SUMMARY

ERRY WIBAWA. The impact of organizational change towards work engagement. Supervised by ARIEF DARYANTO and AMZUL RIFIN.

In recent years there are a series of acquisitions and mergers of the world large companies in pesticide producer industry. Such series of acquisition and merger processes of various large scale companies in agribusiness industry bring threat towards agribusiness doers. From various corporate strategies to improve company performance, restructuring is one of the common strategies used to leverage company performance to a better level. This situation and condition is occurred in organizational change in PT Agricon, by performing consolidation of operational supporting function that all this time spread out with the respective business unit, further, functions and employees are relocated into PT Agricon organization and the organizational structure of PT Agricon also changed from traditional to matrix organization.

This research is classified as an explanatory research, in term of quantitative research where the phases of research process was conducted by processing the data in the form of score generated from questionnaire completion of Likert scale (score: 1-5) and is processed by statistic method using Partial Least Square (PLS) approach. The questionnaire is limited spread-out by purposive sampling technique to 83 respondents of 222 employees, with balanced respondents gender composition, where male respondent is 58%, and female respondent 42%, with a consideration that female workers are more vulnerable to job situation change because other than the duties and responsibility as a worker, they also have duty and responsibility to take care their household and family. Moreover, viewing the data of employee work period, indicates a high employee loyalty, in which only 22% employee who have work period less than 5 years, while the remaining of 78% have works for more than 5 years.

The result of calculation of impact percentage, it can be seen that for endogenous variable work engagement is affected by 23.72% from perceived organization support and 0.42% from perceived organization change. So in can be concluded that an organizational change represented in variable perceived organization change did not give significant influence toward work engagement. Even for organizational support that is represented by variable perceived organization change only gave an impact of -1.84% towards work engagement. So that it can be concluded, job demand does not give significant impact to work engagement.

Keywords: organizational support, work engagement, organizational change