

## Analysis of Policy Restructuring Organization on PT. Kereta API Indonesia (Persero) Regional I, North Sumatra

Asy'ari Hidayat<sup>1\*</sup>, Sukaria Sinulingga<sup>2</sup>, Khaira Amalia<sup>3</sup>, Muhammad Dharma Tuah Putra Nasution<sup>4</sup>

<sup>1</sup>Postgraduate Program, Magister Management, Universitas Sumatera Utara, Indonesia

<sup>2</sup>Faculty of Industrial Engineering, Universitas Sumatera Utara, Indonesia

<sup>3</sup>Faculty of Economics & Business, Universitas Sumatera Utara, Indonesia

<sup>4</sup>Visiting Lecturer, Postgraduate Program, Magister Management, Universitas Sumatera Utara, Indonesia

\*Corresponding author: Asy'ari Hidayat

| Received: 02.01.2019 | Accepted: 11.01.2019 | Published: 25.01.2019

DOI: [10.21276/sjbms.2019.4.1.10](https://doi.org/10.21276/sjbms.2019.4.1.10)

### Abstract

This study aims to determine the impact on the company from organizational restructuring, the policies for the development of facilities, and effective policies to be implemented. This type of research is a descriptive qualitative type that aims to describe the object in the research. The subject of this study was the vice president of Divre I as much as one-person, senior manager one person and four-person manager facilities. Data collection using observation, interview and documentation. Data analysis uses interactive qualitative models. The result of the research shows that the organizational restructuring of facilities at PT. Kereta Api Indonesia (Persero) Divre I, North Sumatra is currently ineffective and inefficiencies. This case led to a lack of facilities in implementing work programs resulting from management, and past administrative settlement, as well as non-independent facilities in managing finance. Similarly, production and HR performance are unlowest. Policies undertook by Kadivre I, North Sumatra in connection with the development of facilities units include investment policy, HR policy, and budget policy. Policies related to the development of investment are to build or create reliable workshop facilities, which can produce a quality product. The most effective policies to be implemented in empowering human resources in the facility units by providing human resource development in well-programmable and well-functioning facility units, and for more proportional development of human resources.

**Keywords:** Restructuring, Organization, Policy, Change, Downsizing, Performance.

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### INTRODUCTION

Organizational restructuring is essential for companies to have competitiveness, and remain in interaction with the outside environment. With a variety of restructuring allows companies to improve the quality of employees' performance. In particular, the restructuring of the organization and management of an underperforming company, usually to acquire a new leadership that has a vision of transparency and non-bureaucracy and centralization. The new leadership must commit to the company's restructuring program and, in principle, implementing a more decentralized system of decision-making programs, as well as downsizing and reorganization programs (almost identifiable indications of underperforming companies are too large organizations). After the organization is addressed, continued new withdrawals for certain managers are accompanied by the implementation of management development programs by the requirements.

Similarly, PT Kereta Api Indonesia (Persero) Regional Division I North Sumatra, as one of the

companies engaged in transportation services has also restructured the organization several times aimed at following changes and market demand. One of the restructuring by PT Kereta Api Indonesia (Persero) Regional Division I, North Sumatra is a management and organization restructuring. Changes in organizational structure in which the organizational structure was formerly comprised of 19 general managers. However, after the restructuring, there was an increase to 21 managers. The changes are in service units and transport marketing units — besides, the existence of Balai Yasa Pulu Brayan which was formerly separated from the North Sumatra Regional Division. It is now under the auspices of the North Sumatra Regional Division and has changed its name to be a senior manager of a facility. The changes were made to optimize the management of goods and passenger transport, as well as to improve the quality of passenger services. Based on the description of the background of the above problems, some basic questions need to know the answer through this research are as follows:

- After a restructuring of the facility unit organization at PT Kereta Api Indonesia (Persero) Regional Division I North Sumatra, how does the impact of change on the current company?
- What are the policies made by the North Sumatra Regional Division in developing facilities?
- What are the most effective policies currently available that can be implemented in empowering human resources, facilities, and buildings on utility units?

## LITERATURE REVIEW

### Restructuring

Companies need to evaluate their performance and make a series of improvements to grow and compete. These improvements are implemented on a continuous basis, in order to improve the performance of the company and to be competitive, or at least to survive. One strategy to improve and maximize corporate performance is by restructuring. Restructuring is the parent of the company's efforts to improve future performance. Corporate restructuring is principally an activity or effort to restructure corporate components. That for the corporate future has a good performance. The restructured components are corporate assets, corporate funding, or anything that is a wealth of corporate control [1]. According to Mardiyanto [2], corporate restructuring is a change in organizational structure as a result of expansion and business contraction. Restructuring is followed by changes in the balance sheet, either in assets and liabilities.

