The Effect Of Change Management And Managerial Skill To Employee Motivation

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Abstract: Facing competitive competition, external and internal challenges, encouraging companies to make change management, both structural change, technological change and people change. The success of management change will be seen in increasing employee motivation in work. A manager must have managerial skills and technical skill in order to determine the right policies and strategies. Managerial skills will be able to convince motivated employees to participate in realizing the company's goals. The population of this research is employees in timber companies in Jombang. The sampling technique used is Purposive Sampling, with the criteria of education, working period, time, and division of work, obtained 138 respondents. Data analysis used multiple regression analysis. The result of data analysis proves that there is influence of management change to employee motivation. While managerial skills have no effect on employee motivation. The results of this study also proves that management changes and managerial skills jointly affect employee motivation.

Index Terms: Change Management, Managerial Skill, Motivation Employee.

1 INTRODUCTION
THE wood industry in Indonesia is a competitive industry for domestic and export needs. The development of the wood processing industry has grown rapidly for the manufacture of furniture, particle board, pulp, as well as for the paper industry (Suharjito, 2014). In 1985 the Indonesian government banned the export of logs and allowed only export of sawn timber, processed timber and the like. The policy of exporting logs aims to: (a) increase foreign exchange earnings from export of processed timber, (b) expand employment opportunities in industry forest products (Manurung, 2008). These opportunities and threats are addressed by Indonesian wood industry entrepreneurs by converting logs into processed wood such as laminating boards, wood panels and other furniture needs. According to Robbins & Coulter (2007) government regulations and legislation can be a powerful driver of change in corporate management. Management change is a strategy to overcome the policies issued by the government and in response to the competition of the more competitive, and innovative wood industry. According to Robbins & Judge (2015) The purpose of the planned change is so that (1) the company can adapt to a competitive environment, (2) in order to increase employee work behavior The tight competition is what demands a change of management both in the modernization of the manufacturing industry that includes the transitional process needed for the production and integration of components of a product or support from human resources that are able to work optimally. According to Daft (2002) to face the transformation of a competitive industry, companies that are also learning organizations will appreciate change and not stability According to Gilley, et.al (2009), the change model can help leaders or managers understand change, and guide companies through change processes.

