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Strategic Prioritization for State-Owned Airlines Post-Restructuring: A Quantitative Strategic Planning Matrix (QSPM) Analysis of Garuda Indonesia

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ABSTRACT

PT Garuda Indonesia as state-owned airlines, post-bankruptcy restructuring has a critical strategic dilemma whether implement aggressive international recovery or focus into domestic dominance. This study aims to formulate and prioritize the optimum strategic direction for PT Garuda Indonesia Tbk after the suspension of debt payment obligations (PKPU). This research used a descriptive quantitative approach based on PT Garuda Indonesia secondary data analysis (2023–2024) and comprehensive strategic management framework by David and David (2022). The strategic formulation process integrates the Input Stage (IFE/EFE and CPM Matrix), Matching Stage (SWOT and IE Matrix) and Decision Stage using the Quantitative Strategic Planning Matrix (QSPM). Garuda Indonesia results in IE Quadrant V (Hold and Maintain), IFE score 2.53 and EFE score 2.83. The QSPM matrix evaluate prioritization strategies preference of Garuda Indonesia where Domestic and Efficiency strategy have a Total Attractiveness Score (TAS) of 6.46, significantly beating the International and Premium Expansion Strategy with TAS: 4.51. This study concludes that in the negative equity positioning and high operational cost, Garuda Indonesia should prioritize on leverage domestic market dominance and optimize cost efficiency rather than premium and international route expansion.

KEYWORDS Airline Strategy; Turnaround Management; QSPM; Garuda Indonesia; Post-Bankruptcy.

INTRODUCTION

The global aviation industry has historically been characterized by high operational leverage, thin profit margins, and acute sensitivity to external shocks such as economic downturns, geopolitical instability, and health crises (Samunderu, 2024). The COVID-19 pandemic, however, inflicted unprecedented damage, resulting in industry-wide losses exceeding USD 126.4 billion and forcing numerous airlines into restructuring or liquidation (Sun et al., 2022). This global crisis exposed the structural fragilities of even well-established carriers, particularly those with high debt burdens and rigid cost structures (Artz et al., 2025). For state-owned enterprises (SOEs) in emerging markets, the challenge was compounded by the dual imperative of ensuring commercial viability while fulfilling public service obligations—creating a complex strategic landscape for post-crisis recovery (Grosman, 2025).

PT Garuda Indonesia (Persero) Tbk managed to evade the threat of bankruptcy after the Central Jakarta District Court granted a peace proposal during the company's debt restructuring period (PKPU) (Pratama et al., 2023; Amalia et al., 2022). While the company successfully avoided insolvency, PT Garuda Indonesia now faces a new and more fundamental set of structural challenges that threaten its long-term viability (Muslimah, 2024; Sarjono et al., 2025). One of its most pressing concerns is its sustained negative shareholder equity, indicating

that the company still has more liabilities than assets on its books. This condition reflects a persistent financial fragility, even after debt restructuring (Mehmood & De Luca, 2025). The airline remains highly sensitive to fluctuations in jet fuel (avtur) prices—one of the aviation sector's largest cost components (Gaudenzi & Bucciol, 2016). The volatility of global energy markets has made cost planning difficult while further squeezing already thin operating margins. Moreover, there is increasing pressure from aggressive price competition by low-cost carriers (LCCs) (Avogadro et al., 2021; Wang et al., 2018). Operating with lower cost structures and more assertive pricing strategies, these carriers are reshaping customer expectations and placing full-service airlines such as Garuda Indonesia in an unenviable strategic position.

This identified research gap forms the core urgency of the present study (Almusaed et al., 2025). For a company like Garuda Indonesia, operating within a capital-intensive and hypercompetitive industry, the wrong strategic decision at this juncture—such as prematurely pursuing international expansion while domestic fundamentals remain weak—could be catastrophic, potentially resulting in a second and more definitive insolvency. The urgency is underscored by the "window of opportunity" presented by the post-pandemic travel rebound. The company must determine how best to allocate its scarce resources: should it focus on capturing surging domestic demand for Umrah, Hajj, and leisure travel, or attempt to re-establish its premium brand across capital-intensive international routes? This decision calls for an evidence-based analytical framework to guide management and inform stakeholders.

The novelty of this research lies in its systematic and quantitative approach to addressing this strategic dilemma (Liu, 2022). Unlike previous studies that remain at the descriptive or qualitative stage of strategy identification, this study operationalizes the full three-stage strategic management model proposed by David and David (2022), progressing from analysis to prioritization. By integrating the Input Stage (IFE, EFE, CPM), Matching Stage (SWOT, IE Matrix), and critically, the Decision Stage through the Quantitative Strategic Planning Matrix (QSPM), this research provides a replicable, objective, and data-driven method for selecting among competing strategic alternatives (Dini & Janet, 2024; Kurniatun et al., 2025). The application of QSPM to a post-restructuring state-owned airline in an emerging market represents a significant methodological and contextual contribution.

