

FINDING THE RIGHT STRATEGY FOR THE ORGANIZATIONAL TRANSFORMATION INITIATIVE

AN OFFICIAL CLIENT UPDATE OF PT HEADHUNTER INDONESIA



Throughout the year, the rise and fall of a company is often affected by the surrounding business climate. Ability to respond and adapt with the geopolitical risk, economy uncertainty, technological advancement, and market competition can make a different output for companies in order to survive. Amid this volatility, strategic and effective decisions will play a critical role for further counter action.

Implementation of organization transformation as a part of change management can be considered as a result of practical strategy to endure the company from various challenges or disruptions. In order to give better understanding, organizational transformation can be interpreted as a set of action plans which a company or organization builds to align their organizational cultures with its strategy to achieve its objectives. Although organizational transformation might benefit the company, it sometimes is not an instant way to make the organization keep performing in the middle of uncertainty. Leaders that have the power to start the initiative must understand that their figure will influence the output of the transformation, whether it's successful or failed. Research collaboration conducted by EY and Oxford University found that around 50 percent from 935 CXOs that participated in the survey represented a successful transformation project within their company, and the other half unsuccessful. The research also mentioned that after the in-depth interview, several factors are involved in the journey and strongly impactful to the outcome.

Before jumping into the variables, leaders have to understand

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that transformation or changes require a lot of energy and sometimes the process can be challenging and full of sweat and tears, and despite academics already provided various approach or theory for transformation e.g. Kurt Lewin's change management model or Gene Dalton's theory of lasting change, companies still need to adjust and create tailored model for its own because often companies face different challenges, goals, or value. By understanding the suitable approach, both leaders and employees can integrate their interests and create a collaborative environment which increases the probability of successful transformation.

Determine the Right Approach

Among various theories provided by academics and consultants, there are 2 major options which companies can choose to implement. If the companies failed to determine the right approach, it might create further chaos for the overall journey. There are two main courses of action: first, by calculating trade-off, and second, to build some alternate ideas. The reason behind this is in situations where transformation could impact the whole organization at once, it is important to establish the right initiatives to prevent damaging the entire system which might be difficult to undo. Leaders cannot rely solely on flexible adjustment or improvisation because it can create instability and difficulty for the employees to adapt, imagine every month a company goes through restructuring and change of work strategy, that would be confusing and ineffective.

In order to identify the potential change, companies must create a list which they are willing to waive. There's a terminology to call this action, which is a trade-off or an action of someone to choose or prioritize one or some options and deprioritize the other one, or in other terms is commonly known as opportunity cost. Companies must choose which area they would prioritize to do the transformation, it can vary depending on the situation of a company, is it the organizational structure, operations, or even businesses. Leaders must choose carefully in order to enhance a company's leverage in the business. By making trade-offs, leaders can focus more on the area which can potentially gain positive impact, and get rid of the ineffective area that sometimes can cause disruption within the company.

On the other hand, companies could grasp the second option by establishing a core team for transformation and from here, team members will gather the realistic idea of which sector that they want to change as many as possible, in this

case the company doesn't need to trade-off and can implement the change management from the current structure. After the idea has been gathered, leaders and the team should start the transformation step-by-step and evaluate every solution that they can find and try to find the most effective way before scale up the transformation in the whole organization. This way, leaders will minimize the exposure of new situations that might be peculiar.

Don't Forget the Support Team

Link back from research that was conducted by [EY and Oxford University](#), emotionality is one of the important elements for the transformation to be successful, in this case leaders should have designed it in the way that it would not create emotional harm for the employees which act as support team. At the beginning, the transformation process starts with optimistic and positive emotions, knowing that the organization will take a change in order to take a leap from the current situation, but in the middle of the process the excitement will reduce alongside the optimism and start to question whether it is the right way or not.

Up to this point, leaders must be able to create a psychological safety for every stakeholder that is involved in the transformation process including employees. Establishing a condition where all voices could be heard and all the employees could manage the stress and pressure is a major key. Without a positive environment, employees could feel anxious and demotivate from the dynamics, thus can lead to losing faith in transformation where it feels like there's no compelling vision, no visible progress, and no practical and emotional support from leaders. When this situation happens, stakeholders can slowly set off from the track and do other activities and neglect the main purpose.

Conclusion

Organizational transformation can be beneficial for the company in order to survive the volatility of the business environment, however the ability of leaders to choose the right strategy and support the stakeholder is the key of a successful transformation.

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