

THE INTERNATIONAL JOURNAL OF BUSINESS & MANAGEMENT

Facing Strategies for Organization Restructuring in PT ASDP Indonesia Ferry (Persero)

Nugroho Wargo Susilo

Student, Magister Management of Business School, Bogor Agriculture University, Indonesia

M Syamsul Maarif

Student, Magister Management of Business School, Bogor Agriculture University, Indonesia

Yunus Triyonggo

Student, Magister Management of Business School, Bogor Agriculture University, Indonesia

Abstract:

The organizational restructuring carried out by PT ASDP Indonesia Ferry (Persero) was based on a critical problem, namely a change in the company's business strategy. The purpose of this study was to analyze employee perceptions of organizational restructuring and see the effect of organizational restructuring on organizational climate, job satisfaction and change management. The research methodology uses AHP and SEM analysis with a total of 123 respondents consisting of employees and four experts. The results showed that organizational restructuring had a significant effect on change management, organizational climate, whereas it did not directly significant affect to job satisfaction, whereas AHP results showed that determining the main strategy of factors is change management with the main actor is BOD and the main goal is to maximize company performance and the main strategy is decentralization.

Keywords: AHP, change management, job satisfaction, organizational climate, organizational restructuring, SEM

1. Introduction

Ferry and port transportation are one component / part of sea transportation. The main function is as a "bridge" that connects between two adjacent islands. Thus, crossing and port transportation also has a very vital role in meeting the basic needs of the community and is irreplaceable, namely accessibility. Another thing that is not done is building a bridge. PT ASDP Indonesia Ferry (Persero) as a BUMN is only specific to the ferry and port transportation sector. For the sake of carrying out the task and giving the best, PT. ASDP Indonesia Ferry (Persero) must formulate strategic steps in the face of an increasingly complex business environment so that it can be adjusted so that it can realize its responsibilities as an SOE effectively and efficiently.

Soegiono and Sutanto (2013) stated that the performance before and after the restructuring of company organizations provides significant findings regarding the following matters:

- Portfolio restructuring led to additional company assets, increased utilization of existing assets, addition of lines and business divisions, thus expanding business ventures.
- Financial restructuring shows an increase in the efficiency and effectiveness of the company's financial performance. As a result, the company's capital becomes stronger.
- Management restructuring shows that the addition of divisions is able to bring changes to a better organizational structure followed by adjustments made in each part and work unit.

Organizational restructuring in practice will have an impact on the perceptions of managers and employees (Sitlington, 2012). Steers (2005) mentions organizational structure, technology, the external environment and management policies and practices as factors that influence the organizational climate. Sunyo (2012) states that organizational climate is a series of feelings and perceptions of workers that can change from time to time and from one worker to another. The climate in the organization must be managed well by every member of the organization, because the organizational climate is an important factor in determining employee behavior and is a distinguishing feature from other organizations. A good organizational climate management is expected to increase employee job satisfaction. According to Kusmaningty as (2013) that the organizational climate proved to have a significant effect on job satisfaction of PT. Persada Jaya Indonesia in Sidoarjo.

Change Management, organizational climate and job satisfaction are factors faced by PT. ASDP Indonesia Ferry (Persero) in the process of organizational restructuring. To realize the success of organizational restructuring, an organizational climate that is beneficial to the needs of individual employees is needed, such as paying attention to the interests of employees and oriented to employee job satisfaction. PT ASDP Indonesia Ferry (Persero) expects the level of behavior towards higher goals. Conversely, if the organizational climate that arises is contrary to goals, needs and personal motivation, it can be possible that employee job satisfaction will decrease. In other words the final result or behavior is determined by the interaction between individual needs and the organizational environment perceived by employees. The resulting level of job satisfaction then feeds back and contributes not only to the climate of the work

environment, but also to the possibility of changes in management policies and practices as well as the organizational climate of the company. In fact, employee problems are still a topic that should be discussed and investigated to identify whether organizational restructuring factors are influenced by the organizational climate and its implications for employee job satisfaction. The main problem is how the change strategy of organizational restructuring based on organizational climate and change management exists and a positive impact on optimal employee job satisfaction. Based on the background and formulation of the problem above, the objectives of this study are

- Analyzing the effect of organizational restructuring on organizational climate at PT. ASDP Indonesia Ferry (Persero).
- Analyzing the effect of organizational restructuring on satisfaction at PT. ASDP Indonesia Ferry (Persero).
- Analyzing the effect of organizational restructuring on change management at PT. ASDP Indonesia Ferry (Persero).
- Analyzing the influence of organizational climate on employee job satisfaction at PT. ASDP Indonesia Ferry (Persero).
- Analyzing the effect of change management on satisfaction at PT. ASDP Indonesia Ferry (Persero).
- Formulate strategies to face organizational restructuring at PT. ASDP Indonesia Ferry (Persero).