Previous research has primarily focused on institutional and regulatory dimensions of corporate distress; however, there remains a clear gap in quantitatively examining strategic priorities following restructuring. Strategy prioritization offers one of the most effective techniques to guide an airline back to sustainable profitability after financial restructuring. Most strategic management studies on state-owned enterprises employ qualitative SWOT analyses without advancing to the strategy selection process, leaving ambiguity in strategic execution.

This study aims to bridge that gap by systematically investigating and prioritizing post-restructuring strategies through a quantitative approach designed to help companies achieve enduring profitability and competitiveness. More concretely, the study seeks to identify and rank the most appropriate strategic pathways for PT Garuda Indonesia's 2025–2027 timeframe. It adopts Fred R. David's strategic management model and combines several well-established analytical tools, including the IFE Matrix, EFE Matrix, CPM Matrix, SWOT Analysis, and QSPM (Quantitative Strategic Planning Matrix). In doing so, the study offers clear, evidence-

based, and independent strategic priorities for improving financial performance, competitive positioning, and long-term sustainability in Indonesia's aviation industry.

METHOD

This part presents the systematic course of action used to develop and sequence a best strategic pathway for PT Garuda Indonesia Tbk, after its debt restructuring which is successful. The approach is designed to promote that a solid, clear and replicable analysis is carried out in the spirit of established academic regulations for strategic management research purposes.

Research Design

The research design is descriptive in nature, and this study adopts a quantitative approach using a single case study method. A case study is considered by many scholars to be an appropriate design when a subject or phenomenon is unique, pivotal, or insightful, and therefore worthy of in-depth exploration. PT Garuda Indonesia (Persero) Tbk was chosen as the unit of analysis due to its unique context as the dominant national airline in Indonesia, having survived challenging court-supervised debt restructuring processes (PKPU) during 2021–2022. This makes it an exceptional and rare best-case example for the empirical study of strategic turnaround in a state-owned enterprise within the post-pandemic aviation industry. The use of a case study method provides an opportunity for deep and rich exploration of the controversial decisions being made by the firm during this sensitive recovery period (Lindgreen et al., 2021).

The study utilizes the broad Three-Stage Strategy Formulation Framework proposed by David and David (2022). This model is well-recognized in the strategic management literature for its structured process, contributing to more objective strategizing as it unfolds—from environmental scanning through to focused, prioritized action plans (Hasnain et al., 2024). The model has been successfully applied in various business contexts in Indonesia, indicating its validity for emerging markets as well (Kho et al., 2021).

Data Collection

Because the post-restructuring phase represents a sensitive point on the strategic continuum—and due to the difficulty of obtaining primary executive-level data during periods of critical transition—secondary data derived from systematic documentary analysis were employed. The documentary analysis of corporate reporting, particularly annual reports and management discussion sections, is a recognized method for gaining insights into strategic intent and business model disclosure to foster trust and transparency. Data were triangulated to ensure the credibility and robustness of the results, as triangulation is widely recognized for enhancing the reliability and validity of research findings (Papavasileiou & Dimou, 2024) and ensuring transparent reporting in case study research (Schlunegger et al., 2024). Data triangulation refers to the use of more than one data source to substantiate results, thereby mitigating any bias associated with reliance on a single dataset.

The data sources for this study comprise three distinct categories:

Internal Corporate Documents: The primary source of information consisted of the audited annual reports for 2022 and 2023, along with the quarterly financial statements up to the third quarter of 2024. These reports contained details on financial ratios and performance

metrics, including load factors, available seat kilometers (ASK), revenue passenger kilometers (RPK), fleet composition, route network, strategic statements, and management discussions and analyses. The accuracy and integrity of quantitative data were ensured through the use of audited financial statements. Annual reports are regarded as foundational sources for understanding corporate strategy and business model disclosure, as they contain management's articulation of strategic direction, competitive positioning, and value creation processes (Athanasakou et al., 2024).

External Industry and Government Reports: Broader market trend data, passenger traffic statistics, fuel price indices, exchange rate movements, and other relevant macroeconomic indicators of the Indonesian aviation sector were gathered from publicly available and authoritative sources. These external reports provide an objective benchmark against which Garuda Indonesia's performance and strategic context can be assessed.

Media and Market Triangulation: Between 2022 and 2024, news articles, press releases, and market analyses from reputable international and national business media outlets—such as Bloomberg, Reuters, The Jakarta Post, and Bisnis Indonesia—were systematically reviewed. This review validated strategic events and milestones involving Garuda, such as route launches and suspensions, partnership announcements, competitive moves by rival airlines, regulatory developments, and overall market sentiment regarding Garuda's restructuring progress. This triangulation enhances external validity by ensuring that the analysis remains well-grounded in real-world developments and reflects how stock market participants and industry observers perceive the firm's strategic recovery.

Data Analysis

Analysis is firmly based on and diligently follows the Three-Stage Strategy Formulation Framework (David & David, 2022). A systematic framework previously successfully applied by Kho et al. (2021) in another Indonesian contextual study of strategic management, thereby ensuring logical flow from environmental analysis to the determination of prioritized strategies.