Hitt, et.al (2001) suggests that firms can respond to strategic change management through optimizing the company's resources, capacities and competencies. Management strategies are needed to address issues and capture opportunities for companies to compete competitively. Dessler (1997) explains that the basic goal of management change is to make the company more responsive to product innovation and technological change. Human resources (employees) play an important role in helping to create an alternative manufacturing system based on the company's new teamwork that will appear in employees' commitment, attitude, motivation through a compensation incentive system that binds employees to team goals. Dessler (1997) explains that the basic goal of management change is to make the company more responsive to product innovation and technological change. Human resources (employees) play an important role in helping to create an alternative manufacturing system based on the company's new teamwork that will appear in employees' commitment, attitude, motivation through a compensation incentive system that binds employees to team goals. Zafar, et al (2014) argued that difficulties in responding to changes, both large and small organizations when employees associate change by adding doubts so that conflict arises. A systematic approach by involving employees will be able to restore confidence and help improve employee motivation and performance. The bigger the change management involves the employees, the greater the employee spirit to work extra and provide excellent work performance. It requires a change management strategy that is managed through the managerial skills of the leader will be able to overcome the employee's refusal to change. According to Hitt, et.al (2001) Managerial decisions will affect how information is translated within the company, in order to determine the right strategy to apply within the company and its operational scope. The process of managing change in a company must have a deliberate goal orientation, involving agents of change, ie both managers and employees in order to motivate, create and implement the company's vision (Robbins & Judge, 2015) Research on change management proves that change management affects employees in the long run (Kansala & Chandani, 2014). Several other studies have proven the factors that influence management changes, namely managerial roles, technological innovation and leadership skills. While management skills have no effect on change management (Wadooda, et.al, 2016) Change
management plays an important role in ensuring the quality of the final product and moving the organization toward the desired destination (Al-Moosa & Hopkob, 2016). In its empirical study (Martinsuo & Hoverfalt, 2017) it is illustrated that to manage change in a dynamic organizational context, program management is required. Research on change management that positively influences employee motivation is evidenced by Gilley, (2009); Abbah (2014) Zafara, et.al., (2014) Robbins & Coulter (2007) argue that today's organizational design challenge is when managers can support and facilitate their workers effectively and efficiently. In order to run a more competitive business in a global marketplace, design the challenge by building a learning organization, (3) managing global structure issues. The challenges of globalization require managers to develop skills in order to adapt to the external and internal environment. Effective managerial skills are synonymous with flexibility and change ability by understanding important initiatives such as benchmarking against global standards, business development, and being strategically agile being strategically agile (Ananthram, 2013). The experience and skills of corporate leaders that are implemented in structured actions, will be able to strengthen relationships with employees both in the behavior and effectiveness of the work. Gilley (2009) argues that leaders must create a work environment that motivates employees because in changing organizational management must adapt continuously to changes in technology, labor demographic shifts, rapid decision-making capabilities, and the development of capabilities. According to Robbins & Judge (2015) communicating the logic of change is one way of reducing resistance to change, because (1) it can reduce the misuse of information, and clear up misconceptions, (2) communication can help explain rationally by balancing the interests of both shareholders, consumers, managers, and employees. Employees are an important resource for the company, because it has the capacity, capability, talent, and creativity that is needed by the company to achieve its goals. Employees who are motivated to work, will feel the desire fulfilled (Gilley, 2009). Satisfaction becomes the dimension that can not be separated from the process of motivation. Individual satisfaction will contribute positively to the realization of organizational goals and objectives (Abbah, 2014). Managers who are able to develop and direct their employees in order to overcome barriers in the process of change management, will be able to achieve corporate goals. The decision on change requires the participation and contribution of employees (Robbins S. P., 2015). The motivation of the central activity of management skills, and the task of managers is to persuade employees that their work behaviors bring benefits to the company. Research that proves the effect of managerial skill on motivation is by Sayedinejat et.al., (2014) Firdaus, (2014). Organizational effectiveness is also influenced by employee motivation, as evidenced by Aworemi et.al., (2011); Barg, et.al (2014); Osabiya & Joseph (2015). According to Aljohani (2016) management changes will be successful when employees are motivated to change, by receiving a vision or goal to be achieved company. This can be done through a human resources manager by providing evaluation or feedback to all employees. To face competitive competition, external and internal challenges, encourage companies to change management. Management with its managerial skills also make a strategy for the change to be sustainable through contingency plan. Policies and strategies that are done, among others, by making changes both in changes in organizational structure and type of production. According to Robbins & Judge (2015), organizations or employees with resistance to change can be subtly or explicitly implied and immediately, for example, protest, threaten strikes, demonstrations; can also be implied (implicit) although sometimes in a certain period (indirect), for example, loyalty to the organization decreases, work motivation decreases, work errors increases, absenteeism increases, and so forth. Field studies show an increasing number of employees and low turn over employees. This research is aimed to solve the phenomenon that is expressed about change management, managerial skills and its effect on employee motivation.

2 LITERATURE REVIEW

2.1 Change Management
Change Management is a set of processes used to ensure that significant strategic change in the organization is conducted in a controlled and systematic way, to overcome resistance to change in order to increase engagement and achievement of organizational goals for effective transformation. Achieving sustainable change begins with a clear understanding of the current state of the organization, followed by the implementation of appropriate and targeted strategies (Tresnajaya, 2016). Codreanu (2010) argues that organizational change is a prominent feature of organizational development. Hashim (2013) also pointed out that management changes in both internal and external changes have an important role for the development and stability of the organization. According to Susanto (2005) change management is needed to manage business risk by ensuring that the change involves all components within the company. Robbins & Judge (2015) mentions six specific forces that stimulate change: (1) the nature of labor, (2) Technology, (3) Economic shock, (4) Competition, (5) Social trends, (6). The contemporary phenomenon in management change is done by changing organizational activities by advancing through the latest technology, changing production techniques, changing customer behavior, economic change (Hashim, 2013). Three aspects of change management include: the ability to adapt to change, control change and influence change (Jaluantto, 2015). While (Hashim, 2013) The task of change management is not easy because it requires business skills, analytical skills, political skills, system skills, worker skills, and various consulting services There are four basic steps to making changes in their organization as below: (1) Assess the need for change (2) Start change by making change steps (3) Implement change (4) Monitor or evaluate changes. Robbins & Coulter (2007) mentioned 3 types of changes in management, among others:

1. Structural Changes
Structural changes include all changes in the areas of authority mechanisms, coordination, employee empowerment, redesign of work, organizational design.