The purpose of organization restructuring according to Handoko [3] is to set up an organization to achieve a lean and fit level. Government organizations as public organizations that have been restructuring in which their organizational structure is tailored to the organization's objectives. That is for the welfare of the whole society, and it will affect the quality of service to the community. Restructuring is not only seen from downsizing organizations, HR, or performance, but it should also be noted that restructuring is a system that most influences one another in achieving organizational goals.

Theoretically, eight ways can be taken to restructure. According to Bernardin and Russel [4] in Soegiono [5], these eight ways are downsizing is the organization's downsizing by eliminating certain jobs or functions. Delaying is a reclassification of existing types of work. Decentralizing is implemented by submitting some functions and responsibilities to lower organizational levels. A reorganization is reviewing or refocusing of the core competencies of the organization concerned. Cost reduction is the use of fewer resources for the same job. IT Innovation is the adjustment of work with development technology. Competency measurement is a form of restructuring through measuring or redefining competencies required by

employees. Performance related pay means that the value obtained by employees is based on the performance it achieves.

Restructuring is categorized into three types: (1) Portfolio/asset restructuring is a portfolio development activity to improve the performance of the company. (2) Capital / financial restructuring is the restructuring of the company's capital composition to make the financial performance healthier. (3) Management/organization restructuring is the restructuring of management composition, organizational structure, the division of labor, operational system and related to managerial and organizational issues [6]. The driving factors of a restructuring corporation include legal / decentralization issues, monopolistic legal issues, market demands, geographical issues, changes in corporate conditions, holding-subsidiary relationships, union issues, corporate image improvements, management flexibility, ownership change and access to capital.

The factors that become obstacles in organizational restructuring refer to Sopiah [7] such as (1) Direct costs related to costs that may be incurred due to changes requiring significant costs, and employees' fears of their inadequate income. (2) Saving face indicates that the change is a wrong decision. (3) Fear of the unknown is the one who hinders a change because their concerns cannot adapt to the new organization. (4) Breaking routine is a person who tends to maintain a routine, because they are comfortable with the situation. (5) Incongruent organizational systems is an organizational system that does not encourage changes related to pay / wage selection, training, and system control. Incongruent team dynamics is a team of changes intended to create new norms that may be less acceptable to members of the organization.

### Organizational Structure

The organizational structure is a manifestation of the relationship among the functions, the authorities and the responsibilities of each member of the organization [8]. The designing activities of the organization's structure refer to Robbins [9] is to define how the tasks will be divided, who reports to whom, and the formal coordination mechanisms and the interaction patterns to follow as a form of formalization to achieve coordination among interaction patterns that occur among organizational personnel.

There are three components of the organizational structure that include: a) The complexity is the more varied or the differentiation in the task, the position and the activities, the more complex the organization becomes. Differentiation is a type of specialization, the division of work, number of echelon in the hierarchy and branches in various places. b) Formalization is the number of rules or regulations and procedures for organizing and directing employee

behavior. More regulation, the higher the level of formality. c) Centralization concerns the location of a decision-making center. On the contrary, there are decentralized organizations, even autonomous members of units far from the center. The level of centralization determines the type of organizational structure. Increased delegation of authority will result in a large organizational structure. Centralization and decentralization are the two extreme forms of organizational decision-making systems. There are stages of organizing organizational structure according to Prayudi Atmosudirdjo [10], among others: a) Reviewing the plan and purpose. (b) Determining work activities to achieve objectivity. (c) Classification. d) Grant assignment and authorization delegation. e). Designing leadership and decision hierarchy.

Organizational structure is understood as a formal form to determine coordination in mutual relations between each member of the organization, normative condition, and behavior.

## RESEARCH METHODS

This type of research is descriptive qualitative which is a research procedure using descriptive data. Descriptive study is a type of research that aims to describe in a systematic, factual and accurate manner about the facts and attributes of a particular object or population [11]. The purpose of this study is to determine the impact of the company on organizational restructurings and the policies made in the development of facilities units, the most effective policies to implement. The research subject was vice president Divre I, SU of 1, senior manager of 1 person and manager of 4 facilities. Methods of collecting data using observations, interviews, and documentation. Data analysis uses interactive qualitative models.

