



Influence of Organizational Change on the Employee Performance of PT. PLN (Persero) ULTG Bintan

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Abstract. Over time, Indonesia grows and continues to innovate in the industrial sector. Therefore, PLN, as one of the State-Owned Enterprises (BUMN), is expected to continue to innovate to assist industrial development through increasing investment and providing reliable electricity. PT. PLN is carrying out a transformation by making the tagline “Power Beyond Generation” for its seriousness in facing future challenges. Therefore, this study aims to determine the organizational changes that have been implemented toward employee performance at PT. PLN (Persero) ULTG Bintan. This study uses a quantitative-survey design with 45 respondents with a saturation sampling method. SPSS Statistics 26 software was used to test the correlation among the variables. The study found a significant and positive relationship between organizational change and employee performance. The study recommends that structure, technology, physical arrangement, and individual factors are necessary for improving employee performance. Hence, PT. PLN must take the initiative to improve its organizational changes to have better employee performance related to these given recommendations.

Keywords: Organizational Change · Employee Performance · PLN ULTG Bintan

1 Introduction

Change is a pervasive influence [1]. In the current dynamic conditions, a company is required to be able to make adjustments to the changes that occur. Companies are forced to be able to move flexibly and adapt because, in the future, the company will have to face many unprecedented challenges.

With the dynamics that exist, there is no guarantee that a company can survive if it is not able to adapt to the current global conditions. All companies are required to be creative and flexible in the face of such a large flow of change. State-owned companies such as PT. PLN (Persero) is aware of the needs related to the adjustment effort to the current state of the business environment.

As time goes by, some things have changed; Indonesia has begun to move toward an industrial country. For this reason, PLN is expected to help industrialization, increase

investment and increase exports through the provision of reliable and quality electrical power. *Electricity* is much-needed energy to move almost all walks of life in the community and must be available in all regions in Indonesia. This makes PT. PLN (Persero) must be a reliable company in serving.

PT. PLN (Persero) inaugurated the transformation of PLN with the tagline Power Beyond Generation to face the challenges of the electricity industry in the future. In implementing this PLN transformation, targets are determined so that the implementation of strategic initiatives can be measured. These strategies include Green, Innovative, Customer Focused, and Lean. To support the transformation program, all units of PT. PLN (Persero) in Indonesia has changed according to their needs and environment to become more efficient, lean, and agile.

Bintan Island is one of the working areas of PT. PLN (Persero) Riau and Riau Islands Regional Parent Unit (UIWRKR). Geographically electrical, UIWRKR is responsible for providing electricity to all Riau Province and Riau Islands areas upstream to downstream, including Bintan island, with electrification areas including Tanjungpinang city, Bintan regency, and surrounding areas. Although located in the archipelago, the need for electricity on Bintan Island is quite large. Based on Fig. 1, it can be seen that the trend of electricity needs on Bintan island is increasing every year.

Recalling the history of the protest events carried out by the people of Bintan island due to electricity deficits and frequent rolling blackouts due to the quality of electricity supply on Bintan island was poorly rated by the community [2]. Thus, to overcome the problem of the electricity crisis, in 2016, PT. PLN (Persero) established an accelerated program for the construction of the 150 kV Batam-Bintan interconnection system; after this system was successfully operational in August 2016, the following year, Bintan island began to experience a significant increase in customer load.

To oversee the operation and maintenance of 150 kV Batam-Bintan system assets, on March 17, 2017, UIWRKR formed a unit named PT. PLN (Persero) Kepri Sector as the unit responsible for overseeing the system’s business. PT. PLN (Persero) Kepri Sector has three service units, namely ULPLTU Tanjungbalai, ULPLTD Air Raja, and ULTG Bintan.

ULTG Bintan is one of the service units that have undergone organizational changes. The organizational change was made to strengthen the Batam-Bintan 150 kV system to be more focused and reliable so that the quality and quantity of electricity distribution on the Bintan islands are better. ULTG Bintan has changed both in terms of an

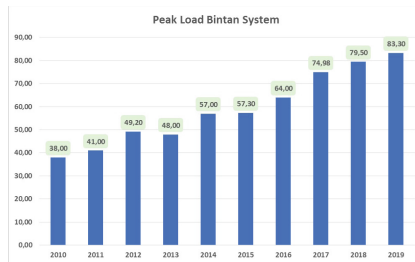


Fig. 1. Bintan System Load for The Period 2010–2019. Source: PT. PLN ULTG Bintan (2021)

organizational name, structure, process, staffing [3], and technological changes such as modern systems [4]. Structural change within an organization might be initiated by internal or external factors [5]. [6] argues that organizations that use information systems, custom software, or specialized technology equipment beyond the standard office information communication technology (i.e., laptops and smartphones) enhance operations efficiency. According to [7], many companies fail to implement change wholly and correctly, whereas others fail to communicate the change to employees in the organization. In a like-mind, Kimaku (2010) expresses further that the uncertain attached to the dynamic environment is likely to affect employees' competencies adversely [8].