2. Technological change
Managers can also change the technology used to improve production efficiency, development of marketing areas, data coordination and so on.

3. Person Changes
Management changes are meant to change attitudes, expectations, perceptions, employee behavior. Managers
perform organizational development techniques during management changes with a view to team development, intergroup development, feedback surveys.

2.2. Managerial Skill
The role of corporate management is critical to answering these opportunities and challenges by establishing a competitive strategy through effective and efficient management. Effective and efficient management implementation is reflected in the manager's leadership through careful evaluation and careful planning. In this case a leader must have both managerial skills (managerial skills) and technical skills (technical skills) in order to determine the right policies and strategies. In his research Subramanian (2013) presents five key components of managerial skills that encourage managers to develop skills and potential for success in the global economy, among others; global thinking, cross cultural sensitivity, adaptation, communication and market knowledge. Daft summarizes the manager's skills in managing the company into three categories, including:

1. Conceptual Skills
Conceptual skills are the ability to think and understand abstract and complex things (Robbins & Coulter, 2007). The same is stated by Sayedinejat (2014) that in conceptual skills implies understanding, skills and activities involving methods, processes, procedures or techniques.

2. Interpersonal Skills
Human skills are the ability of managers to work with others effectively through the ability to motivate, communicate, guide and resolve conflict (Daft, 2000).

3. Technical Skills.
While technical skills according to Daft (2000) are skills in performing specific tasks, which include methods, techniques, and tools involved in specific functions such as machinery, fabrication, finance.

2.3. Motivation
The motivational approach to job design has been demonstrated in various research and management literature and psychology. According to Robbins (2015: 127) motivating employees is one of the important aspects and challenging aspects of management, because in motivation not only about hard work, but also about the way of self-perspective. Davidoff (1981), provides an understanding of the motivation of the inner self-processing constructed in the form of behavior and caused by the motive (motivated behavior). Agreeing with Davidoff's opinion, Barg, et.al (2014) defines motivation as an incentive for individuals to act in order to meet their needs or wants. The concept of motivation is based on the driving forces that exist within the individual who strives to achieve his goal of meeting his needs and expectations (Osabiya, 2015). Almansour (2012) cites the Webster New Collegiate Dictionary which defines motif as a need or desire that causes a person to behave or act. Motivation implies process or motivational action. Motives that appear to meet basic needs (such as eating, drinking) are called drives. Aworemi. et.al (2011) argues that individual motivation has different variations, in accordance with the situation faced and cultural influences, so there are two elements of motivation that reflect the choice of goals to be pursued and targets to be solved, namely (1) the direction of effort to achieve aim. (2) the intensity, is the amount of effort allocated for the goal to be achieved. In other words, a motivated person will hold fast to the achievement of the goal, even if there are various obstacles in the workplace (Abbah, 2014). Therefore the conceptual approach of motivation is based on the idea that the individual needs or outcomes of expectations, in the form of individual behavior or action, in order to achieve the desired goals (Mensah & Tawiah, 2016). This research uses motivational indicator with Expectancy Theory approach from Vroom. Vroom Theory states that people will pursue their goals if (1) the individual believes in the worth of goal (2) the individual believes that the actions taken will ensure his goal is achieved (Abbah, 2014). Vroom has a different perspective with Maslow and Herzberg about motivation issues. Vroom Theory states that people will pursue their goals if (1) the individual believes in the worth of goal (2) the individual believes that the actions taken will ensure his goal is achieved (Abbah, 2014). The Vroom Expectation Theory states that the motive of a person to do something of work is a function of the value and usefulness of every possible outcome / expectation with the perception of the usefulness of an action in the effort of achieving that result (Suciu & Lazar 2013). Specifically Vroom gives the motivation formula is: M = (V x I x E) where M = Motivation; The expectancy (E); Instrumentality / tool (I); The valence (V). Based on this formula Vroom then everyone will feel the result of the effort made. Everyone has a personal goal that is expected, and will be achieved as a result of As’ad's performance (2003: 59). According to Mensah and Tawiah (2016) the theory of hope proposes that motivation depends on individual expectations or views about their ability to perform tasks and receive desired rewards. Zainal, et.al. (2014) suggests that in the expectancy theory, the motivation of a person to do because of the expectations and the results will be obtained, such as expectations of bonuses, salary increases, promotions and expectations. This theory focuses on:

1. Effort Performance Relationship is the probability that employees will receive after exerting the ability to get a good work.
2. Performance Reward Relationship, is the employee's confidence in certain work result will lead to hope.
3. Reward Personal Goal, is a reward organization or company can cause employee satisfaction in work.

