

STRATEGIC HUMAN RESOURCES MANAGEMENT, ORGANIZATIONAL CHANGE, ORGANIZATIONAL RESILIENCE AND IMPROVEMENT OF ORGANIZATION PERFORMANCE ON THE HOSPITALITY INDUSTRY

By :

Boge Triatmanto

(Faculty of Economics, Department of Management, Merdeka University of Malang)

Idayanti Nursyamsi

(Faculty of Economics, Department of Management, Hasanudin University of Makasar)

Abstract, A research that relates to strategic human resources management has not been conducted extensively, particularly when it is related to the organizational change and organizational resilience on the hospitality industry. Objective of this research is to analyze the influence of strategic human resources management, organizational change, and organizational resilience on the organization performance. The research was conducted on the hospitality industry, which included 234 hotel managers as respondents. Based on SEM analysis, result of the research showed significant influence of the strategic human resources management on the organization performance. The most significant influence was seen through organizational resilience, but less significant through organizational change, particularly in mediating the influence of strategic human resources management on the organization performance. The most significant influence was on the relationship between strategic human resources management and organizational resilience through organizational change toward organization performance. While, the strategic human resources management has insignificant influence on the organizational change.

Keywords : Strategic Human Resources Management, Organizational Resilience, Organizational Change, Organization Performance

INTRODUCTION

The phenomenon about organizational change has oriented to value on market, production, and behavior in the organization. Development in the business world has shifted from manufacturing to services sector (Senior, 2002). It gives particular challenge for the organization to keep developing its human resources continuously, whether customers, operation, and human beings. Human beings who have been given intelligence are considered as valuable human resources that must be developed in order to face continuous changes. By recognizing how the people work in organization, it will create continuous changes (Clarke, 1999).

Problem about Human Resources Management in this reformation era is how to respond greater challenges that must be faced by the company in developing its organization. The organization challenge, as stated by Senior (2002), is that ideas and brainpower has become the most important components in improving products and services. “It is through people’s intelligence and creative thinking that organizations will

improve competitiveness (Senior, 2002). Moreover, people in the organization are the most important assets due to their brains could focus on identification and solve more complex problems. Based on this problem, people in the organization should be developed continuously through continuous learning process.

There are three different features about services in comparison with goods product. Such differences include intangible services, which not only involve producing and delivering simultaneously, but also require customer participation in producing and delivering the services. (Chung, 2001). Such differences indicate that internal design of the service company is different from the manufacturing company, therefore it requires different treatment and managerial as well.

In particular, the service features make relationship between internal and external efficiencies become closer. On the manufacturing company, internal efficiency technique could be applied to keep the cost down in order to increase competitiveness, and it could be concealed from the consumers. On the service company, strategy to improve internal efficiency cannot be concealed easily from the consumers due to the customers actively participate in the production process (Chung, 2001).

Strategic Human Resource Management (SHRM) is defined as a planned human resources pattern in which its distribution and activities are quite possible to achieve both target and goal of the organization (Sean A Way, 2005). Strategic Human Resource Management is a process, which is directed to achieve the organization's goal (Wright & McMahan in Way & Johnson, 2005). Discussion about Human Resource Management and its implementation is still partial and has not been comprehensive yet.

A research on the organizational change conducted by Oakland et al. (2007), which described about factors that could influence the success of such organizational change, has been applied on different organization including the public sector. Result of the research showed that the change frame has two cycles, which are interacted to each other, that include readiness to change and implementation of change. In diverse research, Stewart (2007) described about implementation of change or one of those two change cycles as suggested by Oakland. Result of the research, conducted by Oakland (2007), showed that integrating human factor in plan of such implementation of change is considered as important factor to reach the success.

Resilience is a specific term used to define capacity of the organization to respond positively and adaptively to any existed change (Stewart, 2007). Resilience does not only show ability to survive from any external distress, but also show capacity to adapt and learn.

Neilson et al. (2008) suggested that organizational resilience was created from four organizational-basic buffers that comprised of right to make decision, motivator, information, as well as lean and flexible organization structure. Those four essential elements of the organization work together to gain organization flexibility that lead to the organization performance in the future.

