital indicators of the economic health of a region. In this context, professional port management based on solid

operational management principles is a necessity. PT Laut Bontang Bersinar (LBB), as one of the Regional-Owned Enterprises (BUMD) responsible for managing Loktuan Port in Bontang City, East Kalimantan, bears a dual responsibility: creating economic value (profitability) while contributing significantly to Local Own-Source Revenue (PAD) and local infrastructure development.

However, during its operational journey, PT LBB has faced complex challenges that undermine its performance and sustainability. Several news reports and official documents reveal concerning facts. The company recorded fixed contribution arrears to the Bontang City Government of IDR 450 million, which not only resulted in cumulative penalty burdens (IDR 146.7 million) but also reflected weak fiscal discipline. This non-compliance in fulfilling obligations to the local government aligns with the findings of Sudirman et al. (2023) in a different context, highlighting that negligence in reporting and contribution payments can lead to administrative sanctions, weaken partnership relations, and ultimately disrupt organizational operational stability.

Furthermore, internal crises are evident from frequent delays in employee salary and holiday allowance (THR) payments, which can reduce work motivation, increase turnover, and damage the organizational climate. On the infrastructure side, supporting port operational facilities such as spotlight lamps and CCTV security systems are reported to be suboptimal, indicating failures in asset maintenance and posing potential operational and security risks. Ironically, amid these problems, PT LBB gained *trust* in the form of a two-year port management contract extension from the Class II Bontang Port Authority and Harbormaster Office (KSOP).

This decision was based on an assessment that the new management under the leadership of Director Hariyadi demonstrated a serious commitment to make improvements. This critical momentum makes PT LBB an interesting *living laboratory* to study: a company on the brink of operational and financial crisis but given a second chance to transform. The change of directors and the establishment of a 100-day recovery plan became the starting point for change, requiring precise, measurable, and sustainable operational management strategies.

Based on this background, the research problem formulation is: "How is the operational management strategy implemented by PT LBB in efforts to recover company performance after the change of directors and the signing of the port management contract extension?" This study is important not only as a case study for PT LBB but also as empirical learning for BUMDs and other port management companies that may face similar dynamics. Specifically, this study aims to:

1. Analyze the operational conditions and challenges of PT LBB before restructuring.
2. Evaluate the strategies and operational management steps implemented in the 100-day recovery plan after the leadership change.
3. Identify supporting and hindering factors in the company's operational transformation.
4. Formulate strategic recommendations based on operational management theory to support the sustainability and performance improvement of PT LBB in the future.

It is hoped that this research can provide an academic perspective on the application of operational management theory (such as *Lean Operations*, *Total Quality Management*) in the context of regional port company recovery. Practically, the findings and

recommendations of this journal can be used as considerations for PT LBB management, the Bontang City Government as shareholders, and regulators such as KSOP in designing more effective policies and mentoring programs.

## **2. LITERATURE REVIEW**

### **Operational Management in the Port Context**

Operational management is defined as the design, operation, and supervision of transformation systems that convert inputs into value-added outputs in the form of goods or services (Heizer & Render, 2016). In the port context, its scope includes facility management (docks, warehouses, stacking yards), cargo flow, ship services, and coordination with various stakeholders such as port authorities, shipping companies, and logistics. Port operational performance is largely determined by loading/unloading efficiency, service reliability, and operational safety (Song & Panayides, 2012).

### **Restructuring and Company Performance Recovery**

Operational restructuring is a series of strategic actions to overhaul company processes, structures, and systems to address performance decline and enhance competitiveness (Pearce & Robbins, 1993). In crisis situations such as those experienced by PT LBB, critical steps include internal audit, cost efficiency, and re-prioritization of investments. Kotter (2012) emphasizes that major change requires transformational leadership capable of creating urgency, building guiding coalitions, and consolidating achievements.