Stage 1: The Input Stage

At this stage, the basic input information necessary for strategy formulation is summarized by systematically quantifying both internal and external environmental factors in Garuda Indonesia.

Internal Factor Evaluation (IFE) Matrix**:** The IFE Matrix contains and quantifies the main strengths and weaknesses Garuda internal factors as revealed by a detailed content analysis of financial statements, operational reports, and management discussion from annual reports. Strengths comprise brand equity, operational capabilities, strategic alliances, and market positioning while among its many weaknesses are financial constraints/cost structure inefficiencies/resource limitations. Each factor is weighted in terms of relative importance to the company's overall strategic position with a rating score on current performance for that particular factor (David & David 2022).

External Factor Evaluation (EFE) Matrix: The matrix was designed to arrange in a logical order the most important key external opportunities and threats that Garuda Indonesia faces. Opportunities and threats were identified through an analysis of economic factors, for

example, GDP growth, inflation, exchange rate volatility; social and demographic trends-middle class increasing demand for air travel, religious tourism; political/regulatory-government support policies on aviation regulations; technological-digital distribution channels aircraft technology competition-low-cost carriers aggressively expanding regional full-service competitors. Key external factor weightings came from industry reports at large macro data found within news media analysis (David & David, 2022).

The Competitive Profile Matrix (CPM) has been developed between Garuda Indonesia and its major competitors-Lion Air as representative of the leading domestic low-cost carrier, and Singapore Airlines as a proxy for regional full-service carriers-on critical success factors in the Indonesian aviation marketplace. These critical success factors comprise brand image, market share, price levels or competitiveness, fleet size plus route network strength, financial health or robustness of the organization behind it; quality levels attained in customer services delivered either at airports or inflight experiences provided onboard aircrafts; on-time performance records maintained over periods long enough to establish trends rather than being based upon isolated incidents only loyalty program strength measured through membership numbers cargo capabilities etc. (David & David 2022).

Weights were assigned to factors in the IFE, EFE and CPM matrices from a range of 0.0 (not important) to 1.0 (very important) with all weights adding up to 1.0 in each matrix. Ratings were assigned on a scale of 1 (major weakness or poor response to external factors) through 4 (major strength or superior response to external factors). Since this study is entirely based on secondary data, weight and rating assignments have been carried out through rigorous and systematic content analysis of the collected documents. The prominence, frequency of mention, stated financial impact and emphasis placed by management and industry analysts for each factor within the annual reports, financial statements and industry analyses have been used as objective criteria guiding the scoring process. The methodological approach which transforms qualitative documentary evidence into quantitative inputs for strategic analysis through the application of IFE, EFE and QSPM matrices makes this research replicable and transparent (Elezaj & Kuqi, 2023).

Stage 2: The Matching Stage

This stage aligns the internal capabilities of the company with external opportunities and threats in order to develop a complete set of contextually appropriate feasible alternative strategies for Garuda Indonesia's situation after restructuring.

SWOT is the basic strategic tool through which internal factors, IFE Matrix results, and external factors, EFE Matrix results are systematically matched. The matching generates four types of strategies: SO- using internal strengths to take advantage of opportunities in the external environment; WO- overcoming weaknesses by taking advantage of opportunities in the external environment; ST- using internal strengths to overcome or avoid threats in the external environment and WT-defensive tactic minimizing weaknesses and avoiding threats from the external environment. It initiates creativity as a brainstorming tool ensuring that all possible combinations between internal and external factors are taken into consideration as alternative strategies (David & David, 2022; Fan et al., 2023).

Internal-External (IE) Matrix: This matrix places the quantitative scores of the IFE Matrix on the X-axis and those of the EFE Matrix on the Y-axis to locate Garuda Indonesia

into one of nine cells. The nine cells can be reduced into three major types of strategic postures: Grow and Build, in cells I, II, and IV; Hold and Maintain, in cells III, V, and VII; or Harvest and Divest, in cells VI, VIII, and IX. A clear indication based on hard numbers from combined internal strength with external responsiveness about proper orientation strategy for this company is provided by IE Matrix that directly gives resultant suitable types of strategies for organization relative current stage development within market context (David & David ,2022).

Stage 3: The Decision Stage

This final and most critical stage employs a quantitative analytical tool to objectively evaluate and select the most attractive strategic alternative from among those generated in the matching stage.