Objectives of the research are to analyze the influence of Strategic Human Resources Management on the organizational change, organizational resilience, and the company performance, as well as to analyze the reciprocal influence between organizational change and organizational resilience, the influence of organizational resilience on the company performance, and analyze the influence of organizational change on the company performance.

Strategic Human Resources Management

In strategic management perspective, human resources management strategy is part of implementation process of the business strategy. It has been formulated and performed simultaneously in context of the whole strategies on the functional levels, which include strategies of marketing, financial, production, and etc. In relation to this, employee is not seen as "capital", which refers to "cost", but it is considered as one of the organizational resources that could improve competitive superiority of the organization (Chris Moore, Carneval, Gained and Meltzer in Alwi, 2001).

Human resources management strategy tends to implement participative management approach to motivate employees in the company, in which the employee is seen as unitarist, whereas the individual is united based on analogous identity, commitment on the organization's goal and analogous values, which oriented to long-term strategic interest, to be more proactive and holistic in recognizing employee as human capital that need to be managed actively. Besides that, human resources management strategy will be able to create a system of relationship between individuals and among individuals within the organization, which is not easy to be imitated by other organization, and makes human resources to be intangible, strategic, and invisible assets (Amit and Shoemaker, 1993; Itami, 1987; in Ratno Purnomo 2003). Therefore, resources resulted from human resources management strategy will be able to make the organization to be more effective.

The effect of human resources management strategy on the organization performance, John E. Delery and D. Jarold Doty (in Daley, 2002) identified seven practices of human resources, such as: internal career levels, formal training system, orientation results of the performance assessment, performance-based compensation, workforce security, employee voice, extension of the job definition. In harmony with the opinion, there are seven practices that kept to be identified as strategic human resources practices (Osterman, 1987, Sonnenfeld & Peiperl 1988, in Rose 2006) as follow: internal career opportunity; training system; assessment; profit sharing plan; workforce security; mechanism to show influence, including the system in entering complaint formally and participation in making decision; and to the extent of the job being established strictly or limited.

Organizational Change

In job change, the most difficult thing is removing the actor of change due to oneself consider that as if he/she is the actor of change. The actor looks so charismatic and his/her resignation will create some complicated problem (Kasali, 2007). So, the point is that problem about change is concerning with how to change one's behavior, and such behavioral change will be succeeded through deep talking, which touch his/her emotional sensitivity (Kotter, 2008). In renewal process, sometimes it requires to eliminate the former values and assumptions in order to generate the new ones. This process may create some tensions, uncomfortable, and depression. But, that is the change, anyone should do it voluntarily. (Kasali, 2007). It is common for part of the system theorists who assumed that without any dramatic change in an environment, organization would experience slower adaptive change (Simsek, 1994).

The process to convince individual about the need of change are frequently initiated by proficiency in conveying vision, which compel the need for change. A vision gives a picture or image in the future, which can be communicated easily, therefore, most of the organization's members are interested in it (Kotter 1995, in Fernandes 2006); this

gives directions as a whole for the change process as fundamental in developing strategy in order to achieve the goal in the future. In order to convince individual to make change, it is suggested to apply effective communication, both oral and written, as well as active participative forms among employees (Armenakis et al. 1999 in Fernandes 2006).

Focus on the change program in the organization is intended to identify the main motivator to change. Such motivator is divided into two categories: external and internal motivators. (Oakland, 2007). The internal motivator is considered as manifestation of the external motivator. But simultaneously, the operational context should be considered. The consequence is the success in managing such change by focusing on strategy and operational problems in which both has close relationship.

Organizational Resilience

The secret of long lived company is not the strong one but the most adaptive one (Kasali, 2007), the company that could adapt to any change. Because of having flexible feature to adapt to the external market change, the flexible company keeps its focus on adaptation to the related strategy (Neilson, 2008). Organizational resilience is an organization that keeps looking at to the future and makes self-correction, anticipate any changes routinely and handle it in proactive way.