### **Governance and Accountability of Regional Companies**

As a BUMD, PT LBB operates amid the tension between commercial objectives and public service mandates. Sudirman et al. (2023) in their research on tax collection reveal that compliance with fiscal obligations is a fundamental indicator of financial discipline and organizational accountability. Non-compliance not only has financial sanction implications but also damages reputation and stakeholder trust. That study reinforces the importance of transparent reporting systems and an organizational culture that upholds regulatory compliance.

### **Operational Efficiency and Lean Management Approach**

The concept of *Lean Management* focuses on identifying and eliminating waste in operational processes to create maximum value with minimal resources (Womack & Jones, 2003). In port management, waste can include ship idle time, facility damage, repetitive administrative processes, and procedural errors. The application of *lean* principles can serve as an analytical framework to diagnose inefficiencies at PT LBB and design improvement solutions.

### **The Role of Information Technology in Modernizing Port Operations**

Digital transformation through the implementation of *Port Community System* (PCS), Internet of Things (IoT), and real-time monitoring systems is a global trend in enhancing port competitiveness (Heilig et al., 2017). This technology enables container tracking, space

optimization, and predictive maintenance for facilities, which in turn improves efficiency, security, and transparency.

### **3. RESEARCH METHOD**

This study uses a qualitative approach with an intrinsic single case study design, in which the case of PT LBB is studied in-depth to understand the dynamics of its operational recovery strategy. A case study was chosen because it allows rich and holistic exploration of phenomena in real-world contexts (Yin, 2018).

#### **Type and Sources of Data**

The data used is secondary, collected through:

1. Public Documents: Four main news articles from trusted media (Klik Kaltim, Akurasi.id) covering PT LBB dynamics from May 2024 to March 2025.
2. Official Documents: Community Service (PKM) reports from Universitas Mulawarman involving PT LBB, and public information from the Bontang City Government website.
3. Academic Records: Theoretical references from reputable textbooks and journals related to operational management, restructuring, and port governance.

#### **Data Analysis Technique**

Data were analyzed using thematic content analysis. The process includes:

1. Familiarization: Repeated reading of all documents to gain a comprehensive understanding.
2. Coding: Identifying and tagging data segments relevant to the research focus.
3. Theme Development: Grouping codes into main themes: (1) Financial Crisis and Compliance, (2) New Management Recovery Strategy, (3) Stakeholder Role, and (4) Infrastructure and Technology Transformation.
4. Interpretation and Triangulation: Interpreting findings by linking them with theoretical frameworks and triangulating data across news sources to ensure validity.

#### **Research Limitations**

The main limitation of this study is its reliance on secondary data, thus unable to explore in-depth perspectives from internal actors of PT LBB (such as directors and employees) through direct interviews. However, the use of verified news sources and supporting documents is considered sufficient to build credible analysis.

### **4. RESULTS AND DISCUSSION**

#### **Crisis Diagnosis: Root of PT LBB's Operational Problems**

Data analysis reveals that PT LBB's crisis is multidimensional. First, financially, the company not only has fixed contribution arrears but also experiences severe liquidity difficulties impacting salary delays. This condition reinforces the findings of Sudirman et al. (2023) that failure to meet fiscal obligations is often a symptom of deeper financial governance dysfunction, such as weak budget planning and lax cash flow oversight. Second,

operationally, reports of malfunctioning spotlight lamps and CCTV indicate failures in asset maintenance (*preventive maintenance*), which is central to healthy operational management. Third, the director change driven by poor performance marks past leadership and strategic decision-making issues.

### **100-Day Recovery Plan: Strategy and Implementation**

In response, the new management under Director Hariyadi launched a 100-day recovery plan with main pillars:

1. **Internal Audit:** This step aligns with restructuring theory emphasizing the importance of accurate diagnosis before intervention (Pearce & Robbins, 1993). The audit is expected to clearly map financial leakages and operational inefficiencies.
2. **Cost Efficiency (10%):** This cost-saving effort applies basic *Lean Management* principles to eliminate waste. However, its long-term effectiveness depends on whether efficiency comes from process optimization (e.g., renegotiating service contracts) or merely budget cuts that could disrupt operations.
3. **Infrastructure Improvement Commitment:** This is a direct corrective step to address *waste* due to asset damage. The commitment to KSOP also functions as a *trust-building* strategy with the main regulator.
4. **Port Master Plan (RIP) Development:** The RIP directing functional specialization (Loktuan for cargo, Tanjung Laut for passengers) reflects a *focus differentiation* strategy in operations, aiming to improve efficiency through specialization and economies of scale.

