

THE RELATIONSHIP BETWEEN EMPLOYEES' ADAPTABILITY, EMPLOYEES' JUDGMENT TOWARD THE BENEFIT OF THE ORGANIZATION MERGER AND ORGANIZATIONAL COMMITMENT

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ABSTRACT

The main objective of this research was to examine the relationship between employees' adaptability, employees' judgment towards the benefit of the organization merger and organizational commitment. The subject of the study consisted of 209 employees of the oil company in Jakarta, Indonesia. Data was collected using a set of questionnaires which covered the understanding of the employees' adaptability, the employee's judgment towards the benefit of the merger, the Organizational Commitment Questionnaire and subject's demographic information. The result of the study suggests that there were significant effect of the employees' adaptability and social judgment towards the organizational merger with the organizational commitment. The effect was proven to exist both individually and in combination. The adaptability provided 10.4 percent effect to estimate organizational commitment while the social judgment gives more significant effect, i.e. 42.4 percent. The study has also indicated there was an explicit positive relationship between the employees' adaptability and the employees' social judgment towards the benefit of organizational merger. The employees' judgment of the benefit of the merger was found to be different depends on the origin where they were work, either acquirer company or acquired company. However, there was no difference in the employees' commitment to the merged company from both original companies. The validity and reliability of the three psychometric tools that have been used in this study was considered adequate to measure the employees' adaptability, social judgment towards the benefit of the merger and the organizational commitment.

INTRODUCTION

Merger and Acquisition organization is among the most popular phenomenon in the business world. Merger organization causes a loss of identity of one organization (usually a smaller organization) or the formation of a new identity which is a consolidation of the identity of those organizations (Pringle & Haris, 1987). Although the main purpose of the merger and acquisition organization is to strengthen and improve organizational performance. However, this process will always be followed by the process efficiency. Number of employees increased public, duplication system (system duplication), technology, rules, positions and products is a problem that must be resolved. This study starts from the problems currently faced by a Indonesian international branches company producing oil and gas. This company is a combination of Company A who bought the company (acquirer) and Company B of the purchased (acquired). Both companies are just doing the merger in 2005, and in this coordination process is still running. According Garpin and Herndon (2000), a problem that is often found in studies about mergers and

acquisitions among organizations is increasing stress and anxiety and lower job satisfaction and employee commitment to the organization. Problems that cause the increase in absences, selfish behavior and substitute round employees (Employee turnover). Commitment of the organization is a measure of the success of mergers and acquisitions organization.

Researchers interested in studying the influence of employee's ability to adapt and evaluation of employee benefits organization affiliated to the commitment of the organization in the situation post-merger organization. This study will be conducted in an oil and gas producing companies that just take over and merge with a company producing oil and gas other. And more specifically, the objectives of this study are as follows:

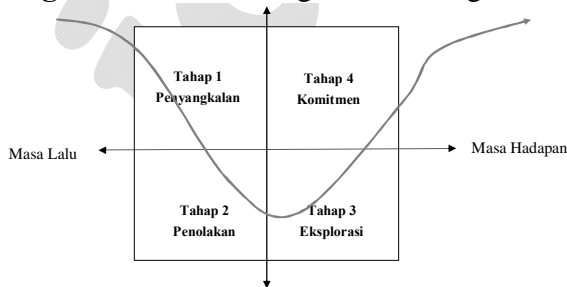
1. see the influence the ability to adapt to the employee organization's commitment.
2. see the influence of rating employee benefits organization affiliated to the organization's commitment.
3. see the relationship between the ability to adapt to the employee evaluation employee benefits of the merger organization.
4. see the influence the ability to adapt and employee evaluation employee benefits of the merger organizations jointly committed to the organization.
- 5 see the difference of rating employee benefits organizations in accordance with company original merger.
6. see the difference commitment of the organization of post-merger company in accordance with the original.