To indicate these objectives 5 main hypotheses were created.

- H1: Organizational restructuring (X1) has a significant and positive effect on organizational climate (Y1).
- H2: Organizational restructuring (X1) has a significant and positive effect on job satisfaction (Y2).
- H3: Organizational restructuring (X1) has a significant and positive effect on change management (Y3)
- H4: Organizational Climate (Y1) has a significant and positive effect on job satisfaction (Y2).
- H5: Change management (Y3) has a significant and positive effect on job satisfaction (Y2).

As many of the retailers are using the social media to reach many people at once and they can give feedback as well. This situation makes a motivation to conduct this research as the e WOM is one of the main factors of influencing towards the consumer purchase intention. These findings will be supportive to all the marketers and the academics as the findings can be applied in several marketing theories. This is a quantitative research and descriptive research. This research is basically finding out four independent variables such as trust worthy, credibility, message relevance and informative. This research is finding out that the impact of these each factor towards the purchase intention.

2. Literature Review

2.1. Definition of Organizational Restructuring

Restructuring comes from the word re- and structure, then the organizational structure is related to relations that are relatively fixed among the various tasks that exist in the organization. Organizational restructuring or organizational design are the mechanisms of organizing organizations formally the organizational structure shown by the framework and arrangement of manifestations of fixed patterns of relationships between functions, parts or positions and people who show assignments of authority and responsibility different in an organization (Handoko, 2006). Robbins (2012) defines organizational restructuring as the process of redesigning or rearranging the bureaucratic order resulting from the dynamics that occur in the environment both internally and externally so that in order to develop the bureaucracy must be able to adapt the dynamics. In essence, in other words, activities to compile a bureaucratic organizational unit that will be assigned a specific field of work, task or function are the essence of restructuring or restructuring of bureaucratic organization restructuring is part of the business strategy to reorganize to realize the company's vision and mission (Sumodiningrat and Nugroho, 2005).

2.2. Organizational Climate

Organizational climate has many definitions. According to Sunyoto (2012) states that organizational climate is a series of feelings and perceptions of the various workers who can change from time to time and from one worker to another worker. According to Tagiuri and Litwin (1968) states that organizational climate is the quality of the organization's internal environment which is relatively ongoing, experienced by members of the organization, influencing their behavior and can be described in terms of a set of characteristics or characteristics of the organization. According to Sumardiono (2005), organizational climate is a characteristic that distinguishes one organization from another and influences the behavior of organizational members. While the opinion of Kusjainah (1998) organizational climate is the quality of the internal environment of an organization experienced by its members, influences behavior and can be reflected in a set of specific characteristics or attributes of the organization.

2.3. Job Satisfaction

Job satisfaction is how a person feels his job is seen from various aspects and determines how far they feel satisfied or dissatisfied (Spector, 1997). Job satisfaction according to Robbins (2012) is the general attitude of individuals to their work. Someone who has high job satisfaction will have an effect on positive behavior towards his work. Conversely, when a person is not satisfied with his job will cause negative behavior towards what he does. Mangkunegara (2013) job satisfaction is a feeling that supports or does not support the employee's self-related work or condition.

The Conceptual Framework Organizational restructuring is a challenge for PT. ASDP Indonesia Ferry (Persero) to achieve the company's vision and mission. The work climate that has been formed in the organization will be analyzed for its impact due to organizational restructuring. Employees as resources in the company have an important role,

therefore it is necessary to analyze the effect of organizational restructuring on employee job satisfaction, organizational climate and change management. The initial stage of the research is analyzing various influences related to organizational restructuring. The suggested restructuring strategy is based on this initial stage. The research will be carried out in the AHP method to get a strategy to deal with restructuring in accordance with the conditions of the company.



Figure 1: The Conceptual Frame Work

3. The Methodology

The research was conducted at the Head Office of PT. ASDP Indonesia Ferry (Persero) located on Jl. Jenderal Ahmad Yani Plot 52 A Central Jakarta. The study was conducted in July 2018 until December 2018 with the method of collecting data through interviews with experts and questionnaires to 123 ASDP employee respondents. The analysis used is Structural Equation Model (SEM) Jöreskog and Sorbom (1982) and AHP. SEM analysis involves exogenous variables, namely restructuring (X1) while endogenous variables consist of organizational climate (Y1), job satisfaction (Y2) and change management (Y3).