### **Dynamics of Relationships with Key Stakeholders**

The contract extension from KSOP is not only a grant but also an *enforcement* and indirect monitoring mechanism. KSOP provides an opportunity while setting higher performance expectations. On the other hand, the new management's openness in acknowledging problems and communicating with the media is an important form of *stakeholder engagement* to manage reputation and gain social support. Synergy with Perumda AUJ as the holding parent is also a crucial supporting factor for legitimacy and potential resource injection.

### **Opportunities and Challenges of Digital Transformation**

Discourse on functional shift and facility improvements opens opportunities for *technological leapfrogging*. Rather than merely repairing old CCTV, PT LBB could consider implementing integrated AI and IoT-based security systems. However, the biggest challenge is budget limitations and human resource capabilities. Therefore, partnership models with technology providers (*public-private partnership*) or central government grant funding for regional port modernization can be explored.

## **5. RECOMMENDATIONS**

Based on the above analysis, the following strategic recommendations are proposed for PT LBB:

Build an Integrated Operational and Financial Control System:

1. Develop a real-time operational *dashboard* monitoring key performance indicators (KPIs) such as dock utilization, ship waiting time, facility status, cash position, and receivables.
2. Implement periodic and transparent internal reporting systems to monitor fixed contribution commitments and prevent new arrears accumulation.

**Implement Condition-Based Maintenance Program for Assets:**

1. Go beyond reactive repairs by installing IoT sensors on critical equipment (generators, cranes, electrical systems) to predict failures and schedule proactive maintenance, reducing downtime and emergency repair costs.

**Strengthen Human Resource Capacity through Tiered Training and Certification:**

1. Conduct technical port operational training and basic financial management training for frontline staff.
2. Partner with Maritime Polytechnics or certification institutions to improve technical and pilotage staff qualifications.

**Explore New Business Models and Partnerships:**

1. Optimize non-core revenue by offering value-added services such as *cool storage*, repackaging, or *last-mile* logistics.
2. Form strategic partnerships with national logistics operators or technology providers for port information system development without bearing full capital investment.

**Form a Digital Transformation Team with the City Government and KSOP:**

1. Initiate a tripartite forum (PT LBB, Bontang City Government, KSOP) to develop a digitalization *roadmap* for Loktuan Port aligned with the National Port Master Plan, while submitting funding proposals to relevant ministries.

## **6. CONCLUSION**

Based on the research results and discussion, it can be concluded that PT Laut Bontang Bersinar (LBB) experienced a systemic operational crisis, marked by three main problem pillars: (1) weak financial discipline reflected in fixed contribution arrears and salary payment delays, (2) suboptimal operational governance with neglected port infrastructure maintenance, and (3) leadership challenges affecting strategic decision-making effectiveness. This crisis reinforces the findings of Sudirman et al. (2023) regarding the direct correlation between fiscal non-compliance and organizational performance fragility.

The management contract extension from KSOP Bontang and the director change became a catalytic momentum for transformation. The 100-day recovery strategy launched by the new management—covering internal audit, 10% cost efficiency, infrastructure improvement commitment, and Port Master Plan (RIP) development—theoretically touched key aspects in the operational restructuring and *Lean Management* framework. However, the long-term success of this strategy highly depends on implementation consistency and the ability to move beyond short-term fixes toward an organizational culture transformation oriented toward efficiency, accountability, and innovation.

Academically, the PT LBB case study provides empirical evidence of the complexity of applying operational management theory in the context of BUMDs facing dual pressures between commercial mandates and public service. This study underlines that operational recovery is not only about technical and financial improvements but also about rebuilding *trust* through transparent governance and close collaboration with all stakeholders.

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