Quantitative Strategic Planning Matrix (QSPM): QSPM affords the possibility of a rational judgment as to which alternative strategy may be more attractive. This is an extremely important tool in supporting the resolution of strategic dilemmas where several plausible options are available, as in the case with Garuda Indonesia between domestic consolidation and international expansion. The steps involved in developing a QSPM comprise reiterating all major internal and external factors initially identified within IFE and EFE matrices; assigning for each alternative strategy under consideration Attractiveness Scores (AS) to every factor reflecting how strongly that specific factor makes attractive or unattractive that particular strategy—using a scale from 1(not attractive) to 4(highly attractive). If any specific factor does not influence choice between strategies, it is not assigned an AS. In order to get a weighted Total Attractiveness Score (TAS) for each factor, the AS is multiplied by the original weight of the factor from either IFE or EFE matrix. The TASs of all factors under each alternative strategy are summed up to obtain a final total TAS per alternative strategy. The alternative having maximum total TAS is considered as most feasible objectively supported and prioritized strategic direction for an organization (Elezaj & Kuqi, 2023; Fan et al., 2023; Hasnain et al., 2024).

The real advantage in using QSPM is that it rids the process of subjective bias and intuitive judgment by enforcing a systematic factor-by-factor analysis of each alternative strategy with respect to the same set of weighted criteria. Therefore, this makes the final recommendation more understandable to a reviewer or analyst because there has been some apparent rigor in coming up with the best alternative.

Research Validity and Reliability

The academic quality and trustworthiness of this case study have been explicitly associated with the generally accepted criteria for validity and reliability in qualitative research, as well as strategic management research, to systematically judge its quality (Lindgreen et al., 2021). The assessment framework covers four dimensions:

Construct Validity**:** Construct validity refers to the accuracy of theoretical constructs purported to be investigated by the study. Construct validity in this research has been enhanced through multiple sources of evidence or data triangulation between corporate documents, industry reports, and media sources; and maintaining a clear chain linking research questions with data collection procedures, analytical framework, and final conclusions. Therefore, construct validity is greatly ensured by business researchers when they apply both forms-

consistency methodology as well as result triangulation (Papavasileiou & Dimou 2024). Besides that, the results also proved another form based on David and David's (2022) framework which was validated many times before.

Internal Validity: Internal validity defined in terms of a causal relationship between two or more variables is mainly associated with explanatory or causal research designs. However, in this descriptive research, logical consistency and coherence of analysis have been ensured through the systematic application of an established three-stage strategy formulation framework. This was made possible by the sequential relationship between different analytical stages within the framework where output results from one stage (e.g IFE & EFE scores) provide direct input into another subsequent stage (e.g IE Matrix positioning).

External Validity**:** External validity refers to the degree to which results may be generalized outside the specific context of the investigation. In case study research, external validity is most relevant at the level of analytical generalization to theory rather than statistical generalization about a population. Theories on turnaround strategies in state-owned, network legacy carriers from emerging markets can be informed by this study and its market-specific but commonly contextual characteristics–government ownership, legacy cost structures, aggressive competition with low-cost carriers, and highly volatile macroeconomic environment. Therefore, through similar organizational contexts that share certain key characteristics at a conceptual level as this particular case does empirically; future studies could build on these theoretically driven insights.

Reliability: Reliable results shall be defined as consistent and repeatable research procedures such that if another researcher were to replicate the study using the same data and methods, similar conclusions would be drawn. A detailed and transparent case study protocol was developed to address reliability in this study, explicitly recording every step taken during data collection and analysis as described within this methodology section of the paper. All sources of data are either publicly available or clearly referenced with analytical procedures following standardized steps in the David and David (2022) framework hence making it possible for future researchers to audit; check on its veracity thus enhancing overall reliability together credibility of (Lindgreen et al.,2021).

RESULT AND DISCUSSION

This section presents the result of three stage framework in strategic formulation, starting with the input stage (3 tools), the matching stage (3 tools) and the decision stage (1 tool) which suitable with PT Garuda Indonesia Tbk in post-restructuring phase (David & David, 2022).

The Input Stage

This stage analytical consist of IFE, EFE and CPM matrix to evaluate Garuda Indonesia internal factors, external factors and main competitor profiles.

Internal Factor Evaluation (IFE) Matrix

This IFE Matrix classifies key internal strengths and weaknesses based on the PT Garuda Indonesia 2023–2024 financial and operational data. This IFE matrix calculation return with total weighted score of 2.53, indicating that Garuda Indonesia's internal factors is slightly

above the industry average of 2.50 but remains fragile (David & David, 2022). IFAS table in Table 1 show: main key strength (rating = 4) is Garuda Indonesia still have strong brand equity as 5-star Skytrax and have dominant and priority slot at core airport Soekarno-Hatta International Airport (CGK) and Ngurah Rai Airport (DPS); main key weaknesses (rating = 1) are negative corporate equity position and limited number of operational airlines fleets. As summary, Garuda Indonesia still have potential internal brand to growth but with limitation of current financial figure limits the organization ability to implement high capital strategies.