4. The Result

In this study, the data analysis technique uses a tiered Structural Equation Modeling (SEM) model which is operated through the Linear Structural Relationship (LISREL) program. The software used is LISREL version 8.70.

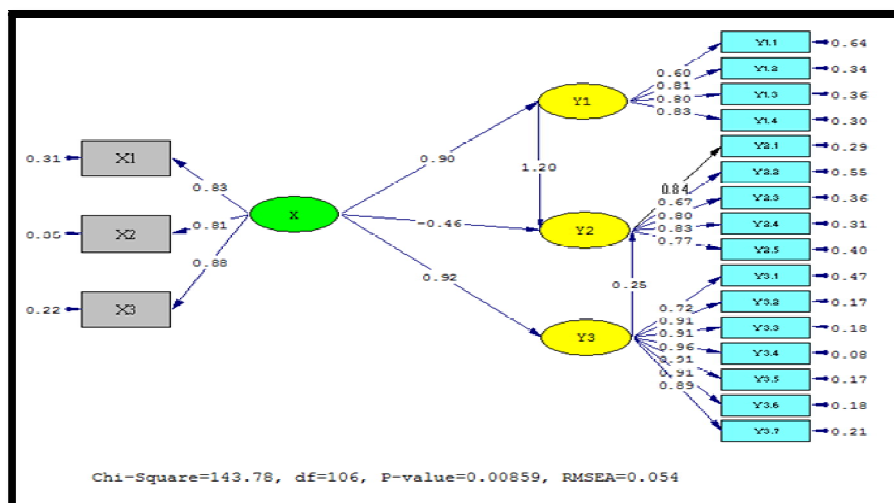


Figure: 2 SEM Result

SEM results show good Factor Loading because all indicators have a loading value of more than 0.50 which can be said to be valid, a good CR (Construct reliability) value ≥ 0.70 and VE (Variance Extracted) has a good VE value ≥ 0.50 . From the calculation results through the loading indicator, it can be concluded that the validity and reliability of all latent variables in the SEM model are good.

Variable	Indicator	Faktor Loading	Ei	CR	VE
X	X1	0.83	0.31	0.8783	0.7066
	X2	0.81	0.35		
	X3	0.88	0.22		
Y1	Y1.1	0.60	0.64	0.8493	0.5885
	Y1.2	0.81	0.34		
	Y1.3	0.80	0.36		
	Y1.4	0.83	0.30		
Y2	Y2.1	0.84	0.29	0.8889	0.617
	Y2.2	0.67	0.55		
	Y2.3	0.80	0.36		
	Y2.4	0.83	0.31		
	Y2.5	0.77	0.40		
Y3	Y3.1	0.72	0.47	0.9635	0.7916
	Y3.2	0.91	0.17		
	Y3.3	0.91	0.18		
	Y3.4	0.96	0.08		
	Y3.5	0.91	0.17		
	Y3.6	0.91	0.18		
	Y3.7	0.89	0.21		

Tabel 1: Validity and Reliability Indicators
Source : Data 2018

Hypothesis	SLF	T Stat	Read
H1 γ_1	0.90	5.55	Significant
H2 γ_2	-0.46	-1.64	Non Significant
H3 γ_3	0.92	3.18	Significant
H4 β_1	1.20	8.83	Significant
H5 β_2	0.25	1.19	Non Significant

Tabel 2: Hypothesis
Source : data 2018

Hypothesis test results in table 2 show that for the first hypothesis testing the effect of restructuring strategies (X1) on organizational climate (Y1) results in a standardized loading factor (γ_1) of 0.90 and t count of 5.55. The absolute value of t count is greater than t table with alpha 5% which is 1.96 which means that it is significant and positive. This shows that the higher the level of employee agreement on organizational restructuring will improve the organizational climate in the company. This is in accordance with the opinion (Sitlington, 2012), in practice organizational restructuring will have an impact on the perceptions of managers and employees. Steers (2005) mentions organizational structure, technology, the external environment and management policies and practices as important influencing factors for organizational climate. The results of the study conducted by Sukengsari (2005) indicate that there is evidence that institutional restructuring has a positive effect on the climate of organization.

