Organizational Effectiveness with the Holistic Organizational Effectiveness Method

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ABSTRACT: This research aimed to find out the effectiveness of an organization at higher education 'X' in Surabaya, Indonesia. In this research, the focus was on the measurement of organization effectiveness using Holistic Organizational Effectiveness. The research was qualitative with case study method. Moreover, the analysis data were observation result, interview, and documentation. The research result concluded that the scale level of organization effectiveness was under four in Holistic Organizational Effectiveness graphic. It meant that the organization has not been effective yet. Therefore, to increase the effectiveness of sustainable holistic organization, it needed to strengthen the employee effectiveness, choose, develop and maintain better leaders and employees. In addition, it also needed to strengthen the culture, to build structure, system, process of more effective organization; to give better training; to strengthen communication and collaboration effectiveness; and to apply process of effective performance measurement and compensation. Besides, it also needed to have award and recognition program, to evaluate and reduce the organization risk, and also to support the sustainable effort.

Index Terms: organization, effectiveness, holistic organizational effectiveness, performance

1. INTRODUCTION

Organizations are often seen as tools or machines to get things done together and achieve certain goals. Organization is not a set of policies and procedures, but the organization consists of people who cooperate with each other. An organization exists when people interact with each other to perform important functions that help achieve goals [1]. According [2] an organization is a place where a group of people work together in a coordinated way to achieve goals. From the various definitions of the organization above, it can be said that the organization is a collection of roles, relationships and responsibilities that are clear and permanent.

All organizations must be able to determine how effectively they have used the resources they have to achieve their goals. Organizational effectiveness is a trait that occurs in organizations carried out by several work groups that are coordinated for the achievement of performance and goals relating to quality, quantity and time that have been determined.

Organizational effectiveness is defined as an organization that embodies its objectives [3]. Another understanding of organizational effectiveness is the level of accuracy of achieving a target by utilizing existing resources [4]. Based on these two definitions, it can be concluded that organizational effectiveness is accuracy in achieving the organization to achieve its goals by empowering organizational resources. Effective organizations are not only oriented towards maximum results, but also about the sustainability of the organization itself. Effectiveness is not only about the end result (output), but also about the input and process. So that it can be said that an effective organization is an organization that is able to achieve its objectives maximally and sustainably. The level of efficiency and effectiveness of the organization has two important meanings in organizational evaluation. The level of efficiency will be related to the determination of the total allocation of resources owned by the organization. On the other hand effectiveness shows the extent to which the organization is able to achieve its objectives. An organizational design, said to be good if it is able to meet both levels, namely an efficient and effective organization.

Holistic Organizational Effectiveness (HOE) is a new approach to assessing and achieving organizational effectiveness. Holistic Organizational Effectiveness (HOE) assesses how effective an organization is in doing and determining the things and conditions needed to achieve the results desired by the organization. Human resource behavior, structural, cultural, leadership, ethics, employee development and employee involvement are usually considered when measuring organizational effectiveness. Holistic Organizational Effectiveness (HOE) takes a holistic approach to assessing organizational effectiveness and health. Holistic Organizational Effectiveness (HOE) uses the definition of organizational effectiveness, namely the concept of how effective the organization is in achieving the desired results by the organization.

The new role of tertiary institutions gave birth to the organization of tertiary institutions which relied on strategic policy-based decision making, quality standardization, accreditation, accountability, efficiency and centralized management. This situation is made possible through greater autonomy at universities. Autonomy itself can be interpreted as flexibility and independence in developing academic programs and resource management. The birth of Government Regulation no. 4...
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of 2014 concerning the Implementation of Higher Education and Management of Higher Education opens opportunities for state universities in Indonesia to meet these demands. The determination of Higher Education 'X' as state legal entity universities is stipulated through a Regulation The Government of the Republic of Indonesia Number 83 of 2014. This status is expected to provide efficiency and effectiveness in achieving targets as a form of responsibility to the community.

Based on the foregoing, Higher Education 'X' feels the need to make changes to improve the service and performance of the implementation of the Tri dharma College activities, organizational effectiveness, and to be in line with the objectives to be achieved. The changes include changes in organizational structure, technology, realignment of human resources, changes in systems, culture and work procedures. The change in status to a state legal entity university encourages Higher Education 'X' to have a more effective and efficient organization in line with the increasingly demanding of Higher Education 'X' to be more independent in financial funding with higher management autonomy.

