Organizational Transformation Strategy: Perspective Of HRM Theory

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Abstract: Managing organizational transformation strategies has been an HR division orientation is aimed in conducting business activities. The process of implementing this strategy can be successful by implementing changes in human resource role and function, the role of strategic partners, the role of agents of change and HR competencies. If this can be implemented it will show good developments in order to achieve the organizational strategic vision. Strategic plans can also be turned into actions and tested the results of the ability of an HR manager to direct organizational change, strengthen organizational competencies and competitiveness, and create and maintain a work climate that supports the strategy of the organization. The transformation of the role and function of human resources from fundamental to the role and function of strategic business, is expected to be able to realize a good corporate governance system and be able to be socially responsible so that it can bring the organization into the future in responding the challenges of the global market and also increasing competitive advantage.

Index Terms: Organizational Transformation Strategy, HR Roles and Functions, Strategic Partners, HR competencies

1. INTRODUCTION
The vision of organization that has been determined is worthy to be maintained if the vision reaches satisfactory results. According to [1] said that applicable provisions or regulations make it possible to describe in detail the duties of each division and organizational structure so that there is no misunderstanding or ignoring employees in carrying out their duties. The opinion by [2], argues that the HRM function can be an important strategic partner in achieving organizational goals. This opinion [3], argues that to understand the strategic objectives, an organization needs to develop a deeper understanding of the entire context in which the organization must function. In addition, this provides the basis for drafting organizational HR policies and practices as a system of many elements that are less aligned.

We believe that managing the organizational transformation strategy into an HR division orientation is aimed at conducting business activities. The process of implementing this strategy can be successful by implementing changes in the role of the HR function, the role of strategic partners, the role of change agents and HR competencies. If this can be implemented, it will show good developments in order to achieve the strategic vision of organization. Strategic plans can also be turned into actions and tested the results of the ability of an HR manager to direct organizational change, strengthen organizational competencies and competitive capabilities, create and maintain a good work climate that supports the organizational strategy. This opinion base on [4] suggests that the roles and responsibilities of managers have shifted, greater attention is focused on the role of strategic partners, which can provide added value to the organization's strategy in dealing with changes in the business environment and increase competitive advantage. Accordig to [5] also states that the role of strategic partners requires knowledge, abilities and participation of strategic human resource management programs in supporting organizational strategies. The opinion by [4] argues, on the other hand managers behave as agents of change who will design and manage the capacity of change and organizational culture change. As agents of change managers also need to master four agendas, namely: (a) catalyst / sponsor, (b) facilitator, (c) designer, (d) demonstrator. According to [6] HR practices have a function as a reflection of managerial commitment to support employees that lead to successful organizational change. HR can also help change attitudes and perceptions and turn employees into partners in the transformation process. It is therefore very important for organizations to continuously modify business strategies, policies and align HR practices with the demands of changing business environments, achieving long-term sustainability and overall organizational effectiveness. In accordance with what was stated [7] that a successful HR transformation is able to increase the added value of human resources to the business. If HR professionals really become business partners, then their goals must be business goals. Transforming HR professionals into business partners is not an end in itself, it is a means of achieving strategic and business-oriented goals. Ulrich and his team also stated that senior HR professionals were responsible for ensuring that HR practices and functions were aligned and driving business success. Surveys from the Boston Consulting Group (BCG) and the World Federation of People Management Associations (WFPMA) suggest that many Indonesian companies will not share in the country's explosive growth unless companies can recruit, develop and retain the right people. In all companies, line managers are an important link for translating strategies into concrete business plans, communicating with employees, managing the business and most people in the business. The BCG and WFMA estimates for Indonesia, this shortfall is already acute, and by 2020, a gap of between 40 and 60 percent between demand for line managers and supplies will develop. When half of the line management work is not filled, companies will struggle to achieve their targets, motivate the front lines, and hold on to overworked line managers. (Research results[8] published in 2013). When the change or transformation of organization happens, HR professionals are expected to follow a large number of company initiatives, from new measures and measurements to corporate training and communication programs needed to new modifications to performance management and system development. Job transformation has a greater performance impact; possibility of being non-
routine; needs to be focused on stakeholder requirements; and must have the flexibility to meet and exceed the expectations of all stakeholders.[9] Another opinion [10] also added that organizational transformation is an effort directed at creating a new vision for the organization. The purpose of organizational transformation is to respond to changes in the environment or initiate change. Changes in the role and transformation of human resources are expected to be able to increase comprehensive credibility in human resources in response to changes in the business environment. The challenge of organizational transformation is to find and develop better processes by leaving the past which leads to better processes for the future of the organization. Accordint to [11] suggested that the future of HR both employees and HR professionals need to develop business acumen, functional expertise, talent management skills, leadership change, and partnership/relationship skills, while also learning how to use and apply technology. They also stated that the challenge of other skills transformation was to develop business acumen and to encourage the process in general in various industries and to have discipline under one company. The opinion by [12] also said that the new role of human resources is aimed at business people, forming change, organizational consultants, formulators and strategy implementors, talent managers, cost controllers and asset managers. [13] states that the new role of human resources plays a role in strategic processes (as consultants, assessors, diagnoses, change agents, catalysts, business partners and cost managers, legal aspects (as auditors, consultants, grantor and conciliators), operational aspects (as a silencer problems, agents of change, employee advisors, facilitators, formulators and consultants for various policies), while [14], argues that the new role of human resources as value creators is one of competitive advantage. The HR strategy is a series of processes and activities that are shared by human resources and line managers to solve business problems related to people. Through the HR strategy, HR management seeks to add value by identifying these issues, assessing them, evaluating and resolving the issues that are most important to the competitiveness of the organization which ultimately leads to the success of the organization. In addition, they also found a number of complementary activities that supported the creation of an HR strategy: First, in response to the many environmental changes giving more attention and emphasis to HR. Second, the issue orientation is used to frame the human and business resource agenda. Thirdly, human resource concerns are treated as business problems related to people and become an integral part of successful organizational change. Fourth, line managers become more involved in human resource matters[15]. HR Management Strategy has a link between managing the strategic role of HR with organizational goals to improve business performance and develop organizational culture and maintain flexibility and innovation [16], [17]. Organizations currently face the complexity of HR management in building effective global organizations. An alternative is to provide HR with strategic capabilities, have global insights and experience and the skills needed to become strategic and effective partners for business in the future., [18] ; [19]. Based on the explanation and phenomenon of the research that occurs it is necessary to study the concept by searching the literature for the development of organizational transformation strategies in Indonesia.