The second hypothesis is to test the effect of restructuring strategies (X1) on job satisfaction (Y2) to produce a standardized loading factor (γ_2) of -0.46 and t count -1.64. Absolute value t count is smaller than t table with alpha 5% which is 1.96 then it means that the influence is not significant. This shows that the higher the level of employee agreement on organizational restructuring does not affect job satisfaction in the company. This is not in accordance with mega yunika research (2017) where organizational restructuring has a positive and significant influence on job satisfaction. The results of the study were not appropriate because the cases that occurred at PT ASDP showed that the direct effect was not significant, but could have indirect influence through the organizational climate.

The third hypothesis is to test the effect of the restructuring strategy (X1) on change management (Y3) to produce a standardized loading factor (γ_3) of 0.92 and t count 3.18. The absolute value of t count is greater than t table with alpha 5% which is 1.96, meaning significant and positive influence. This shows that the higher level of employee agreement with organizational restructuring will increase agreement on change management in the company. The results of the study are in accordance with Griggs's (2002) study of organizational restructuring with a case study method for learning organizations in Australia as contradictions or needs. The results showed that organizational downsizing resulted in serious damage to the learning capacity of the organization. Kavale (2012) conducted a study of the relationship between strategy and structure in Kenya with a case study method. The results of the study show that structure and strategy are closely related so that top management must be involved from the start in the formulation, formulation and implementation of strategies and align them with structures that follow a strategy follows strategy.

The fourth hypothesis is to examine the effect of organizational climate (Y1) on job satisfaction (Y2) resulting in a standardized loading factor (β_1) of 1.20 and t count 8.83. The absolute value of t count is greater than t table with alpha 5% which is 1.96, meaning significant and positive influence. This shows that the better the organizational climate will increase job satisfaction in the company. These results are in accordance with Boyd's (2017) study of the investigation and measurement of organizational climate for certified registered anesthesia nurses (CRNA) in the United States using

the Organizational Climate Questionnaire (OCQ) method. The results of the study show that when CRNA's organizational climate is good, job satisfaction and nurse retention rates will increase and patients will receive high quality services.

The fifth hypothesis which is testing the effect of change management (Y3) on job satisfaction (Y1) results in a standardized loading factor (β_2) of 0.25 and t count of 1.19. Absolute value t count is smaller than t table with alpha 5% which is 1.96, meaning that there is no significant influence. This shows that the better the perception of change management does not affect job satisfaction in the company. The results of this study are not in line with Muhammad Sulaiman (2010), namely planned changes that have a positive and significant influence on job satisfaction.

Based on these matters, a number of things that can be done for company management policies include organizational restructuring initiatives of PT. ASDP Indonesia Ferry (Persero) is a form of anticipation of the development of technology, innovation, and digitalization that is running fast, so that it has an impact on industrial progress, customer expectations, and business competition maps so that companies can remain productive and competitive. Companies do decentralizing which is to give up some functions and responsibilities to lower levels of the organization. PT. ASDP Indonesia Ferry (Persero) initiated this step by making changes to the organizational structure of one level under the Board of Directors by creating a Vice President coordinator for the head office work unit and General Manager Coordinator which is divided into 4 regions namely west, south and east. The Board of Directors submits several functions and responsibilities to the Vice President Coordinator and coordinator of the General Manager with the aim that the company organization is more agile, effective and efficient to support the goal of maximizing company performance.

The coefficient of Goodness of Fit from SEM results shows the suitability of the model with a good level of compatibility. The RMSEA value obtained is 0.054 less than the required 0.08, the GFI value obtained is 0.91 greater than 0.90 required, the AGFI value obtained is 0.90 greater than 0.90 required and the CFI value obtained is 0.98 greater than 0.90 which is required. Based on the coefficient values of the table above fulfilling the suitability requirements of a model, it can be concluded that in general the model obtained has a good degree of compatibility.

5. AHP

Analysis of a combined hierarchy of 4 experts vertically can be explained in the figure below