2.4 Conceptual Framework
After formulating the framework of thinking, it is necessary to draw up a conceptual framework. Motivation approach to designing work has been proven in various research and management literature especially organizational behavior. Conceptual framework is arranged based on the relationship of variables studied.

The results of this study are expected to prove the effect of Change Management (X1) and Managerial Skill (X2) on Employee Motivation (Y) on timber manufacture in Jombang. Based on the formulation of the problem, the research objectives can be proposed research hypothesis as follows:
1. How does Change Management affect employee motivation (H1)
2. How does Managerial Skill influence Employee Motivation (H2)
3. How does Change Management and Managerial Skill influence Employee Motivation (H3)

3 RESEARCH METHODOLOGY

3.1. Research Design
Based on the objectives to be achieved in this research, the approach of research with quantitative approach. The research design was formed to find out the background of the problem, the basic concept of thought and the hypothesis. This research is an associative research. According to Supriyanto (2009) the purpose of research by associativ research method is to know the relationship of two variables or more.

3.2. Sampling Design
The population of this research is the timber manufacture employee located in Jombang, East Java, Indonesia, at three company locations: UD Karya Jati, B Style Industry, and Karya Jari Sejati. The sampling technique used is Purposive Sampling. Technique purposive sampling is used to determine the sample based on certain considerations (Sugiyono, 2016). The criteria of this research is based on: (1) Education, minimum of SMA / SMK (2) Working period, respondent has worked more than 2 years (3) Employee Age 30 to 60 years (4) Division of labor, respondents are employees in personnel division ( HRD), Technical, Production, PPIC, Warehouse, Marketing. The number of samples obtained through the criteria is 137 respondents. The data collected were obtained through questionnaires, field studies, interviews and studies derived from scientific publications from both books and journals.

3.3. Test Validity & Reliability
Testing the validity of the instrument is to calculate the correlation between each item question by using the formula of product moment correlation technique. Furthermore the correlation number obtained should be compared with r number in table value r. The way to see the critical numbers is to look at the N-2 results with α = 0.05. If the correlation number obtained (r) is greater than the criticalized table, then the item is valid. Reliability testing is used to determine the internal consistency of an indicator of a construct or a common latent variable (Sugiyono, 2018). Summary model of SPSS version 23 shows how much influence of independent variable to dependent variable. The result is the value of R = 0.441 which means the magnitude of the influence of independent variables to the dependent variable is 44.1%.

3.4. Data analysis
Analysis of data used to prove research hypothesis by using Multiple Linear Regression Analysis and classical assumption test by using application program SPSS ver 16 for windows. In analyzing the data grouped by the variables of all respondents, presenting the data of each variable studied, doing the calculation to answer the problem formulation, and do the calculation to test the hypothesis (Sugiyono, 2016). Multiple linear regression equation as follows:

\[ Y = a + b1X1 + b2X2 + ... + bnXn \]

Information:

- **Y**: Dependent variable (predicted value)
- **X1 and X2**: independent variable
- **a**: Constant (value Y if X1, X2 ... Xn = 0)
- **b**: regression coefficient (value increase or decrease)

\[ Y = \alpha + \beta1X1 + \beta2X2 + ... + \beta nXn \]

**Tabel 1 Test Data Analysis Dependent Variable: Employee Motivation**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
<th>95.0% Confidence Interval for B</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant</td>
<td>11.53</td>
<td>2.389</td>
<td>4.827</td>
<td>0.00</td>
<td>6.808 to 16.255</td>
</tr>
<tr>
<td>Change Mana Gement</td>
<td>0.472</td>
<td>0.102</td>
<td>3.90</td>
<td>0.00</td>
<td>0.271 to 0.673</td>
</tr>
<tr>
<td>Skill Mana Gement</td>
<td>0.055</td>
<td>0.045</td>
<td>1.242</td>
<td>0.21</td>
<td>-0.033 to 0.143</td>
</tr>
</tbody>
</table>

Source: SPSS Output, 2018

Coefficients is the result of the T test used to see the partial effect of variables X1 and X2 on variable Y. T test results show:

1. The correlation coefficient of Change Management variable is 0.390, and the value of Sig X1 (Change Management) is 0.000. Based on these values, it can be interpreted that the variable Change Management has a significant positive effect on Motivation Employee (hypothesis 1). Which means there is influence of Change Management to Motivation Employee.