Adaptation Theory According to Kelly, and Meyer (1997), force adaptation to the environment and a new culture is determined by four factors, namely

1. Emotional resilience
2. Flexibility / Openness
3. Perceptual Acuity
4. Personal Autonomy

Jaffe and Scott (2003) introduced a theory to explain Kelok Transition level adaptation in the face of which carries a person changes as seen in Figure 1

Figure 1. Level Management Changes



Social Theory Considerations

An assessment of an individual object from the perception of objects. Definition of perception according to Davidoff (1981) a process of arrest through sensory

stimulation a person who will then be compiled and construed so that people can recognize and understand these objects in a sensory. Perception is not mirror reality. Perception involves cognitive activity and the effort to understand and understand the objects, events, information and stimulation that comes from either the outside or from within the individuals themselves. Perception obtained will be realigned into the information basis for considering a state. This assessment is relative to the standards prescribed person.

Organization Commitment

According Reichers (in Elemers, 1998) organizational commitment is the purpose of receiving and organizational values. According to Meyer, and Allen Smith (in Spector, 1996) have three components in the organization's commitment as follows:

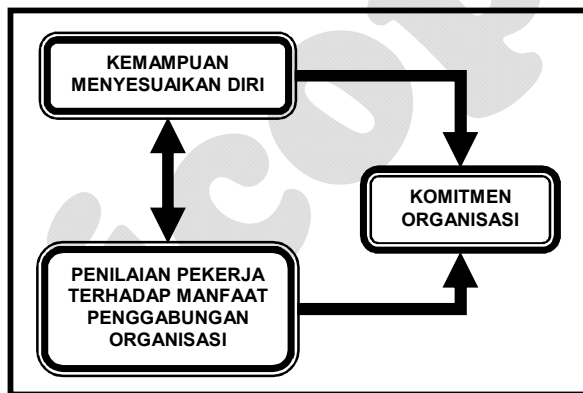
- i. Affective commitment in
- ii. Commitment based on the need to maintain continuity
- iii. Normative commitment

Organizational commitment was necessary in self-employees because the organization has committed a high negative correlation with the stage round replacement workers.

RESEARCH MODEL

Based on theories that have served past and studies, this study applying a research model as follows:

Figure 1. Model Research



RESEARCH METHODOLOGY

Data obtained through this study a set of questionnaire administration to 209 subjects who are employees in the company. A set of questionnaire consists of four parts, namely questionnaires to identify the ability to adapt, questionnaires about valuation of employee benefits organization mergers, Organizational Commitment Questionnaire (OCQ) designed by Porter and Smith (Mowday et al., 1982) and personal information subject.

This study involves three variables, namely the two main independent variables and one variable binding. Independent variable for this study is the ability to adapt and employee evaluation employee benefits of the merger organization, while the commitment of employees post-merger organizational variables become bound. The study was done in a company producing oil, gas, and international geothermal located in Indonesia. This company is a combination between company A and company B, where a company has taken over company B on 19 August 2005 and automatically the two companies into one brand. Subjects selected in this study are about 209 employees who performed the sampling dimensional (dimensional sampling), the selection of the comparisons proportional by employee demographics. A total of 280 employees from 576 employees selected the subject of study.

Table 1: Demographic factors distribution of subjects

DEMOGRAFI		SUBJEK		SELURUH PEKERJA	
		KEKERAPAN	PERATUS	KEKERAPAN	PERATUS
Tempoh Perkhidmatan	0-5	33	15.8	104	18.1
	>5-10	34	16.3	109	18.9
	>10-15	20	9.6	52	9.0
	>15	122	58.4	311	54.0
Syarikat Asal	Syarikat A	115	55.0	335	58.2
	Syarikat B	94	45.0	241	41.8
Peringkat Jawatan	Rendah	26	12.4	106	18.4
	Menengah	139	66.5	304	52.8
	Tinggi	44	21.1	166	28.8

This study using Pearson correlation to test the validity of the three measurement instruments used in the study. Validity of measurement instruments tested by doing analysis of items with item number to view the entire relationship between the item with the item overall. Test the reliability and validity of test equipment with a total of 209 subjects who have found this tool measure showed acceptable reliability.