Based on Fig. 2 development of the number of employees in 2017 and Period 2020 at ULTG Bintan. It can be seen that in 2017 ULTG Bintan had 37 employees with two structural and 34 operational employees. Then in 2020 changed to 45 employees with details of 10 structural and 35 operational employees.

From the results of interviews with ten operational employees of ULTG Bintan, it was found that the most frequently obtained individual performance assessment was potential value. While the value with the optimal category only appears twice in two different employees, and optimal assessment appears after organizational changes occur.

The potential value is a value that falls into the category of meeting requirements because employees are able to show work results that exceed the target set by running a 91%–100% performance plan. At the same time, optimal individual performance assessments fall into the category of exceeding expectations because employees are able to run 101%–110% of the plan's targets. Therefore, this potential assessment category is relatively good. With organizational changes, this increases the assessment of individual targets so that two operational personnel can get an optimal value which previously the value that is often obtained is only potential.

The insights of organizations that benefit from organizational change were reported by Martins (2011) in his study that the efficiency of U.S. production employees increased by 4.5% per year from 1990 as a result of efficient management of the dynamics of changes in the industrial economy [9]. In previous research [10], Organizational change had an effect of 33.9% on employee performance, and the remaining 66.1% was influenced by other variables that were not studied. Further research from [11] stated that organizational changes affect the performance of employees of PT. Bank Tabungan Negara (Persero) Tbk Solo Branch Office.

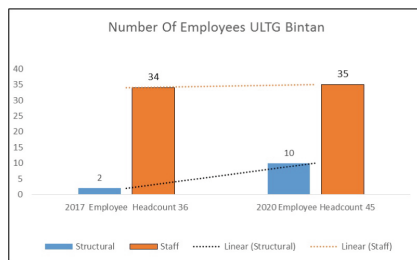


Fig. 2. The Development of Number of Employees In The Period 2017 and Period 2022. Source: PT. PLN ULTG Bintan (2021)

Thus, this research is done to determine the organizational changes that have been made by PT PLN (Persero) ULTG Bintan on the performance of employees of PT. PLN (Persero) ULTG Bintan.

2 Literature Review

2.1 Organizational Change

Change is a series of processes that aim to be different [12]. Change is a series of events that systematically supports the organization's development process [13]. This process, means rightsizing, new development and change in technologies, rescheduling operations, and significant partnerships [14]. Organizational change is shifting something organizational from the current conditions to future conditions as desired to increase its effectiveness [15]. However, organizational change is a rearrangement of management composition, organizational structure, division of labor, operational system, and certain other matters related to managerial and organizational issues [16].

[1] introduced the three-step change model; the first step in the process of changing behavior is to unfreeze the existing situation or status quo, the second step in the process of changing behavior is movement, and The third step of Lewin's three-step change model is refreezing [1].

According to [17], Organizational change requires Perpetual Transition Management, a transition management framework with an important understanding of the triggers for organizational change and how the organization reacts. According to [12], Structural changes such as changes in employee job function, elimination of job duplication, new policy-making, periodic changes in line with market demands, and the establishment of new departments due to market shifts lead to improved performance through the quality of work.

2.2 Employee Performance

Employee performance suggests employee productivity and efficiency due to employee growth [12]. According to Moeharionto (2012), the meaning of the word performance comes from the words job performance and is also called an actual performance that has been achieved by an employee [18]. According to Mathis (2006), employee performance is the main factor that determines the success of the company, and factors that affect the performance of individual employees include the ability, organizational support, and efforts that are poured out [19].

3 Research Methods

This type of research is quantitative [20]. Quantitative research methods are research results in the form of numbers analyzed using statistics. This research aims to determine the effect of organizational changes on employee performance at PT. PLN (Persero) ULTG Bintan.

Table 1. Demographic Characteristics of Respondents

Item	Criteria	Percentage
Gender	Male	97.8%
	Female	2.2%
Age	17–25	77.8%
	26–35	13.3%
	36–45	4.4%
	>46	4.4%
Working Experience	1–5	81.8%
	6–10	6.8%
	16–20	4.5%
	>20	6.8%
Education	High School	84.1%
	Diploma	6.8%
	Bachelor	9.1%

Source: Statistical Processed Data (2021)

The method used is the survey description method which is descriptive statistical analysis and explanatory survey with statistical analysis carried out through the data collection in the field. The survey method is conducted by spreading questionnaires to research objects directly. Data taken from research objects will later be found relationships between variables. The population of this research amounted to 45 employees of PT. PLN (Persero) ULTG Bintan. The sampling technique used in this study was saturated sampling the entire population was used as a sample (Table 1).

4 Result and Discussion

4.1 Data Presentation

From the table above, it appears that the majority of respondents (97.8%) are male, then the rest (2.2%) are female. Based on age, the majority (77%) were respondents between the ages of 17 to 25, then 26–35 years (13.3%), and ages 36–45 years (4.4%). The majority of respondents have been working for 1–5 (81.8%). According to this table 84.1% is the highest percentage under high school level, followed by Diploma (6.8%) and Bachelor (9.1%).

