

CHAPTER 1 INTRODUCTION

The aim of this chapter is to giving the explanation how a condition around the company can cause problems to the employees and the company itself, and the problem wanted to be solved for this research. This chapter consists of the background, problem statement, and objectives of the research. The scopes and limitations will be the last thing discussed here.

1.1. Background

One thing that every company will have is people. People is one thing that can not be duplicated or imitated by other companies and considered as the most valuable asset if managed properly (Anitha, 2014). There are so many ways to manage employees in the company. One of them is the engagement of employees. Engagement of the employees can be observed through the production and sales level. An average loss of 14.1 working days per year has been shown by disengaged employees (Ruslan et al., 2014). While on the sales level, US economy slumps between \$250 billion until \$300 billion a year as a result of disengaged employees, lacking of contribution in productivity (Rath & Clifton, 2004). Factors that decide the level of engagement are organizational policies, procedures, structures, and systems (Anitha, 2014).

One factor that affects the engagement of employees is the organizational structure. Beside it, Steiger (2013) also stated organizational structure as one of essential parts for companies. Having no organizational structure will interrupt the employees. Employees do not aware about their supervisors, partners, and subordinates. Beside it, if they face problems and it becomes bad performance, they can not discuss it with their supervisor because they do not know who their supervisor is. They do not give the performance report to the right supervisor, and then they tend to not do the best on their jobs because they think no one is watching their work. This leads employees to have lower performance (Hao et al., 2012).

There is also job description needed in company beside the organizational structure. Job description typically support key human resource decisions,

including those which link competencies with function, such as selection, training, career development, pay determination, and promotion (Pavur & Edward, 2010). Having poor job description can lead some jobs are forgotten to be conducted and decrease the employees productivity (Pennell, 2010). This is because the employees do not really know about their responsibilities. At the same time, some same jobs can be done by 2 or more employees in different positions. This condition is waste for companies. Not only about that, the fact that some job descriptions of organizations do not define clearly the responsibilities and standards required from the holder of that position may become a problem (Stanescu, 2004).

This research was conducted in a textile company named PT. ABC in Yogyakarta. Situation in PT. ABC is they do not have any written job description for all positions. The job descriptions and responsibilities are given verbally from the senior employees and HRD employees. As mentioned before, having poor job descriptions already give bad impact to the company, then worse situation happens in this company. It is worse because they have no written job description, and this leads to the appearance of many problems. Some problems are already happening in the company, such as many workers do not really understand about their responsibilities, to whom to be responsible, to whom to coordinate with, and to whom to share information. The verbal job descriptions lead to the situation that employees might have different understanding about the job descriptions and make them confused. Beside those problems, the employees have no responsibility and judge each other if a problem happened. They judged each other because the job is done by more than the employees needed and they can not define which one has to take the responsibility because each of them has the same probability to do wrong things and create the problem. The other problem can be seen from the management point of view. The HRD employees complain about the positions on the structure. Some positions seem like waste because they know it is not needed for the department but they do not have enough knowledge about improving the structure.

This research will have suggested organizational structure and the job descriptions as the results. The methodology used to get these results is the methods from macro ergonomic approach, which are Macro Ergonomic Analysis

of Structure (MAS) and Macro Ergonomic Analysis and Design (MEAD). The consideration of using this approach is the benefit given to the company when applying it. Hendrick and Kleiner explained about the personnel-related and material-equipment benefits of Macro ergonomics interventions. Personnel benefits include increased output per worker; reduced accidents, injuries, and illness; reduced training time; reduced skill requirements; reduced maintenance time; and reduced absenteeism. Material-equipment benefits include savings from reduced scraps, equipment, production parts and materials, and maintenance tools and materials (Hendrick & Kleiner, 2001).

1.2. Problem statement

Problem in PT. ABC is they have no written job description for every position. By having no written job descriptions, other problems can appear in the production floor. Some jobs may be not conducted due to confusing responsibilities to do those jobs is one of potential problems that may appear in the company. The organizational structure should be same with the reality of working in order to define the appropriate job descriptions, so it is needed to do observation on the organizational structure firstly.

1.3. Scope and limitation

The scope of this research was redesigning and creating organizational structure using Macro Ergonomics Analysis of Structure (MAS), and creating job descriptions for all positions mentioned at the organizational structure using Macro Ergonomic Analysis and Design (MEAD). The research could be conducted only for the employees of production process both for the organizational structure and job descriptions due to company policies. Beside it, the questionnaires distributed for the data collection was limited up to 50 copies only per department. The Standard Operation Procedure (SOP) can not be made because the research has to observe the machines deeply and machine is not one of the researcher competency.

1.4. Objectives

The aim of this study is to develop job description for every position in PT. ABC. By having an appropriate job description, the company can decrease the problems happen and increase employees productivity. In order to get the job descriptions, the analysis of organizational structure is needed. Based on that condition, then the objectives in this research can be pointed as:

1. Analyzing current organizational structure and job descriptions.
2. Suggesting new organizational structure and job descriptions.



CHAPTER 2

LITERATURE REVIEW AND THEORETICAL BACKGROUND

This chapter is divided into literature review and theoretical background mainly. The literature review will discuss about the comparison of this research and the other previous researches about the organizational structure and job descriptions. The theoretical background will discuss about the theories in supporting this research.

2.1. Literature review

Some previous researches related to construction of organizational structure had been done. Those researches will be the literature review and compared to this research.

Shodiq & Ghozali (2012) in a journal entitled "*Evaluasi Kesesuaian Struktur Organisasi Pengelola Teknologi Informasi dengan Rencana Jangka Panjang Instansi (Studi Kasus pada Dinas XYZ)*" evaluated current organizational structure using COBIT (Control Objectives for Information and related Technology) version 4.1. There were 11 business goals, 24 IT goals, and 7 working division that suitable with the company long term planning. A new ideal organizational structure and the job descriptions for each position in the structure also offered for the company.

Hong et al. (2012) analyzed the organizational structure from the business process of communication and broadcast industries in a journal entitled "A Methodology for Redesigning an Organizational Structure Based on Business Process Model Using SNA Techniques." Transfer-of-work metrics combined with SNA techniques was used for analyzing the relations. They recommended that financial management needed to be outsourced and decentralized, and human resource management and managerial accounting are combined with the division of general affairs and placed under CEO.

Febryanti (2013) did a research at PT. Multipanel Intermitra Mandiri Cikarang using structural dimension of work system and sociotechnical system for solving the poor coordination at that company. Suggestion to filled the empty level by the

under level and combined the positions with same function to decrease the horizontal specialization were given in this research.

This research was done at PT. ABC using several macro ergonomic approaches which were Macro Ergonomics Analysis of Structure (MAS) and Macro Ergonomic Analysis and Design (MEAD) method. The objective of the research was to develop new design of company organizational structure and job descriptions to make clear responsibilities and job description for each position, so the problem about doing too many jobs and doing the same jobs with other employees could be decreased and hopefully increases company benefits.

The table below is the comparison among the previous researches and this research, focusing about the object, objectives, methodology, and result in each research.