RESULTS

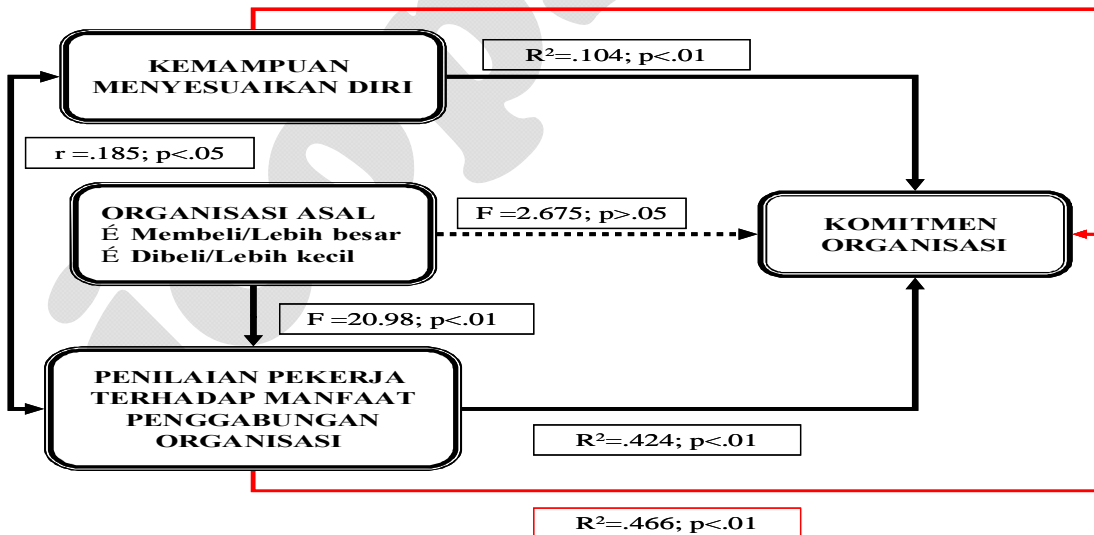
Terms parametrik test statistical analysis performed by normality test data and test assumptions linearity. Normality type test performed by the testers are normality Kolmogorov Smirnov test (Triton 2005) while linearity relationship between independent variables and bound variables marked with probability values greater than .05.

The relationship between the three main variables tested and shown through the Pearson correlation test and regression test while the results based on the company's original distinction made by ANOVA test. Summary results of the regression analysis of independent variables and bound variables, Pearson correlation and ANOVA test can be seen in Figure 2. Summary was made to facilitate the general view that the existence and effect relationship influence each variable.

Formula results can be listed as follows:

- ♣ The ability to adapt have a significant impact on employee commitment.
- ♣ Assessment workers have a significant impact on employee commitment.
- ♣ Ability to adapt and evaluation of employees have a significant impact on employee commitment.
- ♣ The relationship between the ability to adapt and evaluation of employees.
- ♣ There are different assessments of employee benefits organizations in accordance with company original merger.
- ♣ There berbezaan employee commitment post-merger organization in accordance with the original company.

Figure 2. Conclusion of Research Result



CONCLUSION

This study has shown that the ability to adapt and evaluation of employee benefits is affiliated organization of organizational commitment of oracle. Findings of this study also support the research model has been constructed. Studies have been conducted to produce dynamics of the relationship between the three variables in the situation that the organization just solder. Although the results of this study is not conclusive and only represent only an organization but it has added a collection of reference materials with respect to the factors that influence organizational commitment in the context of international studies. This study also expected to provide guidance to researchers to further improve the deficiency in order to produce a study for a better future.

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