## DISCUSSION

### Impact of Implementation of Unit Restructuring Organization at PT Kereta Api Indonesia (Persero) Regional I, North Sumatra

Restructuring aims to improve and maximize corporate performance. Accordingly, the change or adjustment of the organizational structure of the facility is to implement the government's provision in which the maintenance function of railway facilities should be distinguished between bi-annual or four-year, and scheduled maintenance at Depo. It is mainly related to the scope of work that Depo's obligations are more different from the responsibilities and functions of Balai Yasa.

Impact of organizational restructuring, facility unit at PT Kereta Api Indonesia (Persero) Regional Division I. North Sumatra based on a summary of interviews with senior manager facilities such as:

For Divre I, North Sumatra

- Restructuring is advantageous for the development of the transport business. The reason is that Kadivre I North Sumatra is free of charge due to the development of "Balai Yasa."
- For technology advancement, and the quality of maintenance facilities (bi-annual or four-year) has reduced costs, which have impacted the balance sheet of Kadivre I, North Sumatra.
- Implementation of monitoring, supervision, inspection, and coaching on the quality of work has been easy to do.
- Transfer/rotation of the employee unit of facilities to be placed according to his / her position.
- Controlling the quality and reliability of the unit of the facility or the result of the maintenance work in the workshop is no / less objective since the unit that performs the treatment becomes one with the unit of the user.

For UPT Balai Yasa Pulu Brayan

- The budget policy for the cost of maintenance facilities depends on the management of Divre I, North Sumatra. That is because of the profit-loss, and operating income which has had an impact on innovation and maintenance of the facility becomes less productive.
- Equipment workshops include the largest budget users without any revenue contribution that led to increased Divre I expenditures which resulted in the company's profitability.

Based on the results of the research at PT Kereta Api Indonesia (Persero) Divre I, North Sumatra, it can be concluded that the restructuring of organizational unit units is currently ineffective and inefficiencies, since management, and administration completion takes a long time, then the non-independent unit of management financial impact on production performance, and non-optimal HR.

The changes were recognized by all members of the facilities, and Divre I, North Sumatra. The inefficiency and ineffectiveness of the organizational restructuring of the unit are more clearly seen in the acquisition of the company's profit (presented in the company's financial statements) before the restructuring (reports of 2013 and 2014), and after the restructuring (2016 and 2017 reports).

From the comparison of income statement reports, 2013 and 2014, two years before the merger of the unit to Divre I, North Sumatra in 2015, shows a change in which in 2014, there was a rise in the cost of goods sold by IDR. 22,693,735,899 (12.45%) on the cost of the facility is IDR. 11,687,821,994 (12.30%), the increase of infrastructure cost optimization cost is IDR. 5,997,242,021 (92.97%), the asset is IDR. 5,008,671,883 (92.97%). Similarly, the company's revenue also increased in the passenger transport unit of

IDR. 12.376.619.150 (13.75%), the increase of transportation unit of IDR. 6.406.876.502 (10.25%), and the increase in non-transport revenue is IDR. 10.232.988.028 (99%), but the increase in revenue did not contribute to the increase in the company's profit so that the company still suffered losses caused by the number of expenses incurred for the company's operations. Where based on the comparison of the company's income from 2013 to 2014, the company's losses have decreased by IDR. 18,810,587,408 (48.98%).

On the other hand, the condition of the company's income statement after two years since the merger of the unit to Divre I, North Sumatra by 2015, according to the comparison in 2016 and 2017 shows that the increase in the cost of revenue in the operating expenses is IDR. 22,865,204,950 (14.33%), the increase in operating expenses is IDR. 70,098,328,738 (57.48%), and the increase of asset optimization burden was IDR. 2,686,448,310 (42.18%).

Although the company's revenue generated by Divre I, North Sumatra, has increased in the passenger transport unit is IDR. 154.228.650.916 (13.79%), the increase in the goods transport unit is IDR. 2,171,472,296 (2.48%), and the increase in non-transportation income is IDR. 20,196,610,808 (73.20%), but not contributing to the increase in the company's profits, so the company still suffered losses caused by the number of expenses incurred for the operational facilities and infrastructure of the utility unit. However, based on the comparison of the income statement of the company in 2016 - 2017 it is known that the company's loss rate decreased by IDR. 39,967,493,141 (48.88%).