Table 1. Internal Factors Analysis Score (IFAS)

	Strengths	Weight	Rating	Weighted Score
1	Strong Brand Equity as 5-Star Airline (Skytrax)	0.1	4	0.4
2	Dominant Domestic Slot at CGK & DPS	0.1	4	0.4
3	High On-Time Performance (OTP) > 90%	0.05	3	0.15
4	Strategic Codeshare Partnerships (Qatar/SQ/Emirates)	0.08	4	0.32
5	Growing Cargo Revenue (E-commerce Logistics)	0.07	3	0.21
6	Corporate & Government Market Capture (BUMN)	0.05	3	0.15
7	GarudaMiles Loyalty Program	0.05	3	0.15
	Weaknesses	**Weight**	**Rating**	**Weighted Score**
1	Negative Equity Position (Capital Deficiency)	0.15	1	0.15
2	Limited Operational Fleet (<70 Aircraft)	0.1	1	0.1
3	High CASK (Cost per Available Seat Kilometer)	0.1	2	0.2
4	Volatile Net Income Performance	0.05	2	0.1
5	High Legacy Cost Structure	0.05	2	0.1
6	Dependency on USD for Operations	0.05	2	0.1
	Total IFE Score	**1**		**2.53**

External Factor Evaluation (EFE) Matrix

This EFE Matrix summarize external environment factors including economic, social, political and competitive information which classified as opportunity and threat of PT Garuda Indonesia 2023–2024. This EFE matrix calculation return with total weighted score of 2.83, indicating that Garuda Indonesia is responding effectively to external opportunities and threat with score above the industry average of 2.50 (David & David, 2022). EFAS table in Table 2 show: main key opportunities (rating = 4) are high demand of Umrah and Hajj and BUMN synergy policy to use Garuda Indonesia as main airlines of their operational mobility; main key threat (rating = 2) is volatile of global avtur price, pressure of rupiah currency exchange and high interest rates.

Table 2. External Factors Analysis Score (EFAS)

	Opportunities	Weight	Rating	Weighted Score
1	Surge in Umrah & Hajj Demand	0.15	4	0.6
2	Post-Pandemic Tourism Rebound (Bali/Labuan Bajo)	0.12	3	0.36
3	Growth of E-commerce Logistics	0.1	3	0.3
4	BUMN Synergy Policy (Government Support)	0.08	4	0.32
5	Open Sky Policy / International Alliances	0.05	3	0.15
	Threats	**Weight**	**Rating**	**Weighted Score**
1	Volatile Global Jet Avtur Price	0.15	2	0.3
2	Rupiah Depreciation against USD	0.1	2	0.2
3	Aggressive LCC Competitors (Super Air Jet/Lion)	0.1	3	0.3
4	Global Geopolitical Tension (Middle East)	0.05	2	0.1
5	High Interest Rate Environment	0.1	2	0.2
	Total EFE Score	**1**		**2.83**

Competitive Profile Matrix (CPM)

CPM reveal how is positioning of PT Garuda Indonesia benchmark to major competitor in primary domestic market (Lion Air) and regional full service (Singapore Airlines). Garuda Indonesia total score 2.60 slightly below Lion Air (2.80) and behind Singapore Airlines (3.25) due financial stability and number of fleets. Garuda Indonesia able to keep their competitive edge in brand image, service on board and on-time performance compared to Lion Air. This achievement validating Garuda Indonesia decision to implement different strategies rather than price war in domestic market.

Table 3. CPM Matrix

		Garuda Indonesia		Lion Air		Singapore Airlines	
Critical Success Factors	**Weight**	**Rating**	**Score**	**Rating**	**Score**	**Rating**	**Score**
Brand Image & Reputation	0.15	4	0.60	2	0.30	4	0.60
Market Share (Domestic)	0.15	2	0.30	4	0.60	1	0.15
Price Competitiveness	0.10	1	0.10	4	0.40	1	0.10
Fleet Size & Route Network	0.10	2	0.20	4	0.40	4	0.40
Financial Stability	0.15	1	0.15	3	0.45	4	0.60
Customer Service (On-Board)	0.10	4	0.40	1	0.10	4	0.40
On-Time Performance (OTP)	0.10	4	0.40	2	0.20	4	0.40

Loyalty Program & Alliances	0.05	3	0.15	1	0.05	4	0.20
E-Commerce/Cargo Capability	0.10	3	0.30	3	0.30	4	0.40
Totals	**1.00**		**2.60**		**2.80**		**3.25**

The Matching Stage

The matching stage generate feasible alternative strategies by aligns internal factors and external factors (David & David, 2022).

