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ORGANIZATIONAL STRUCTURE IN THE DYNAMIC ENVIRONMENT: Linkage with the Strategy and its Implementation in Various Forms of Organization

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Abstract
Organizations engaged in a dynamic environment and constantly changing. In the classical definition of the organization according to the first Chester Barnard (2010) that the organization is a system consciously coordinate all activity or strength of two or more people. In the sense that the organization has four denominator is the coordination of efforts, common goals, sharing resources, and a hierarchy of authority. These four factors according to the theory of the organization referred to as the structure of an organization, that makes an organization can live and work. In a constantly changing environment, organizational structure is also changing. Just as an organ of the body, the organization has a cognitive function that has the ability to perform the perception, interpretation, problem solving and learning from experience. Organization into a learning organization that is comprised of a group of people working together collectively increase their capabilities to achieve their desired goals. A learning organization proactively creating, searching and transferring knowledge through the organization. Organizational learning will make the organization can have a long-term competitive ability and manage change.

In the contingency approach that organizations can be seen as a mechanistic organization with its rigid, bureaucratic with strict regulations and job descriptions were firm and top-down communication, or an organic organization more relaxed, flexible and individualized multi-talent and job descriptions are more varied. In the midst of change, organizational structures need to always be reordered, structures that move the organization can continue to live achieve the specified organizational strategy or planned.

Writing "Organizational Structure In A Dynamic Environment" is a resume of some journals that focuses on how organizations conduct a strategic renewal by looking at the structure of the organization in line with the strategy of the organization established or planned in the middle of a dynamic environment. This paper will review how the process of strategic renewal in the different forms of industrial organization and complexity. Starting from the company Small Medium Enterprise, a multi-national oil companies operating in several countries, companies that perform strategic alliances. In addition, the writing in this journal also will see how in the midst of changing and dynamic environment, the company has organizational learning, organizational performance is influenced by how the strategic orientation, structure and impact associate, also the impact of the implementation of Just In Time Selling on marketing capabilities.

Keywords: Organizational Structure, Strategic, Dynamic environment

I. Introduction

In this dynamic era, many companies are making improvements in the body organization. Then
come the question "which one is the first that the company should make? The organization's structure or the strategy?" These questions are bound to get an answer relatively diverse and may even reap the various debates. There are so many examples of companies that need to make improvements in the organization's body, even the government cabinet was almost certainly every change of government leaders, the organization’s body will also restructured even though the design of the new organizational structure in the government still depends on the applicable regulations (Yunus, 2014). Improvements were made by each company must have goals that are based to the needs of the company's condition. Sometimes the need to restructure the company is solely a desire to grow further and develop, especially facing the tight competition.

Companies need to make corrections and improvements in its organizational structure in order to continue to excel in competition, or at least be able to survive. Companies that do not make corrections and adjustments, especially if it is in global competitive conditions, of course, will lose in the competition. In some opinion claimed that the restructuring aims to improve and maximize the performance of the company. Company make corrections to escape from the problems that appeared in the organization body through various aspects. Those improvements are relate to various aspects of the company, such as improved portfolio companies, capital improvements, streamlining management, improvement of enterprise management system, and the improvement of human resources (edratna.wordpress.com 2008, uploaded in February 2015).

Speaking about the structure of the organization must be strongly associated with the term organization with. Etzioni (1975) in Gudono (2014) says that from birth to death we are "controlled" by the organization. The simplest example is when we are born, we are born into an organization called the hospital, then the school on school organization, and worked in the organization of the company, even when the dead will also be maintained by organizations such as RT, RW, hospital or foundation activities to manage the funeral. (Gudono, 2014). It can be proved that the organization is a dominant element in the life of society. Robbins (1996) in Budiasih (2012) states that "the organization is a social entity consciously coordinated, with a limitation that is relatively easy to be identified, which works on a relative basis, continuously sustainable to achieve a common goal or group of goals".