2 THEORETICAL REVIEW

2.1. The Change of Human Resources Role and Function

The changes in new roles and functions of human resources are more directed to roles and functions that are more related to business and strategic issues. This is due to the rapid change in the global business environment. These changes in the global business environment include changes and increasingly uncertain business growth, increasingly rapid technological developments, increasingly complex organizational changes both in terms of products, geography, technology, business functions, markets and customers, organizations demanded to be more flexible both from in terms of structure, systems and processes, as well as changes in the company's external environment. The changes in the role and function of HR are based on opinion [15] which states that human resources are required to be more involved in handling and directly involved in every business activity related to humans. These issues regarding business activities related to people are the first key to the change and transformation of the role and function of human resources, because in the future there will be many global issues that will be the focus of attention for human resource management policies. and these HR functions include:

1. Managing employee competencies, this issue focuses on increasing the ability of the workforce to meet the challenges of technological and organizational change.
2. Managing the diversity of the workforce, this issue is related to how to recruit, retain and motivate individuals with different and diverse backgrounds such as race, religion, gender, age and language.
3. Managing to improve competitiveness, this issue is related to the success of a company depending on how effective and efficient the company's strategic and operational policies such as improving the quality of products and services as well as innovations of new products and services that take place continuously and systematically.
4. Managing for globalization, this issue is related to the company's understanding of global market conditions in order to make and market products and services and in order to increase its competitive advantage.