Internal-External (IE) Matrix

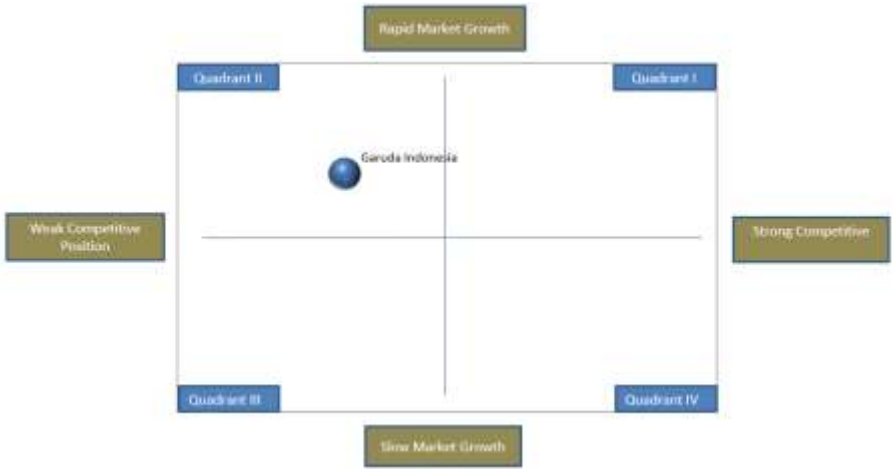
The Internal-External (IE) Matrix works to map the Garuda Indonesia's strategic position by integrating the value of IFE and EFE from the input stage. PT Garuda Indonesia IFE score (2.53) on the X-axis and the EFE score (2.83) on the Y-axis so is position in Quadrant V (five) of the IE Matrix. This quadrant part of region 2 of IE matrix described as Hold and Maintain strategies category including market penetration and product development (David & David, 2022). These strategies align with previous study in Indonesia context, which mentioned that corporate facing competitive weaknesses must prioritize internal improvement and product development (stabilization) before market expansion (Kho et al, 2021).

Figure 1. IE Matrix

Grand Strategy Matrix

Grand strategy matrix based on competitive position in x-axis and market growth in y-axis (David & David, 2022). Garuda Indonesia is position in Quadrant II meaning weak competitive position and rapid market growth. Despite the rapid recovery of travel demand (Rapid Growth), the airline's financial distress places it in a weak competitive position relative to well-capitalized regional peers. Even rapid market recovery in travel demand after pandemic, with Garuda Indonesia financial figure this put corporate in difficult competitive position compared to other domestic and regional airlines.

1. **Strategic Options:** Firms in Quadrant II are advised to apply intensive strategies such as Market Penetration or Horizontal Integration. If these fail, Divestiture or Liquidation becomes the alternative. However, given the "Turnaround" context, the focus is on strengthening the competitive position through efficiency.



SWOT Analysis Strategies

SWOT analysis will develop four type of strategies: SO (strengths-opportunities), WO (weaknesses-opportunities), ST (strengths-threats) and WT (weaknesses-threats) strategies (David & David, 2022).

Table 4. SWOT Matrix

	Strength	Weaknesses
	1. Strong Brand Equity (5-Star Skytrax) 2. Dominant Slots at CGK & DPS 3. High On-Time Performance (OTP >90%) 4. Strategic Codeshare Partnerships (Qatar/SQ) 5. Growing Cargo Revenue (E-commerce) 6. Captive Corporate/Gov Market (BUMN) 7. GarudaMiles Loyalty Program	1. Negative Equity Position (Capital Deficiency) 2. Limited Operational Fleet (<70 Aircraft) 3. High CASK (Cost per Seat) vs LCCs 4. Volatile Net Income Performance 5. High Legacy Cost Structure 6. Dependency on USD for Operations
Opportunities	**SO Strategies**	**WO Strategies**
1. Surge in Umrah & Hajj Demand 2. Post-Pandemic Bali Tourism Rebound 3. E-commerce Logistics Growth 4. BUMN Synergy Policy 5. Global Alliances (SkyTeam)	1. Premium International Re-launch (S1, S2, O2) 2. Umrah Fleet Expansion (S2, O1) 3. Digital Logistics (S5, O3)	1. International Network Airlines (W2, W1, O5) 2. Revenue Optimization (W1, O3) 3. BUMN Corporate Agreement (W4, O4)
Threats	**ST Strategies**	**WT Strategies**

1. Volatile Avtur Prices 2. Rupiah Depreciation 3. Aggressive LCC Airlines 4. Geopolitical Tension 5. High Interest Rates	1. Domestic Market Strengthening (S2, S6, T3) 2. Currency Mitigation (S6, T2) 3. Premium Service (S1, S3, T3)	1. Route Rationalization (W3, W5, T1) 2. Cost Structure Transformation (W5, W3, T2) 3. Asset Optimization / Retrenchment (W2, T5)

Based on detail strategies in SWOT matrix, a thematic prioritization process was conducted to proposed 2 major alternative strategies directions. Strategy 1 (Aggressive Domestic Penetration and Cost Efficiency) as consolidation approach of the ST (Domestic Market Fortification) and WT (Route Rationalization) strategies. This strategy focus on leverage brand equity and domestic dominant slot in meanwhile controlling costs to navigate financial constraints. Strategy 2 (International Expansion and Premium Differentiation) as aggregate approach of the SO (Premium International Re-launch) and SO (Dedicated Umrah Expansion) strategies. This strategy focuses on growth-oriented approaches and leverage brand equity to capture premium International and religious markets.

This 2 strategies ware selected for next process in QSPM evaluation because PT Garuda Indonesia must prioritize upcoming strategies whether deploy limited resources airlines for domestic dominance (low risk / stability) or international premium services (high risk / high return).