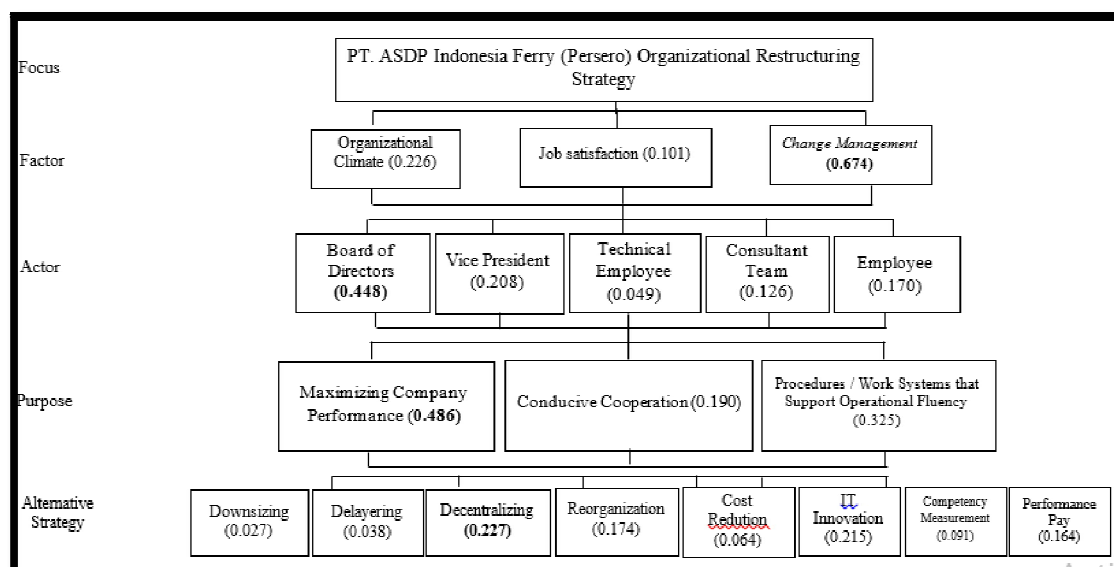


Figure 4: AHP Results The Determination of Alternative Organizational Restructuring Strategies at PT ASDP Indonesia Ferry (Persero)

Based on Figure 4, it can be explained for company factors most influenced by restructuring strategies and the top priority is change management because it has the highest weight value of 0.674. The second priority is the organizational climate with a weight of 0.226, and the third priority is job satisfaction with a weighting value of 0.101. Based on the Actor, the top priority is the Board of Directors with the highest weight value of 0.448 followed by Vice president actors with a weight of 0.298. The third rank is employees with a weight value of 0.170. The fourth rank is the actor consultant team with a weight value of 0.216 and the last rank is the technical employee actor with a weighting value of 0.049. For company goals, the highest priority is maximizing company performance because it has the highest weight value of 0.486. The second priority is a work system procedure that supports operational smoothness with a weight of 0.325, and the third priority is conducive cooperation with a weighting value of 0.190. The alternative strategy which is the top priority is decentralization with the highest weight value of 0.227. All AHP calculations have gone through AHP validation with a reliability value of less than 0.1, thus guaranteeing the consistency of the answers of two experts in providing content in the AHP questionnaire.

Based on the results of the AHP questionnaire data that the dominant goal supports the organizational restructuring strategy at PT. ASDP Indonesia Ferry (Persero) is the maximization of company performance. One of the main factors in achieving the goal of maximizing company performance is increasing the productivity of all ASDP personnel. Maximizing company performance will have a positive impact on improving the welfare of all ASDP personnel.

This welfare improvement is expected to further increase the morale and creativity of all ASDP personnel to continue to work and make their best contribution to the company's progress in achieving the company's business growth target in 2018, reaching double digits. For this reason, hard work with a fast, precise and obedient principle of all ASDP personnel is the key to achieving this target. The dominant strategy supports organizational restructuring strategies at PT. ASDP Indonesia Ferry (Persero) is decentralizing. The company carries out several functions and responsibilities to the lower level of the organization. PT. ASDP Indonesia Ferry (Persero) initiated this step by making changes to the organizational structure of one level under the Board of Directors by creating a Vice President coordinator for the head office work unit and the General Manager coordinator who shared 3 regions, namely west, central and east. The Board of Directors submits several functions and responsibilities to the Vice President Coordinator and coordinator of the General Manager with the aim that the company organization is more agile, effective and efficient to support the goal of maximizing company performance.

The results showed that organizational restructuring variables had a significantly positive effect on organizational climate and change management, the biggest influence being on budget management which was 0.92 while the influence on organizational climate was 0.90. Whereas for job satisfaction is not significant. This is in line with the AHP results which are considered by experts to produce the most important factor in facing organizational restructuring is the second change management is the organizational climate and the most important is job satisfaction. This is a meaningful input for the company that the process of change in the company organization PT. ASDP Indonesia Ferry (Persero) must be carried out appropriately and formulated correctly for the benefit of the organization. So that every change in the organization must be planned and managed properly so that changes can be carried out effectively to achieve organizational goals.