2. The correlation coefficient of Management Skill is 0.104, and the value of Sig X2 is 0.216. This is indicated from the T test or partial that has a value of significance (P Value) of 0.216 is greater than 0.05. Based on these values, it can be interpreted that the variable Skill Management has no effect on the Motivation Employee variable (hypothesis 2). Which means there is no effect of Skill Management Against Motivation Employee.

**Tabel 2. Anova Test F Result**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>165.579</td>
<td>2</td>
<td>82.789</td>
<td>16.1 0.00</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>668.830</td>
<td>134</td>
<td>5.126</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>852.409</td>
<td>136</td>
<td></td>
<td>52 0.00</td>
</tr>
</tbody>
</table>

Source: SPSS Output, 2018

Anova is the result of F test, in table 2 it is used to see the simultaneous influence of variable X to variable Y. The value of F arithmetic is 5.126 or below 0.05 with significance level 0.000, proving that Change Management and Managerial Skill together have a significant influence on the Motivation Employee (hypothesis 3).
4 RESULT AND DISCUSSION

4.1. Result Research
Discussion of the research results is the answer of the proposed problem which has been proposed based on the empirical findings and the theoretical findings and previous studies relevant to the study conducted. This research discusses the change of management and managerial skill of cheap wood industry in Jombang Indonesia. Result of research to prove three hypothesis.

1. The first hypothesis of research is Management change to employee motivation. The results prove that Change Management has a significant positive effect on Employee Motivation. Management changes are more structural, tea people can affect employees. The results of field studies, and interviews for information retrieval, illustrate that structural changes made easier in coordination, where there is a clearer division of authority and tasks. Supervisory functions from superiors to subordinates work well, in addition to scheduled meetings and training, technology also helps to optimize the monitoring function. This implies increased employee motivation for more disciplined, innovative backed by objectively measurable bonus or reward thanks to technological support.

2. Second Hypothesis This research to prove whether there is influence Managerial Skill to Motivation Employee. Test analysis using multiple linear regression analysis proves that Skill Management has no effect on Motivation Employee variable. Managerial Skill either conceptually, technically, or interpersonally is not yet fully touching to production. This can be seen from the characteristics of respondents who are mostly 51% production, which is divided Packing 14% and 37%. Employee focus only works productively and lacks interpersonal communication with the manager or supervisor. The restructuring of the company leads the leaders to increase their knowledge and experience in their managerial skills.

3. The third hypothesis is to prove the effect of Change Management and Managerial Skill on Employee Motivation. F test results prove that Change Management and Managerial Skill jointly have a significant influence on Motivation Employee The power of management change is the active participation of change agents, are managers and employees. Management changes that are balanced with managerial skills will be able to modify the attitudes and behaviors of employees to be more motivated in work. Change management that integrates knowledge of organizational behavior reduces employee resistance and stress during times of change. The role of leaders will greatly influence the orientation of thinking employees to be more positive respond to change, so motivate employees to work effectively and productively. (Robbins, Stephen P. & Judge, Timothy A., 2015). Data obtained from the interview and analysis of respondent characteristics, obtained a picture of low turnover rate and the increasing number of new employees. This is because since 2007 the company changed its production into panel. This change has implications for employees who have expertise in production related to garden and outdoor furniture (eg Sawmill, Boiler). These changes also alter employee motivation due to increased knowledge and decrease work saturation. Employees are also driven by achievement motivation and gain positive expectations about the company’s future.

4.2. Conclusion
Based on the results of the study and after testing the effects of Change Management and Managerial Skill on Motivation Employee can be drawn some conclusions of programmed and systematic change management that will increase motivation for employees when in the process of change, the manager provides understanding of the purpose of change, interpersonal communication with employees, Because understanding of the purpose of change will grow employees’ expansiveness of their better future. Change management and managerial skills will effectively increase employee motivation if there is synergy between the two variables. Because agents change not just leaders or managers, but employees also have a contribution in the progress of the company.

REFERENCES