The Decision Stage

The Quantitative Strategic Planning Matrix (QSPM) was utilized to evaluate alternative strategies objectively using previous internal and external key success factors (David & David, 2022). Two alternative strategies from previous step will be assign by Attractiveness Score (AS) to calculate Total Attractiveness Score (TAS).

Table 5. QSPM Matrix

			Domestic & Effeciency		International & Premium	
	Strengths	**Weight**	**AS**	**TAS**	**AS**	**TAS**
1	Strong Brand Equity as 5-Star Airline (Skytrax)	0.1	3	0.3	4	0.4
2	Dominant Domestic Slot at CGK & DPS	0.1	4	0.4	2	0.2
3	High On-Time Performance (OTP) > 90%	0.05	4	0.2	3	0.15
4	Strategic Codeshare Partnerships (Qatar/SQ/Emirates)	0.08	3	0.24	1	0.08
5	Growing Cargo Revenue (E-commerce Logistics)	0.07	3	0.21	2	0.14
6	Corporate & Government Market Capture (BUMN)	0.05	4	0.2	2	0.1

7	GarudaMiles Loyalty Program	0.05	3	0.15	3	0.15
			Domestic & Effeciency		**International & Premium**	
	Weaknesses	**Weight**	**AS**	**TAS**	**AS**	**TAS**
1	Negative Equity Position (Capital Deficiency)	0.15	4	0.6	1	0.15
2	Limited Operational Fleet (<70 Aircraft)	0.1	4	0.4	2	0.2
3	High CASK (Cost per Available Seat Kilometer)	0.1	4	0.4	2	0.2
4	Volatile Net Income Performance	0.05	3	0.15	2	0.1
5	High Legacy Cost Structure	0.05	3	0.15	3	0.15
6	Dependency on USD for Operations	0.05	2	0.1	4	0.2
			Domestic & Effeciency		**International & Premium**	
	Opportunities	**Weight**	**AS**	**TAS**	**AS**	**TAS**
1	Surge in Umrah & Hajj Demand	0.15	2	0.3	4	0.6
2	Post-Pandemic Tourism Rebound (Bali/Labuan Bajo)	0.12	2	0.24	4	0.48
3	Growth of E-commerce Logistics	0.1	3	0.3	2	0.2
4	BUMN Synergy Policy (Government Support)	0.08	4	0.32	2	0.16
5	Open Sky Policy / International Alliances	0.05	3	0.15	2	0.1
			Domestic & Effeciency		**International & Premium**	
	Threats	**Weight**	**AS**	**TAS**	**AS**	**TAS**
1	Volatile Global Jet Avtur	0.15	3	0.45	1	0.15
2	Rupiah Depreciation against USD	0.1	4	0.4	2	0.2
3	Aggressive LCC Competitors (Super Air Jet/Lion)	0.1	3	0.3	1	0.1
4	Global Geopolitical Tension (Middle East)	0.05	4	0.2	2	0.1
5	High Interest Rate Environment	0.1	3	0.3	2	0.2
	TOTALS			**6.46**		**4.51**

The QSPM analysis reveals of the prioritization Garuda Indonesia's strategy preference. Strategy 1 result TAS = 6.46 and Strategy 2 result TAS = 4.51. Strategy 1 (Efficiency) received high attractiveness scores because it directly mitigates the financial constraints and reduces exposure to foreign exchange risk. Conversely, Strategy 2 was less

attractive because aggressive expansion requires high capital expenditure which increased risk of corporate insolvency.

This section critically examines the figures from the QSPM analysis and correlates them with the theoretical framework of strategic management and the particular context of PT Garuda Indonesia Tbk's restructuring. This discussion doesn't just repeat the raw data, but it also talks about how important the findings are, what they mean for strategy, and why certain choices were made.

Putting the Strategic Imperative in Context

The Dual Aspects of Post-PKPU Garuda. The matching stage analysis (IE Matrix) shows that Garuda Indonesia is in two different places after the Suspension of Debt Payment Obligations (PKPU). The Internal and External (IE) Matrix results place the business in Quadrant V. suggest a "Hold and Maintain" strategy. The Internal Factor Evaluation (IFE) gave this position a total weighted score of 2.53, while the External Factor Evaluation (EFE) gave it a score of 2.83. The high EFE score (2.83) shows that the outside world has a lot of chances to get better. This is because more people are traveling for Umroh and Haji and regional tourism is getting better (O1, O2). But the company can't take advantage of these opportunities because of internal problems. The IFE score of 2.53 shows that the company is not doing well internally. This is mostly because of Negative Equity (W1) and Limitations in Operational Fleet Size (W2), which means they have fewer than 70 aircraft.

Competitive Profile Matrix shows that the company is in a bad competitive position, with a score of 2.60. It is behind Lion Air in the US and Singapore Airlines in the region, especially in terms of Financial Stability and Fleet Size & Route Network. Garuda is better than Lion Air in Brand Image, Customer Service Quality, and On-Time Performance, but these strengths are hurt by structural deficiencies and Lion Air's big price advantage 0.30 points behind Garuda. This means that the market is ready for a "Grow and Build" phase, but the company's finances need to be stabilized (retrenchment) first. This backs up the strategic goal "Hold and Maintain."