Management of an organization is certainly not easy, it takes optimal effort because we need to realize that the organization has a very complex nature (Gudono, 2014). To achieve the goal, Handoko (1992) in Budiasi (2012) also stated that the need for organizing process and this process is reflected in the organizational structure. The organizational structure is a system of relations between the positions of the composition contained in the organization's leadership. This is the result of consideration and awareness of the importance of making the planning authority, responsibility, specialization of each member of the organization. (Budiasi 2012). Therefore, Robbins (1996) also stated that "organizational structure specifies how the task and the work can be divided, grouped, and coordinated formally". While Stoner (1992) in Budiasih (2012) says that "the structure of the organization is an arrangement and relationship between parts, components and position in a company".

In the practical world, achievement of corporate goals is not easy to do because either expressed or implied. It would require the exact formula to achieve it. The company's goal will be achieved if the company has the right strategy in its programs. The strategy itself is formulated in order to maximize the allocation of limited resources to achieve company goals. The formulation of a strategy will not have any meaning if the application is not accompanied by
a good management draft organizational structure. The formulation of the strategy is designed to ensure that the company has been carrying out a plan that is efficient and effective in order to achieve company goals.

II. Research Method

This paper is a summary from the collection of articles and journals. The author uses descriptive study, which is done by reviewing the data related to the research problems that come from books, journals, articles and other sources that support this writing. At the writing of this paper there is an attempt to describe, record, and interpret with current conditions and then perform analysis and evaluation.

III. Literature Review

Parson (1960) in Gudono (2014) defines the organization as a social unit and formed solely to achieve a specific goal. So that achievement can be done efficiently, coordination of activities requires a rational structure in which there are those who are given authority as ruler (to provide command-command) and there is a party that ruled (to execute the command). Such was the origin of the bureaucracy that eventually emerged organizational structure.

The following is a brief review of some of the articles and journals related to organizational strategy and organizational structure implemented in companies and organizations. Zand (2009) in his study of the renewal strategy describes how the strategy updates can be done through changes in the structure of an organization of right in line with the strategy that made or planned by the organization. The organization is located in the dynamic environment and constantly changing. In the constantly changing environment, organizations conduct a strategic update related to organizational strategy defined or planned. Zand is a management consultant for the oil company, a Professor, Emeritus of the Stern School of Business New York. The research is a case study focuses on the structural process to perform the update.

In conducting strategic renewal, intensive participation and strong commitment from management will determine the success or failure of the update is done. Consultants and management have agreed to create a self-directed study for change: (1) the role of the consultant is to ask for the information of management to improve the perspectives and way of thinking. Consultants also gives advice on how to search for data, process and evaluate, as well as the implementation of the change, (2) the consultant did not make a written report, a report made by management, (3) the consultant does not provide recommendations for changes in the structure or programs that do, but give suggestions and alternatives for consideration (4) The consultant did not undergo an appraisal, but its own management, (5) the consultant does not carry the staff, but all done under the HRD department.

Strategic renewal was carried out starting from a focus on operational issues and structures and then switches to a comprehensive view of the alignment. From the data collected by the management of the organization SWOT obtained as follows: (1) Gulf division obtain a high rate of production but normal rate for exploration, (2) the division is focused on the exploration production at existing storage point, (3) The division has a lot of exploration with teams spread in many areas, so many decisions related to exploration can’t be done quickly, (4) the project team had difficulty to coordinate the production, because it is very specialized and
hierarchically separated, (5) professionals in the production and exploration decreased promotion, high turnover, (6) the future environment provides an opportunity for the US government to do more drilling block deals in the years ahead, (7) the competition to win the auction is very strict and intensive due to more aggressive competitors offers high to win drilling rights.

Trez (2011) in his study entitled organizational structure and marketing capabilities in SMEs, stating that relations between firms (inter firm relationship) and inter-functional process is associated with the design of organizational structures. Trez doing this research aims to develop and test a conceptual model of the design of an organizational structure that connects several factors that influence the strategic implementation.

In his journal, Trez added that it is necessary to consider the relationship between the functions in the new product development process and the marketing decisions is measured through its activities are among the functional areas. Research conducted on 424 furniture companies found that the results of the NPD process and marketing decisions bring a positive influence on architectural marketing capabilities, which means the process of NPD and marketing decisions affecting the development of marketing capabilities only to companies that have inter firm relationship.