Another significant result of the hypothesis is the influence of organizational climate on job satisfaction, as hypothesized at the beginning of the discussion. This can be interpreted that high job satisfaction is determined by a good organizational climate within the company. Based on these matters, then a number of things that can be done for company management management policies are:

- Organizational restructuring initiative of PT. ASDP Indonesia Ferry (Persero) is a form of anticipation of the development of technology, innovation, and digitalization that is running fast, so that it has an impact on industrial progress, customer expectations, and business competition maps so that companies can remain productive and competitive.
- Companies do Decentralizing which is to give up some functions and responsibilities to lower levels of the organization. PT. ASDP Indonesia Ferry (Persero) initiated this step by making changes to the organizational structure of one level under the Board of Directors by creating a Vice President coordinator for the head office work unit and General Manager coordinator who shared 4 regions, namely west, central, south and east. The Board of Directors submits several functions and responsibilities to the Vice President coordinator and coordinator of the General Manager with the aim that the company organization is more agile, effective and efficient to support the goal of maximizing company performance.

6. Conclusion

Based on the results of the study it can be concluded several points of analysis of the researcher as follows. Organizational restructuring has a significant and positive influence on the organizational climate at PT. ASDP Indonesia Ferry (Persero). Organizational restructuring does not have a significant effect on job satisfaction at PT. ASDP Indonesia Ferry (Persero). Organizational restructuring has a significant and positive influence on change management at PT. ASDP Indonesia Ferry (Persero). Organizational climate has a significant and positive influence on employee job satisfaction at PT. ASDP Indonesia Ferry (Persero)? Change management does not have a significant effect on job satisfaction at PT. ASDP Indonesia Ferry (Persero). AHP results indicate a restructuring strategy factor and the main priority is change management. Based on the Actor, the top priority is the Board of Directors, for the purpose of the company, the most priority is the maximization of company performance and the alternative strategy which is the top priority is decentralization

7. References

- Boyd Jr. Donald R. 2017. Investigating and Measuring Certified Registered Nurse Anesthetist Organizational Climate: Dissertation. Columbia University.
- Griggs LL, Yearsich GG, dan Sirignano AA. 2002. Public Financial Disclosure in the Post-Enron Era. Washington Legal Foundation. 17 (15): 1-4.
- Jöreskog, K. G., & Sörbom, D. (1982). Recent developments in structural equation modeling. *Journal of Marketing Research*. 19: 404-416.
- Kavale S. 2012. The Connection between Strategy and Structure. *International Journal of Business and Commerce*. ISSN: 2225-2436 Vol.1 No.5, February 2012.
- Kusmaningtyas A. 2013. Pengaruh Iklim Organisasi dan Kepemimpinan Terhadap Kepuasan Kerja Karyawan PT. Persada Jaya Indonesia di Kabupaten Sidoarjo. *Jurnal Mitra Ekonomi dan Manajemen Bisnis*. 4(1): 107-120.
- Mega Yunika . 2017 . Pengaruh Restrukturisasi Organisasi dan Pengawasan Kerja Terhadap Kinerja Karyawan Dengan Kepuasan Kerja sebagai variabel Intervening. ISSN 2502-3632 (Online) ISSN 2356-0304 (Paper) Vol.5 No.2, Juli – Desember 2017
- Sitlington H. 2012. Knowledge sharing: implications for downsizing and restructuring outcomes in Australian organisations. *Asia Pasific Journal of Human Resources*. 50(1):110-127.

- viii. Soegiono SL dan Sutanto EM. 2013. Restrukturisasi Organisasi Di PT. Samudra Alam Raya Surabaya. AGORA. (1)3.
- ix. Steers RM. 2005. Efektivitas Organisasi. Terjemahan Magdalena Jamin. Jakarta [ID]: Erlangga.
- x. Sukengsari, Mawarni E. 2005. Implikasi Restrukturisasi Kelembagaan terhadap Perubahan Perilaku Karyawan dan Iklim Organisasi (Studi Kasus Pada Badan Kesatuan dan Perlindungan Masyarakat Propinsi DIY. Sinergi. Hal. 73-91.
- xi. Sulaiman M .2010. Pengaruh Perubahan Organisasi Terhadap Kepuasan Kerja Pada Karyawan S1 Fakultas Ekonomi dan Bisnis Universitas Gadjah Mada . Universitas Gadjah Mada
- xii. Sunyoto D. 2012. Teori, Kuesioner, dan Analisis Data Sumber Daya Manusia.Edisi pertama.