Similarly, the company's human resources are also undergoing changes, whereas in 2014 (before restructuring). The number of employees of the North Sumatra Divre I facility ranged from 123 employees, and in 2016 (after restructuring) increased to 192 employees. Thereby meaning there the additional staff of Divre I facility as much as 69 employees, as a result of the addition of units in Divre I facility, North Sumatera, on the cross section of facilities, and quality aimed at optimizing the performance and productivity of the workshop facilities.

### **Regional Policy I North Sumatera in Development Unit**

To support organizational restructuring and to mitigate the adverse impact of organizational restructuring, the management, needs to issue policies for the development of facilities, including:

- Propose to separate the Unit UPT facility from Balai Yasa Pulu Brayon from Divre I which will assist Balai Yasa in developing technology and quality of facility maintenance.

- Propose to meet human resource requirements in stages.
- Make several investment proposals to complement facility maintenance facilities (Interview Manager Senior Manager Facility).

In its implementation, the policy is undertaken by Kadivre I, North Sumatra in connection with the development of the facility unit includes investment policy, HR policy, and budget policy. The investment-related policy is building/creating a reliable workshop, which can produce a quality product. While the budget policy applied is to set a budget policy through a committed plan with North Sumatra's Kadivre I, income report to ensure smooth and quality workshops. While policies related to the development of human resources include the addition of human resources to the required units, so there is no reciprocal function of the main task force. In addition, other policies have been applied to support the development of facilities, which provide the freedom of innovation to create quality reliable facilities, complement the supporting facilities as the basic capital of the facility's maintenance, and to refresh the facilities of employees so as to spur the spirit of working of the utility staff.

In relation to that, the most effective policies are implemented in empowering human resources, facilities and buildings in facilities units by providing jobs in accordance with the capacity of employees and the addition of human resources, conducting training/comparative studies as the capital of employees to produce productivity, providing work facilities and building facilities that suit the needs of employees, evaluating the quality control of facilities performance for the quality of the facility's maintenance, and the smooth running of the budget for production.

Empowerment of human resources to improve the quality of employee work. The effective policy is to empower human resources in the facility units by providing competency improvement by providing field training in the form of personnel schools by arranging alternately to work on Depo wagon trains or at Depot Locomotives during periodic maintenance. Also, it provides training and certification of personnel facilities such as lift and haulage, generator operator, SAP operator, ultrasonic cracking detector operator level 1 and level 2.

While in the empowerment of production facilities include detasiring employees from Balai Yasa Yogyakarta and Balai Yasa Lahat for wheel press machine operators, assistant employees from Balai Yasa Yogyakarta to install electrical equipment and load tests by pubs with tools available at the pub, and the use of buildings from facilities for maintenance of railway facility facilities, for retention of vendors and others by contract mechanism in asset extraction units as contribution to North Sumatera Divre I revenues.

Detasiring is the placement of employees to serve at Balai Yasa in other operational areas aimed at improving the ability of employees.

### **Organizational Restructuring Policy Analysis at PT Kereta Api Indonesia (Persero) Regional I, North Sumatra**

The most effective policy is to implement HRM in the provision of human resources in the facility unit by placing HR managers in the facility, so the HR program in the facility unit can be programmed and well-scheduled for more proportionate human resource development. While in the empowerment of facilities and buildings in the facility is done by setting the working environment and completing work facilities such as tractor motors/traction generators where locomotive cleaners and car/parking places, facility units in performing optimum maintenance to produce reliable products. While with the availability of human and general human resources units, more efficient human resource empowerment is undertaken to improve the quality of staff work in facilities, providing increased competence by providing progressive field training. Whereas the existence of documents, public relations, and IT units is intended to carry out data and archives on the implementation of activities, and public relations as a public relations company responsible for creating an excellent organizational image, communicating any information about the organization to the public, clients or investors, as well as IT works to control the information system at Balai Yasa. While the existence of quality control units is intended to evaluate performance results that have been implemented.

Based on the explanation above, the main task description of each manager when separated from Divre I, North Sumatra, and stand-alone to UPT Balai Yasa Pulu Brayan can be simulated as follows:

- Financial, HR and Information Technology Managers, have the task, and the primary responsibility for preparing the proper budgeting program and evaluating the performance of general human and financial management of human resources, households, documents and administration, planning budget programs in accordance with the maintenance, improvement and maintenance in the Planning Division and other programs, evaluating budget and accounting reports on budget execution, making financial reports and managing information technology and information infrastructure in UPT Yasa Pulubrayan.
- The procurement manager of goods and services has the main duties and responsibilities to carry out administration of procurement of goods and services administration, preparing work plans and procurement requirements of goods and services, carrying out the procurement process of goods and services, administration and technical evaluation and submit responsibility reports on procurement of goods and services.
- The document, Public Relations, and IT Managers have the main tasks and responsibilities: Documents: implementing corporate and bibliographic documents covering both internal and external correspondence, decision letters, instructions, information, circular, contract, railway-related regulations, regulatory and other relevant regulations, archives and archives. Public relations: organizing public relations programs include community relations and the establishment of internal and external corporate image in Balai Yasa Pulubrayan area. IT: managing information technology infrastructure (hardware, support software, network management), managing applications on the user side, handling issues in the information system, and ensuring the quality of information system services is maintained in the Regional Division I of North Sumatra
- Quality control manager has the primary task of conducting testing, locomotive, KRD / E / I, train, wagon, generator and final locomotive, KRD / E / I, railway, train, generator, inspection and repair, testing and ensuring locomotive quality, KRD / E / I, trains, wagons and generators as a result of testing outside Balai Yasa.
- Planning Managers have the primary duties and responsibilities to carry out planning and maintenance of programs, maintenance and repair facilities (locomotives, trains, wagons and generators) and evaluation of their implementation, proposing procurement programs for spare parts, regulating technical administration and spare parts delivery locomotives, trains and generators that enter or exit Balai Yasa to support facilities elsewhere for the production of maintenance services, repair of facilities and other activities at Balai Yasa, and to plan, coordinate the implementation, monitoring of waste management and environmental document management to issue environmental permits and prepare RKL-RPL implementation reports every six months at Balai Yasa.
- Production managers have the primary duty and responsibility of carrying out maintenance and repair programs for locomotives, trains, wagons and generators created by the planning and assembly part, revision and reconditioning of spare parts, evaluation, and facilities for Yassa level maintenance.
- Logistics manager has the primary duties and responsibilities of managing logistics planning, coding, inventory control, and hosting warehousing hosting (spare parts and locomotives, generators, trains, wagons, lubricants, and facilities) at UPT Balai Yasa Pulubrayan.

## CONCLUSIONS

Based on the results of the research on the organizational restructuring of facilities at PT Kereta Api (Persero) regional I North Sumatra, it can be concluded as follows:

- Restructuring of facility unit organizational at PT Kereta Api Indonesia (Persero) regional I North Sumatra is currently ineffective and efficient because it causes a lack of facilities in implementing its work program due to the management and completion of unprofessional administration, and the non-independent unit of financial, production and HR performance is less than maximal.
- Policy conducted by regional I, North Sumatra in connection with the development of facilities units including investment policy, HR policy, and budget policy. Policy related to investment development is to build/create a reliable workshop, which can produce a quality product.
- The budget policy applied is by setting budget policy through committed planning with a balance sheet and regional income of North Sumatra to ensure smooth and qualified work productivity while policies related to human resource development include the addition of human resources to the units needed so that there is no basic multifunction duty of utility workers.
- The most effective policy to be implemented in empowering human resources in the facility unit is the establishment of human resources in facilities by raising HR managers in facilities so that the human resource development program in the facility unit can be programmed and well-scheduled, for the development of more proportionate human resources.
- Empowerment of the facilities and buildings, it is done by setting the working environment and completing work facilities such as motor tractor/generator traction, locomotive cleaning, and wagon.
- Empowerment of facilities and buildings in business unit by providing job assignments in accordance with the capacity of personnel and the addition of human resources, conducting training / comparative studies as the capital of employees to produce labor productivity, providing work facilities and building facilities in accordance with the needs of employees, evaluation of the quality control of facilities performance for the quality of facilities maintenance, as well as the smooth running of the budget for production

## Suggestions

In relation to the above conclusions, the researchers provide the following suggestions:

- The facilities should be structurally separated from regional I North Sumatra so that the utility units can be more developed in their human resources,

work facilities, and buildings so that the maintenance of utility facilities become more productive.

- Should the policy in the development of these facilities not only be a proposal but should be implemented so that the facilities units can be developed and more innovative, one of them is by making changes to its organizational structure by adding units within its organizational structure is Finance, HR and General units, PBJ (Procurement of Goods and Services) and document, public relations and IT units, to enable Balai Yasa Pulu Brayan to maximize its performance in improving its performance
- The need for empowerment of human resources and facilities and buildings in the current facilities is further enhanced to maximize the performance of the facilities so that the quality of the facility maintenance, as well as the smoothness of the budget for production, can be achieved.

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