Brinkerhoff (2006) in his research related to the method of evaluation of training and development in building and improving learning organization explained that human resources need to be managed through an organizational structure that is able to practically perform direct approach in the field. Organization or company needs more practice in the field are managed in a practical, simple and easy so that the individual is able honed ability optimally. Therefore it is necessary to redesign the organizational structure adapted to the competence of each individual.

Green (2012) questioned how the JIT selling is applied within the organization and affects the structure of the organization. In his journal Green explains that a business organization to achieve competitive advantage in today must be able to compete to build a supply chain that is integral. Then how did the integration of internal and external organizations to manage the supply chain? Green suggests strategies JIT (Just in Time) which is a philosophy and strategy that provides a method to coordinate and integrate efforts to support the supply chain, when the strategy was developed outside of the organization. JIT philosophy is currently transitioning from internal production function in manufacturing, purchasing and design, now applied externally related to the marketing function as a tool to achieve competitive advantage through differentiation of product distribution.

Green conduct research to replicate previous studies of Germain to see how the impact of JIT strategy Selling to the organizational structure. If a previous study conducted with a sample of logistics managers, this study used a sample of executives Green manufacturing with marketing responsibilities. In a previous study noted that the JIT will be a hedge strategy at the level of integration, performance control, specialization and centralization within an organization. The purpose of the application of this strategy is the delivery of products and services with zero defects in quality, quantity, time and place in accordance with the wishes of the customer. Research results replicate what has been done by Germain et al. but from the hypothesis that found that selling JIT has no impact on the operational decentralization.

Miles (1978) related to the organizational structure of the research on the implementation of organizational strategies related to dynamic organizational environment that influence the organizational structures and processes within the organization. In the process of making strategic decisions must be made by top management is very complex and diverse. Miles added that the problems faced by the organization are related to the organizational adaptation process
that can be categorized in three problems: (1) entrepreneurial problem, (2) Engineering problems, and (3) administrative problems. Later in developing models of adaptive cycles, there are 4 types of strategic organizations, namely: Defenders, Prospectors, Analyzers and Reactors. These four types of organizations have different characteristics related to how organizations view and adapt to the three organizational problems.

Limitations of the top management to make the right choices related to adaptive behavior, some management theory approach also helps to analyze the organization's ability to adapt in a changing environment. Several theoretical models developed include traditional management models, models of human relations, human resources models.

Kaplan (2010) in his article mentions that 50% of alliance companies failed to survive. Therefore it is necessary to repair the structure of the organization at the enterprise alliance strategy. Strategic alliance is one business model that many companies do it. Although this form is pretty much followed but apparently not many have managed to manage it, even only about half are able to generate profits for each party. The shapes of the current alliance strategy not only as a joint resources, but also can produce a competitive advantage. Failure of the business strategy alliance is often caused by management that are likely still traditional, mostly just define the alliance as a SLA (Service Level Agreement) or an agreement to provide services and not on how to get the gain for the partnership. In the case study and Quintilis Solvay Pharmaceuticals, a company that uses strategic alliances and balance score card method to manage their alliance strategies. The findings in the article Kaplan is Solvay which has a strong competence in finding a cure, require a strategic partner that is Quintilis to market their products.

Kaplan added that the alliance strategy maps are made, there are five stages of strategy taken from the employee and organizational levels (living the Alliance), business process (define collaboration), increasing the speed and poses innovation, growth and provide value to both partners (customer value and stakeholders outcomes). Then the balance score card will make it easy for organizations how the strategy should be developed and implemented, encourage behavior change that support the implementation of the strategy and provides a system to be able to execute its strategy.

IV. Analysis and Discussion

In a dynamic environment, the organization's challenge is to adaptive manage the change, how organizations build capabilities to learn consistent, fast and effective way to improve performance. How to make the capabilities of employees to be employees who have a good performance, it is necessary to evaluate strategies for each body of the organization. How does the organization to adapt to the changing environment, often limited in theory because in reality to examine organizational adaptation process is quite complex and volatile. It is inevitable that companies of various forms of industry will face the challenges of the dynamic changes unpredictable. Economic conditions may suddenly experience a crisis that caused the restructuring. For example, many companies to downsize the organization on the grounds of efficiency. Finally happens downsizing several organizational structure lines. However it is part of the dynamics of continuous change will continue to happen. Then each organization has a responsibility to be able to adapt to any changes that occur.