To answer the challenges and global issues, organization necessary to have a good management system, so that later the vision that has been outlined can be achieved and implemented. A good corporate management system which is usually termed as good corporate governance (GCG) is one of the important issues and even becomes an absolute prerequisite in today's global economy. GCG is also used as part of the firm's competitive advantage to enter the global market and win the trust of stakeholders (suppliers, investors, consumers, government, employees and society), [20]. Thus, the transformation of the role and function of human resources from fundamental to strategic business roles and functions is expected to be able to realize a good corporate governance system and be able to be socially responsible so that it can bring the company into the future in responding to market challenges globally while increasing its competitive advantage. Discussing the role and function of new human resources can not be separated from the discussion of changes in the global business environment that occurred in this decade. This rapid and very dramatic change in the
business environment directly changes the paradigm of the role, function and leadership of human resources in an organization or company. According to [22] states that the allocation of values among various roles of human resources shows current perceptions about the function of human resources, identifying areas of human resources that are growing stronger or weaker, as well as evaluate current human resource performance. The new role of human resources will add more value to the organization to be more effective and competitive through reducing costs, customer-oriented, increasing productivity and employee commitment.

2.2. The Roles of Strategic Partners

Human resources are strategic partners to ensure and create organizational diagnoses by implementing steps in the organization, namely: establishing a system that underlies the organization; change the design into an organizational weakness and strength assessment so that the organization's action plan becomes a reality; carry out assessments for improvement for HR to add value to the company through cultural change, competence (organizational design, policy, and communication), work processes (learning and change), and leadership; focus on what is considered important from organizational issues and evaluate HR management activities as the highest priority [4]. According to [21], The relationship between individuals and companies is basically perceived as a relationship between workers and the institutions that employ them. However, this perception changes, along with the changing outlook today where the relationship between individuals and companies has been seen as an interaction relationship between the professional workforce and the organizations that employ it as professionals and as workers. As professionals, both of them assume certain roles and give certain roles to organizations where those roles are consistent with the institutions and ideology of the professional workforce. As labor, both assume a certain role and give a certain role to the company where the role is consistent with the institution and the administrative ideology of the organization. The opinion by [23] stated that in the context of the company's obligation to carry out transformation, human resources have a new role as:

1. Strategic implementing partners - through responsibility and directly involving all aspects of organizational life
2. Experts in administration-coordinate strategic activities, gather and disseminate information, and make organizational policies
3. Building excellence of self-possessing knowledge and abilities in their fields, innovative, initiative and commitment.

We develop the new roles and functions of human resources as stated by Dave Ulrich as follows:

1. Strategic implementing partners. We are of the opinion that the role of this strategic partner must be implemented by the Human Resources Division by creating the following conditions: a) The HR Division must be able to hold the responsibility of defining and formulating policies regarding company architecture. In other words, the HR Division must be able to participate in identifying, formulating and planning policies regarding the ways the company does business. b) The HR Division must be able to be responsible for carrying out organizational audits. In other words, the HR Division must be able to be critical in helping management identify and detect which components of the company need to be changed in order to facilitate the implementation / execution of the company's strategy. c) The HR division must be able to identify and detect methods that can be used to renovate parts of the company's architecture. In other words, the HR Division can carry out the task of proposing, creating and implementing some of the best management practices in organizational change programs. d) The HR Division must be able to formulate and carry out its own work and have clear work initiatives and priorities, where the HR Division is required to be able to work closely with operational managers in formulating and implementing policies / initiatives that have been made and formulated.

2. As an administrative expert. In our view, these roles and functions aim to improve the efficiency and effectiveness of both the HR Division function itself and the overall organizational process. Increased efficiency and effectiveness will be able to build the credibility of the HR Division so that they will be able to play an active role in the executive team and become partners in making, formulating and implementing company policies. In addition, with this role and function, it is expected that the HR Division will be able to create policies on how the work process can be done well within the company as a whole, such as designing and implementing a system that is able to facilitate the entire department to share administrative services.

3. Build self-excellence. We believe that these roles and functions are oriented towards improving employees' abilities and morale. This can be done by conducting training such as moral training, skills training and technical training. The HR Division is also demanded to be able to identify and detect the causes of employee morale as well as being an advisor, representative and connecting employee aspirations in every decision-making and policy by management.