This organizational change at Higher Education 'X' began to be implemented in 2016 as stipulated in the Chancellor's Regulation on Organization and Work Procedures. This change has taken place at least 1.5 (one and a half) years. During this time, Higher Education 'X' is the time to evaluate organizational changes. The evaluation is done through measuring the level of effectiveness of the organization using the method Holistic Organizational Effectiveness (HOE). Thus the purpose of this study is to determine the level of organizational effectiveness in one of the universities in Surabaya

II. LITERATURE REVIEW

2.1 Organizational

Change Changes always occur, consciously or not. The same is true with organizations. Organizations can only survive if they can make changes. Every change in the environment that occurs must be observed because the effectiveness of an organization depends on the extent to which the organization can adjust to these changes. Basically, all changes made lead to an increase in organizational effectiveness with the aim of striving to improve the organization's ability to adapt to changes in the environment and changes in the behavior of organizational members [5]. Robbins further stated that organizational change can be carried out on structures that include strategies and systems, technology, physical structuring and human resources.

[6] states that there are two factors that drive change, namely external factors such as technological change and the increasingly integrated international economy and internal organizational factors which include two main things, namely (1) changes in organizational hardware (hard system tools) or commonly referred to as structural changes, which include changes in strategy, organizational structure and systems and (2) Changes in organizational software (soft systems tools) or cultural changes which include changes in human behavior in organizations, human resource policies and organizational culture.

Every change cannot only choose one structural or cultural aspect as a variable that must be changed, but both aspects must be managed together so that the results are optimal. However, in practice decision makers tend to only pay attention to structural changes because the results of changes can be known directly, while cultural change is often ignored because the results of these changes are not so visible. To achieve success in managing organizational change must lead to increased ability to face challenges and opportunities that arise. This means that organizational change must be directed at changing human behavior and organizational processes, so that organizational change can be made more effective in efforts to create a more adaptive and flexible organization.

2.2 Organizational Effectiveness

Etymologically effectiveness comes from the effective word which means "succeed" or something that has been done well. Effectiveness is very closely related to the success of an organization in achieving high levels of productivity. According to Bastia [7] effectiveness is a relationship between output and goals, where effectiveness is measured based on the level of output, policies, and organizational procedures to achieve the goals set. The concept of effectiveness is divided into 3 perspectives, as follows: (1) Individual effectiveness, which emphasizes the performance of each member's task. Factors that influence individual effectiveness are skills, knowledge, skills, attitudes, motivation, and stress levels; (2) Group effectiveness, which is not only a combination of effective individuals, but also a combination of other groups whose effectiveness is determined by the situation of cooperation after the individual joins the group. The effectiveness of the group is influenced by the level of cohesiveness of members, leadership, group structure, status, and role of each member that applies in the group; (3) Organizational effectiveness, which consists of a combination of individuals and groups. Organizational effectiveness can be interpreted as a concept or strategy to measure how effective the organization is in achieving the desired results by the organization. Organizational effectiveness is influenced by facts, environment, technology, strategy, organizational structure, processes, and climate of cooperation.

Organizational effectiveness is very important for the sustainability of an organization in order to successfully achieve the goals set. [4] states the effectiveness of organizational efforts to achieve a goal by utilizing existing resources. Organizational effectiveness is a measurement of the level of organizational success in an effort to achieve the goals set [8]. From several definitions of organizational effectiveness, it can be concluded that organizational effectiveness is a benchmark to see the success or failure of an organization in carrying out its functions or strategies by optimizing available resources so that organizational goals can be achieved optimally. All organizations must be able to determine how effectively they have used the resources they have to achieve their goals. Organizational effectiveness is a trait that occurs in organizations carried out by several work groups that are coordinated for the achievement of performance and goals relating to quality, quantity and time that has been set. Assessing organizational effectiveness is an important topic for most people, including managers, job seekers, shareholders, government agencies, and organizational behavior specialists. One good way to understand complex problems is to consider generic approaches in assessing organizational effectiveness.
One of the common business phenomena that occur in companies is when companies face major changes in their environment, they tend to respond effectively. Not being able to defend themselves against competitors who have a new product, technology, or strategy that causes their sales and profits to decline, their best people to leave, and their stock valuations to fall. This can cause an organizational decline. For this reason, managers must be able to maintain the effectiveness of the organization because the reduction is almost unavoidable unless steps are taken to prevent this from happening.

The time to start overcoming organizational decline is when everything goes smoothly, because it is during the success period that the seeds of decline begin to grow. Satisfaction is the number one threat to organizational decline because it can lead to excessive self-confidence and ignorance. In other words it can be said that growth causes obesity, and obesity can slow down companies in responding to competitive threats.