Top management or leadership of the organization are expected to conduct an analysis of the operational structure within the company in line with the strategy developed or planned in the dynamic environment. In updating the organizational structure, the leaders also expected to
perform optimally approach. Zand (2009) explains that the approach can be done through the
two sides of the first ensure that the strategy is designed completely in accordance with the
business environment, and the second is the change in the structure to adjust the strategy
developed. Zand gives an overview on the company Wyler Oil Co., which is experiencing steady
growth, and then the management company make efforts to improve the efficiency of operational
activities then management minimize duplication of services that can give rise to costs. An initial
investigation found the management of the different phenomena gap among managers. On the
one hand some of the top management sees that the organizational structure is too wide with
many levels and bureaucracy. So it is necessary to divide into smaller divisions, so be units that
can stand alone. While other top management considers that the organization is efficient and
does not need to be changed, because the division was able to generate a profit. According to
them divide the company into several divisions will lead to duplication of an impact on the cost
and also the problem of coordination.

From the data, the management can perform an evaluation to make adjustments.
Management should re-evaluate the strengths and weaknesses of the current structure to suit
made or planned strategies and also the potential opportunities and threats that have in the future.
Management Wyler quickly built a consensus that supports the changes in the organizational
structure.

In education for example, higher education, most of the inter-university to another one
definitely has a different organizational structure. It is generally tailored to the needs of each
organization. The changes that occur are usually adapted to the changing conditions of the
organization more modern and well adapted to the decree of the government (eg Ministerial
Decree). Therefore, to change the organizational structure, it is expected that the organization is
able to be flexible to changes in the dynamics that occur in the field.

V. Conclusion

Today's business environment that is growing and developing very dynamically, needs a
management system that is effective and efficient which means can easily change or adapt and
can accommodate any changes in both the medium and has happened fast, precise and effective
and low cost. Thus, the organization is no longer seen as a closed system, but the organization is
an open system which must be able to respond and accommodate a variety of external changes
quickly and efficiently (Brahmasari, 2009).

Organic organization in contingency theory approach, an organization that is open,
flexible to change, not rigid and bureaucratic. In the midst of a dynamic environment
organizations need to undertake strategic renewal for an organization to have a competitive
advantage. Renewal strategy that does will affect the organizational structure. How to align the
organizational structure with the strategy developed and planned by the organization (Gudono,
2014). Changes in organizational structure can have an impact on the individual's commitment to
the organization (Zakaria, 2007).

Research Trez (2011) provide an understanding of the elements that determine the
organizational design of small and medium enterprise from the strategic perspective. Two
important elements are (1) the use of inter-functional and inter-firm processes, (2) development
of strategic marketing capabilities. Inter-functional organizational structure of an integration area
for the performance of activities associated with organizational vision based process. In the
context of small and medium enterprises often happens that certain functions can be in more than one area or department. Inter-firm relationships are based on the organizational design of inter-firm relationships that allow companies to share resources that enable them to access the new competitive position. Marketing Capability is a set of skills and knowledge accumulated, which is obtained from the organizational processes that enable organizations to coordinate activities and use of corporate assets.

Distribution and sharing knowledge within the organization can be done through the knowledge and skills of employees, technical system that transforms knowledge into a habit, system administration and system of values and norms. From these results it can be concluded that there is a real connection between the design organizations with strategy, organizational design has an influence on the development and implementation of marketing capability planning. Organizations need to rethink the processes that integrate the structure in an effort to develop opportunities to create value.

From Wyler cases oil can be drawn some important lessons that (1) the management should always monitor the gap between implementation and strategies are made, (2) the management need to make modifications to the structure periodically to keep the gap between implementation and strategies, (3) to quickly and efficiently modify an organizational structure in line with the strategy, management must develop a culture of ‘willing’ willingness and constructive collaboration.

VI. Reference


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