4. Change agent. The HR division is responsible for building the company's capacity to meet the challenges of change.

The HR division is also required to have initiatives in making changes that mainly focus on creating team performance, reducing cycle times in innovation, and implementing new technologies that have been defined and developed in a relatively fast time. In addition, the HR Division is required to be able to formulate, plan and provide solutions so that people in the company are not afraid of change. Research conducted [24] argues that HR professionals must ensure their contribution to sustainable competitive advantage within the organization. This is based on research conducted by[25] which states that the evolution of HR can be characterized as a combination of HR roles consisting of: encouraging employees who are focused on the development of current employees; human capital development that focuses on preparing employees in the future; strategic partners, who combine the roles of change agents; functional expert; and HR leaders who are a combination of all these roles, but also include collaboration with other functions in the organization with the HR community as a whole.
2.3. The Roles of Agent Change Capacity

The role of change agents is to design and manage the capacity of change [23]. Five things that challenge the organization in change, i.e.

1. Globalization Flows. Globalization creates an environment that is not limited by distance, space and time. A company or organization is required to be able to think globally and act locally by flowing and managing human resources, ideas, products and information throughout the world to meet local needs. In addition, in making a strategy a company is required to be able to understand the conditions that occur in the business environment, such as political situations, world trade issues, fluctuations in foreign exchange rates, and different cultures. But the most is with globalization, companies are required to be able to improve the ability to learn and collaborate and be able to manage diversity, complexity and ambiguity.

2. Creating Profits through Growth. To be able to achieve profits through growth including through the creation of products, services and markets as well as new information creatively and innovatively. It also can be through mergers, acquisitions or collaboration with capabilities that can integrate the existence of different processes and corporate or organizational culture.

3. Technology Development. The development of this technology is used to obtain, utilize and disseminate information. In addition, companies are required to be able to plan, develop and anticipate technological changes, because technological developments bring several changes including changes in a number of types of work, skills, organizational structure and organizational flexibility.

4. Intellectual capital. Science is one of the items used to increase competitiveness both in selling ideas and differentiating between companies with one another in serving customers. A successful company is a company that is able to attract, develop and maintain individuals who are able to develop organizations globally and are responsive to customers and technological changes.

5. Change, change and keep changing. Changes in the business environment that are often unpredictable require companies to be able to learn quickly, innovate sustainably, create new strategies, detect quickly the change trends that make the right decisions and quickly capture business opportunities.

The characteristics of an effective change leader according to[26] is:

1. Knowing the overall picture of change and knowing its impact on individuals in the organization and being able to encourage members to adjust to new changes that occur also able to provide the necessary resources;
2. Creating an environment that allows individuals to try changes that occur, provide encouragement, have experience with new ways that are operated and able to break down existing cultures;
3. Leading efforts to change in each of his words and actions. Responsible for implementing the performance process that has taken place and identifying potential rejections;
4. Demonstrate a strong dedication to change. Focus on results and processes, analyze mistakes, determine why they occur and dare to try;
5. Interacting with individuals and groups within the organization, being able to explain who, what, when, where, when, why and how changes occur.

According to [29] states that the process of change within an organization, a change leader must be able to become a fighter namely:

1. Must be able to spread his vision and encourage individuals to achieve that vision;
2. Must be able to play a role not only as knowledge workers but also as knowledge intermediaries;
3. Must be able to spread knowledge to other members.

According to[29] the presence of a change agent who will lead the process of organizational change is the most essential factor in determining whether or not an organization faces change. Without the presence of a change leader, the change process will not be organized and will lose direction. The presence of a change leader can arise from people inside and outside the organization.