2.3 Holistic Organizational Effectiveness

Holistic Organizational Effectiveness (HOE) is a new approach to assessing and achieving organizational effectiveness. Holistic Organizational Effectiveness (HOE) assesses how effective an organization is in carrying out and determining the things and conditions needed to achieve the results desired by the organization. HR behavior, structural, cultural, leadership, ethics, employee development and employee involvement are usually considered when measuring organizational effectiveness. Holistic Organizational Effectiveness (HOE) takes a holistic approach to assessing organizational effectiveness and health. Holistic Organizational Effectiveness (HOE) uses the definition of organizational effectiveness, namely the concept of how effective the organization is in achieving the desired results by the organization.

The effectiveness of a holistic organization provides leaders with an understanding of holistic measurement and analysis approaches to identify, understand, accept, and overcome reality. Holistic Organizational Effectiveness (HOE) is done by gathering information and perceptions about the effectiveness of holistic organizations and organizational health from a broad and diversified group of organizations. The main driver of the effectiveness of Holistic Organizational Effectiveness (HOE) focuses on 11 criteria, namely: (1) Mission, vision, values and strategies where an organization is not determined by its name, legal basis, or constitution. The organization is determined by the business mission. Only a clear mission statement and organizational goals will enable clear and reasonable business goals. The organization is also determined by the vision or goals of the organization. Organizational goals can be seen as the goals and basic values of the organization. Organizational goals are stated in relation to expectations for the future; (2) Leadership and teamwork which according amir (2016) leadership is a process that makes other people do the best work to achieve the expected results, where activities include developing and communicating a vision of the future, motivating others, and controlling their involvement; (3) Governance where governance in Indonesian tertiary institutions is related to the determination of values in tertiary institutions, decision-making systems and allocation of resources, missions and goals, patterns of authority and hierarchy, as well as institutional institutional relationships with the academic world and government, business and society; (4) Organizational culture which according [9] culture is a pattern of behavior, attitudes, values, and assumptions held by members of the organization that are socialized to new members, and more or less are stable in time. Success in socializing organizational culture depends on the compatibility of the values of new employees with the values of the organization in the selection process [10]; (5) organizational structure explains how the organization organizes and places human resources as part of the organization in a relationship that greatly determines patterns of interaction, coordination, and behavior oriented to the task, because within an organization can be drawn parts the part that is, the name and position of each manager, where the connecting line shows who or who is responsible for who or what part; (6) Excellence of human resources is an important prerequisite so that organizational change can last long and effectively is individual change. Structural, task and technological changes will ultimately fail if the individuals involved do not want to accept the change. The human asset approach helps prepare people for continuous change and learning so that competitive advantage can be created; (7) Performance measurement and rewards which according [11], Performance measurement is the process of evaluating work progress towards goals and objectives in managing human resources to produce goods and services, including information on the efficiency and effectiveness of actions in achieving organizational goals; (8) Technology and business processes are considered as the level of technological success in providing value to achieve human welfare improvement in the form of products, processes or systems. The components contained in technology can affect the level of effectiveness of the organization; (9) Financial planning and management is an important part in determining the success of an organization. An organization is said to be successful if the managers or management are able to manage finances and take full advantage of opportunities so as to produce the benefits as expected. Financial planning is closely related to the organization's strategy, therefore financial planning is usually done together with the organization's strategic planning; (10) assessment and mitigation of organizational risk in which the process of reducing risk to an entity to an acceptable level, using measurement, management and monitoring in line with strategic objectives is a definition of risk management (Gilbert, 2009). The risk management process must be supported by integrity, ethical values, organizational governance, competencies and responsibilities of the organization's stakeholders; (11) Environment, sustainability and responsibility, there are several criteria that must be carried out in realizing good governance, including transparency, accountability, fairness, independence and responsibility.

Eleven criteria mentioned in Holistic Organizational Effectiveness (HOE) can indicate the level of effectiveness of the organization in doing things and determine the environment and conditions needed to achieve the results to be achieved by the organization. Holistic Organizational Effectiveness (HOE) provides a scale of one to five for the level of organizational effectiveness. The effectiveness scale based on the Holistic Organizational Effectiveness (HOE) method is divided into 3 categories, namely as follows: (1) the "low rating" category is on a scale below 3.99 (<3.99),
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is said to be ineffective so it needs a comprehensive overhaul of all indicators of effectiveness organization; (2) the category of "moderate rating" is in the range of the scale between the numbers 4.00 to 4.49, said not yet effective because it still needs improvement in several indicators of organizational effectiveness; (3) the category of "high rating" is on a scale above 4.50 (> 4.50), said to be effective because almost all indicators of organizational effectiveness have reached the maximum scale, but thus there is still a need for continuous improvement to continue achieving the goals set by the organization.