4.2 Validity Test

The following is a table of validity test results of two variables with 45 sample of respondents. The table below is the result of the validity test of each variable in research. Based on Table 2, each item of variable X has a value of $r_{count} > r_{table}$ of 0.294. So,

Table 2. Validity Test for Variable X

Question Items	r	r _{table}	Information
X1	0,729	0,294	Valid
X2	0,856	0,294	Valid
X3	0,755	0,294	Valid
X4	0,851	0,294	Valid
X5	0,774	0,294	Valid
X6	0,806	0,294	Valid
X7	0,743	0,294	Valid
X8	0,708	0,294	Valid
X9	0,805	0,294	Valid
X10	0,859	0,294	Valid
X11	0,862	0,294	Valid

Source: Statistical Processed Data (2021)

Table 3. Validity Test for Variable Y

Question Items	r	r _{table}	Information
Y1	0,742	0,294	Valid
Y2	0,748	0,294	Valid
Y3	0,791	0,294	Valid
Y4	0,787	0,294	Valid
Y5	0,722	0,294	Valid
Y6	0,805	0,294	Valid
Y7	0,539	0,294	Valid
Y8	0,569	0,294	Valid
Y9	0,717	0,294	Valid
Y10	0,726	0,294	Valid

Source: Statistical Processed Data (2021)

the conclusion is that all points of variable question x are statistically declared valid and worthy to be used as a variable measuring tool and can be used in the next analysis.

Based on Table 3, each item of variable Y has a value of $r_{\text{count}} > r_{\text{table}}$ of 0.294. So, in conclusion, all points of variable question y are statistically declared valid and worthy to be used as a variable measuring tool and can be used in subsequent analysis.

Table 4. Reliability Test

Variables	Cronbach's Alpha
X	0.932
Y	0.886

Source: Statistical Processed Data (2021)

Table 5. Effect Organizational Change on Employee Performance in PT PTL (Pesero) ULTG Bintan

Variable	Unstandardized Beta (B)	Std. Error	Standardized beta (β)	t	p
(Constant)	18.149	3.211		5.653	0.000
Organizational change	0.562	0.67	0.79	8.440	0.000
R ²	0.624				
Adjusted R ²	0.615				
Observations	45				

Source: Statistical Processed Data (2021)

4.3 Reliability Test

Based on Table 4 above it can be concluded that all variables are declared reliable and can be used for research data.

4.4 Organizational Change on Employee Performance

There is a significant influence between organizational changes on employee performance. This means it is essential to formulate changes to be on target. In this case, PT. PLN (Persero) ULTG Bintan became one of the successful role models in implementing the strategic formulation of PT. PLN (Persero) transformation so that it can make policies and regulations. Policies that can certainly facilitate more modern work, equipment, or technology to improve the quality and quantity of services of PT. PLN (Persero) ULTG Bintan. According to [21], Change is needed for companies not to be static and remain dynamic in the face of times and technological advances.

The implementation of organizational changes of PT. PLN (Persero) ULTG Bintan has a significant impact on the performance achieved; this can be proven by a significant decrease in disruption and realization of the annual operating plan achieved by the newly formed unit and doing all kinds of work independently. In addition, researchers assess that each employee has understood how they should work and achieve performance and has also sought to exceed the performance set for individuals (Table 5).

The results of this research support the theory and results of previous research, including [11] entitled the influence of organizational change and organizational culture

on employee performance with job satisfaction as a variable of case study moderation at PT. Bank Tabungan Negara (Persero) at Solo branch, the results of employee performance are influenced by organizational changes. Further research conducted by [14] the results shows that organizational Change has a significant positive impact on employee performance in the banking sector of Pakistan.

5 Conclusions and Suggestions

5.1 Conclusions

Organizational changes have a significant effect on employee performance at PT. PLN (Persero) ULTG Bintan. Empirical results confirm that change aims to find or improve ways that are considered less effective by using human resources so that they can improve quality. If organizational changes are planned, directed and implemented properly, there is possibility that their performance will improve.

5.2 Suggestions

Based on the findings of the study, obtained some recommendations as follows:

1. The head of PT. PLN (Persero) ULTG Bintan can build a workspace with adequate facilities for each department in order to provide comfort for working in a new place.
2. PT. PLN (Persero) ULTG Bintan leaders and policymakers should focus more on organizational structure design choices, strategy changes, and technology. They must embrace better strategy changes, employee attitudes towards organizational change and organizational culture so as to improve the employee performance.
3. Future researchers might use other statistical techniques to reveal the relationship between organizational change on employee performance.

Acknowledgment. The authors would like to thank to Mr. Donal Silitonga as Manager of PT. PLN (Persero) ULTG Bintan that had been helpful in completing this research.

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