2.4. Human Resource Competencies

The competencies of HR professionals must be able to provide value to the achievement of the organization in the process of HR transformation [27]. According to [28] competency needs are the desire to qualify, be knowledgeable, and be able to complete an action, task or goal. They suggest that a manager can provide real resources, time, relationships, and training to improve employee competencies by ensuring that employees have the knowledge and information needed to do work. Competence can increase credibility by demonstrating good business sense, technical ability, and professionalism. Competence can also be used as a personal evaluation of the ability to do a job. According to [30] states that competence refers to the knowledge, expertise, and value needed for today's and future work. To further, an organization must increase competence as the right expertise, the right place, the right job, the right time. They also added that competence is important because the inability will lead to poor decision making. The same thing as stated by [31], competence means the individual has the knowledge, skills and values needed for today's and tomorrow's work. A company clarifies competence as 'the right skills, the right place, the right job, the right time'. For example, an emerging trend in the domain of workforce planning for competency improvement is to identify key positions and match an individual to a position. According to[32], HR division manager, Human resources especially human capital (broadly representing their competence in doing work) related to their commitment to HR positively as a perception of organizational value in HR (broadly representing organizational support for their work). In this research [33], also suggested that the competency approach provides many opportunities to describe the professional and personal aspects needed to achieve a high level of overall organizational efficiency. Opportunities to focus on key aspects of personal and business qualities that affect the results. At the same time, using the concept of competence is very possible to describe the knowledge and skills expected of
employees who effectively fulfill their duties. The opinion by [34], argues that competence is a concept that is widely used to describe the ability of most employees to appear in certain ways in the organization. He also explained that professional competence is seen as a generic, integrated and internalized ability to provide effective (feasible) sustainable performance (including problem solving, creating innovation, and creating transformation) in certain professional domains, jobs, roles, organizational context, and task situations. According to [35], states competence as a coherent collection of knowledge, skills and attitudes that can be used in the context of real performance. They argued that a competent professional would act responsibly and effectively in accordance with the given performance standards. Professional competence is seen as a generic, integrated and internalized ability to deliver sustainable (feasible) performance (including problem solving, creating innovation, and creating transformation) in the professional domain, work, role, organizational context, and specific task situations. According to [36], also said that HR development efforts to improve the effectiveness of line managers are characterized as performance appraisal techniques for evaluating the productivity of individual employees regarding the level and type of competency of line managers. This can be done by comparing their different skills, needs, and demands. From this study it was stated that the competencies of line managers can increase organizational productivity. The research they conducted provided relevant insights on a thorough understanding of the competencies of middle managers, which were divided into five main categories / clusters, namely: 1) Competencies oriented towards management effectiveness; 2) Competency oriented toward integrity; 3) Competencies which are oriented towards personal effectiveness; 4) People-oriented competence; and 5) Competencies oriented to specific knowledge. The opinion in [37] which examines the benefits of a competency approach to human resource management in strategic management suggests that:

1. Competence is a quality or property related to professional activities.
2. Competencies can be consciously changed and can be called dynamic, to change abilities. Competencies can be transformed into the specific needs of strategic management. This view also shows the transition to a competency-based approach to management that can help: a) Diagnose humans as organizational resources (competence is the basis of resource evaluation criteria); b) To establish employee and department “competency documents” (this document helps manage an employee’s life cycle); c) To determine the place and role of each employee in implementing organizational strategy; d) Identifying policies as a priority in each area of employees; e) To revise the emphasis in the incentive system in the company; and f) Determine the needs and direction of employee training (retraining).

According to [38], also concluded that most companies have demonstrated an acceptable level of technical competence and effectiveness of HR, noting that traditional HR capabilities are not diminished in value, but are insufficient to meet the demands of a broader HR strategy. Competencies that need to be developed by HR managers and who have the biggest impact on company performance are business and HR strategic competencies.

5 CONCLUSION

The organizational transformation strategy carried out through the orientation of the HR division in business activities becomes an important role in the function of Human Resources. This is demonstrated by implementing changes in the role of the HR function, the role of strategic partners, the role agent of changes and HR competencies. The role and function changes of human resources are more directed at business and strategic issues that are based on the increasingly rapid changes in the global business environment. The global business environment change include the increasing uncertain business growth, the increasing rapid technological developments, the increasing complex organizational changes in terms of products, geography, technology, business functions, markets and customers, organizations demanded to be more flexible both in terms of structure, systems and processes, as well as changes in the company’s external environment. The change in the role of human resources is expected to be able to increase the credibility and competence of human resources in responding to changes in the business environment by increasing credibility, technical ability, and professionalism. The transformation of the role and function of human resources from fundamental to the role and function of strategic business, is expected to be able to realize a good corporate governance system and be able to be socially responsible so that it can bring the company into the future in responding to the challenges of the global market while increasing competitive advantage.

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