Figure 1: Organizational Effectiveness Images

The greater the scale of effectiveness obtained, the more potential level of Holistic Organizational Effectiveness (HOE) for the organization, in another sense the organization can be said to be effective and healthy.

2.4 Research Framework

The framework of this research follows the steps presented in Figure 2:

![Figure 2: Research Framework](image)

III. METHODOLOGY

This type of research uses descriptive research that is research obtained from data in the form of words, images, and not numbers, where the data may come from interview scripts, field notes, photographs, personal documents, notes or memos, and other official documents [13].

The reason researchers use qualitative methods is to understand the process of the effectiveness of the organization of PT 'X' in carrying out its main function of being a tertiary institution with an international reputation in science and technology, especially those that support environmentally friendly marine and industry. This is in accordance with the opinion of David Williams [13] qualitative research is the collection of data in a natural setting, using natural methods, and conducted by researchers who are naturally interested.

In this study the object is all employees in this PT 'X' environment. While the sampling in this study uses the technique of "purposive sampling" which is the technique of determining the sample with certain considerations. In order to obtain the right data, it is necessary to determine informants who have competency and in accordance with data requirements. This study aims to determine the assessment and participation of decision makers in creating an effective organization. Therefore, subjects who meet the criteria are needed to enable data to be obtained. Critics are officials who are directly involved in decision making, as well as knowing policies about the organization, including: (1) officials at the faculty level; (2) officials at the departmental level, (3) officials at the directorate level, (4) officials at the bureau level, (5) officials at the agency or agency level, (6) officials at the level office.

Collecting data in this study aims to get completeness of informant the one in accordance with the focus studied by the author. Data collection techniques in this study include: (1) observation technique is to optimize the ability of researchers in terms of motives, beliefs, attention, unconscious behavior, habits, and so on; (2) interview technique, this technique is carried out to find out opinions and various information from sources related to the level of organizational effectiveness at Higher Education 'X'; (3) documentation technique, this technique is carried out to obtain various information regarding the profile, organizational structure, organizational culture, and other information relevant to this research.

The researcher uses eleven aspects of assessment to obtain accurate research results, these aspects include: (1) Mission, vision, values, and strategy; (2) Leadership and teamwork; (3) Governance; (4) Organizational culture; (5) organizational structure, systems, and processes; (6) Excellence in human resources; (7) performance measurement; (8) Effectiveness of technology and business processes; (9) Financial planning and management; (10) Risk assessment and mitigation; (11) Environment, sustainability and responsibility.

While the data analysis technique in this study uses the Miles concept model and is carried out interactively and takes place continuously at each stage of the research to completion. Components in data analysis include:(1) data reduction, data that has been reduced will provide a clear picture in order to facilitate researchers to carry out further data collection as outlined in a
detailed and detailed report description; (2) the presentation of data is carried out in the form of tabulations and is outlined in the form of charts, graphs and the like to draw a conclusion. The presentation of this data aims to make it easier for researchers to see the picture both in specific sections and as a whole of the research; (3) data conclusions, conclusions drawn in this study were made by taking the essence of a series of categories of research results based on observations, interviews, and documentation so that credible conclusions are obtained.

**IV. RESULT AND DISCUSSION**

4.1 Results

The results of the data processing that have been carried out show a description of the scale of each of the indicators that affect the effectiveness of the organization at Higher Education 'X'. Schematically the organizational effectiveness model is described in bar charts and graphs, as follows:

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management</td>
<td>3.8</td>
</tr>
<tr>
<td>Office Management of Department Level</td>
<td>3.7</td>
</tr>
<tr>
<td>Management of Faculty / Directorate / Institute Level</td>
<td>3.6</td>
</tr>
</tbody>
</table>

![Figure 3: Map of organization effectiveness](Image)

Map of Effectiveness of Organizations [All Levels]

The above data processing results support Howard Deutscher's theory of Holistic Organizational Effectiveness (HOE) where the results indicate that every indicator in Higher Education 'X' has a scale of less than 4 (<4). The scale shows the lowest scale of Howard Deutscher's theory which means that the organization has not been effective, which explains that the greater the scale (> 4) effectiveness obtained, the more effective the organization. And vice versa the smaller the scale (<4) the effectiveness obtained, the more ineffective the organization.

The ineffectiveness of this organization is due to the larger organization, the greater the obstacles faced to achieve organizational goals. The obstacle faced by Higher Education 'X' is that not all employees, especially at the top management level, are able to internalize and apply the indicators presented in Figure 1 and Figure 2.