Understanding the Strategic Choice

Putting Cost Efficiency First with Numbers. The Quantitative Strategic Planning Matrix (QSPM) is a tool that helps you choose between two strategic options that are at odds with each other: Strategy 1: Aggressive penetration and cost-effectiveness in the home market; Strategy 2: international expansion and premium differentiation.

The QSPM analysis shows that there are clear and significant preferences. Strategy 1 got a Total Attractiveness Score (TAS) of 6.46, which is much higher than Strategy 2's TAS of 4.51. This difference of 1.95 points is strong proof that cutting back and stabilizing the economy should be the most important thing to do. The main reason for the numbers is that Strategy 1 can directly lower exposure to the most serious structural risks. The Efficiency Strategy (Strategy 1) got a high attractiveness score because it does a good job of fixing major problems like Negative Equity position (W1) and the Threat of Rupiah Exchange Rate Fluctuations against USD (T2). Prioritizing domestic routes can help reduce reliance on the US Dollar for operational costs like renting and maintaining planes. On the other hand, Strategy 2 is not appealing because it would make internal problems worse, like high Cost per Available Seat Kilometer (CASK) (W3) and the need for more capital. Its strategic guideline

is that the domestic focus should be a key source of income that helps improve positive operating cash flow. This is the quickest way to stabilize the capital structure after the PKPU.

Theoretical Alignment and a Plan for Managers

These results are very in line with Strategic Turnaround theory, which says that companies that are having trouble must go through Retrenchment (cost cutting) as a way to stabilize before moving on to the Recovery phase. Strategy 1 (Efficiency), being the most important, shows that Retrenchment is needed. Garuda Indonesia is in the Reconfiguring phase of Dynamic Capabilities. To protect its core competencies, it needs to be able to sell off unprofitable assets, like international routes that cost a lot of money. Some real-world effects on management that come from Strategy 1 and the Strategic Roadmap 2024-2026 are:

1. Optimization of Yield and an On-Shore Asset Bias:
   The measure of operations by management needs to change so that it is maximizing the yield per domestic passenger. They can do this leveraging the power of Dominant Slots in CGK or DPS (S2) and the captured coporate/government market (S6), to generate stable, high margin FCF.
2. Network Orchestration through Codeshare Use:
   International connections are permitted to be made only via Codeshare Partner (S4). It's the "Virtual" International Network scenario that allows Garuda to maintain international image (S1) without risk and cost of long haul, as requested by FXRMP mandate (T2).
3. Cost restructuring and revenue diversification:
   works such as Route Rationalization, CASK reduction with W3(line A), and reducing costs in the value position. Revenue diversification towards the cargo area as one of the main tools to protect in the event of passenger market volatility should be accelerated, with benefits from E-commerce Logistics (O3).
4. Competitive Differentiation through Service Excellence:
   But when the CPM makes it clear they can't compete on price (0.40 for Lion Air and 0.10 for Garuda) or fleet size (0.40 of competitors vs 0.20 of Garuda's), management has to pay infinitely more attention into coming up with a service differentiation. In order to achieve high domestic corporate and government prices, the airline needs to market its 5-Star Skytrax rating (Brand Image: 0.60) and firm On-Time Performance (ONTIMEP). Such a service differentiation strategy enables Garuda to escape destructive price competition with LCCs and is particularly important in targeting the quality-sensitive segment of the market identified by O4 (Opportunity 4) - BUMN Synergy Policy.

It is critical to be disciplined in the execution of Strategy 1 in order to achieve the medium-term financial objective to stop negative equity increasing. Under this plan, Garuda's EBITDA level will increase by 15% in 2026. In the first part of this phase, EBITDA growth is a reasonable place to start, because it indicates that the business can generate cash (earnings) before the massive financial drains per legacy debt and asset depreciation.

CONCLUSION

This study effectively developed and ranked the optimal strategic path for PT Garuda Indonesia Tbk during the critical period following its debt restructuring, using David's Three-Stage Strategic Management Framework. The environmental audit and IE Matrix support the "Hold and Maintain" position (Quadrant V). The external environment demonstrates strong growth potential (EFE: 2.83), but the company must focus on stabilization due to limited capital and a constrained fleet (IFE: 2.53). The Quantitative Strategic Planning Matrix (QSPM) analysis provides robust empirical evidence, showing that Strategy 1: Aggressive Domestic Penetration & Cost Efficiency (TAS: 6.46) is a significantly superior strategic option compared to Strategy 2: International Expansion (TAS: 4.51).

The strategic conclusion is that post-PKPU sustainability should be pursued through disciplined retrenchment implementation, prioritizing the maximization of domestic yield while maintaining a global presence through network orchestration. This represents a strategic shift in organizational focus from "Prestige" to "Profitability."

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