In addition, the results of this study are in line with previous research, which was conducted by Tahir on "Village Government Organization Effectiveness Model ". The results of previous studies indicate that village government organizations in providing Certificate of Land Rights are still not effective. This is influenced by several internal and external factors. Internal factors include leadership, authority, organizational structure, organizational culture, management, and others. While external factors that influence the ineffectiveness of village governments are government policies, guidance and supervision, as well as community participation. While the results of the study "analysis of organizational effectiveness using the Holistic Organizational Effectiveness (HOE) Method at Higher Education 'X' in Surabaya" shows that the organization of Higher Education 'X' is still not effective. That is because the indicators that affect the effectiveness of the organization show a scale below the number 4.

Overall the results of research relating to indicators that affect the effectiveness of the organization at Higher Education 'X' show several things, namely: (1) vision, mission, values and strategy, showing leadership at the management level in Higher Education 'X' environment felt lacking and applying the vision, mission, values, and strategies in each activity or work program of the organization. In addition, the management leader is deemed unable to internalize the organization's vision, mission, values, and strategy to each of its employees. This causes less effective achievement of organizational goals; (2) leadership and teamwork show leadership patterns that have not been fully coordinated, oriented to work efficiency, and emphasizes teamwork and participation of every employee in the Higher Education 'X' environment resulting in not achieving good work efficiency and effectiveness;

4.2 Discussion

![Figure 4: Organization Effectiveness Map Chart at Higher Education 'X'](Image)

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(3) governance or governance in which the organizational management that is considered to be good enough turns out to be less than optimal in influencing the determination of values in the organization, decision-making systems and allocation of resources, mission and vision, patterns of authority and hierarchy that need to be evaluated and periodic improvements to achieve the full objectives of the organization; (4) organizational culture shows that there is a lack of effort in applying organizational values and the absence of open mindset related to organizational culture among all employees has an impact on employee indifference to the work environment; (5) organizational structure, systems and processes show that the organizational structure that does not accommodate tasks in each position and the absence of service quality standards both in the academic and non-academic fields affects the employee's lack of focus in providing services so that it impacts on the achievement of organizational goals ; (6) the excellence of human resources shows that the development of human resources that have been carried out has a positive impact on improving employee performance. But the effort has not been fully balanced with self-awareness by all employees about the development of their potential; (7) performance measurement shows that the improvement of the performance appraisal system, which has only been running for 2 years, is considered quite effective in rewarding outstanding employees and sanctions for employees who are performing poorly; (8) the effectiveness of technology and business processes shows that the availability of facilities and infrastructure including the use of information technology that is more adequate in supporting service activities, has a positive impact on customer satisfaction; (9) financial planning and management shows that there is a limited budget allocation for the organization of work programs of the organization that has a direct impact on other indicators, especially in terms of providing service facilities and infrastructure and supporting the performance of existing resources; (10) risk assessment and mitigation, where an optimal risk management system has not yet been formed which has an impact on the ineffectiveness of achieving organizational goals, so a thorough and systematic evaluation is needed; (11) environment, sustainability and responsibility where sustainable development launched by Higher Education 'X' brings positive changes in supporting productivity improvement to continue to make 'improvements' in order to achieve an effective and efficient organization.

V. CONCLUSION

Based on the results of qualitative research techniques of observation, interviews, and documentation conducted at Higher Education 'X' about Analysis Organizational Effectiveness Using Holistic Organizational Effectiveness (HOE), conclusions can be drawn. The conclusion shows that the level scale of effectiveness organizational is below the range of scale number 4 on the Holistic Organizational Effectiveness (HOE) chart, which means the organization of Higher Education 'X' has not been effective. Therefore, to increase the effectiveness of a holistic organization that is sustainable, it is necessary to strengthen the effectiveness of the workforce, choose, develop and retain better leaders and employees, strengthen culture, create more effective organizational structures, systems, processes, provide better training, strengthen communication and collaboration effectiveness, implement effective performance measurement processes, implement effective compensation, establish reward and recognition programs, assess and mitigate organizational risk, and support sustainability efforts. From the results of this study there are a number of suggestions that can be used to improve organizational effectiveness at Higher Education 'X', including: (a) the active roles of all levels of management are needed to understand and internalize the vision, mission, values, organizational culture, etc. to all employees ; (b) the motivation of the leadership and myself needed to increase employee performance resulting effective performance and efficient; (c) the participation of all employees is needed to achieve organizational goals.

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