Resilience is a term used to describe capacity of the organization to respond positively and adaptively to any disturbing change. Resilience does not only show ability to survive from external distress, but also show capacity to adapt and learn. This capacity might be quite important, particularly if the process concerning with knowledge about management and creation of knowledge. As the replacement, this process is restricted and supported by information technology (Stewart; 2007).

Resilience is created from capability to make improvisation, which in turn, it will be supported by an understanding that all problems can be solved. Based on result of the research conducted by Stewart (2007), people in organization are responsible for the organizational management, so that the change will spread over the entire components in the organization in order to make progress and take definite action to give priority in responding to a crisis. Leadership could facilitate and assist in establishing such response (Stewart; 2007).

Organization Performance

There are some measurements to assess the organization performance, but basically, they are divided into two categories, subjective and objective. The objective measurement usually relates to profitability of the product sales and the subjective indicator of profitability is determined by perception of the manager toward profitability of the company's activity. Jauch and Glueck (1999) suggested that performance can be seen from two aspects, such as: qualitative and quantitative. Qualitative measurement, such as questions asked to find out whether the goal, strategy and comprehensive as well as integrated plan of a company is consistent, appropriate, and run well or not.

According to Delaney and Huselid (1996) in Harel and Tzafrir (1999), performance can be measured from performance perception belonged to an organization, which is related to its competitor that includes some aspects as follow: quality of product or service, developing new product, customer satisfaction, product price, increasing sales, profitability, and etc. However, the company performance is measured according to market performance and human resources performance. According to Narver and

Slatter in Appiah-Adu (2000), performance is measured based on the sales growth development, success of the new product, and ROI of the last three years.

Hypotheses of the Research

Result of the research by Chung (2001); Cho et al., (2006); Harris and Ogbonna (2001); Othman (1996), proved that human resources management has significant influence on the company performance, particularly on service industry. According to Stewart (2007), organizational change is measured based on three indicators as follow: trigger to change, readiness to change, and implementation of change. Therefore, the proposed hypothesis referred to result of the research by Rose (2006) in which the strategic human resources management has significant influence on the company performance, therefore, some hypotheses are drawn as follow:

Hypothesis 1: Strategic human resources management variable has significant influence on company performance variable.

Understanding about relationship between strategic human resources management and organizational change, as suggested by Clarke, just recognizes how people work in the organization, which creates continuous change (Clarke, 1999). As suggested by Walton (1999) that he revealed about potential and competitive opportunities and identified new skills required by the organization (Walton, 1999). Based on the importance of human resources contribution on the organization change, then the proposed hypothesis is.

Hypothesis 2: Strategic human resources management has significant influence on the organizational change.

Resilience (flexibility of the organization) is capacity of the organization to respond positively or adaptively to any disturbing change. Resilience does not only show ability to survive from external distress, but also show capacity to adapt and learn. This capacity might be quite important, particularly if the process concerning with knowledge about management and creation of knowledge. (Stewart; 2007). Resilience is created from capability to make improvisation, which in turn, it will be supported by an understanding that all problems can be solved. Based on result of the research conducted by Stewart (2007), people in organization are responsible for the organizational management, so that the change will spread over the entire components in the organization in order to make progress and take definite action to give priority in responding to a crisis. Leadership could facilitate and assist in establishing such response (Stewart; 2007). Based on result of the research by Stewart, hypothesis of this research is proposed as follows:

Hypothesis 3: Strategic human resources management variable has significant influence on the organizational resilience variable.

Result of the research by Stewart (2007); Oakland (2007) proved about result of the research, which stated that organizational resilience is created from capability to make improvisation, which is supported by an understanding that all problems can be solved. Neilson et al. (2008) suggested that organizational resilience was created from four basic buffers of organization, which comprised of right to make decision, motivator, information, as well as lean and flexible organization structure. Those four essential elements of the organization work together to gain organization flexibility that lead to the organization performance. Company that applies organizational resilience is organization, which implements continuous change. As suggested by Kasali (2007), the secret of long lived company is not the strong one but the most adaptive one (Kasali,

2007), the company that could adapt to any change. Based on this, the fourth hypothesis is formulated as follows

Hypothesis 4: The organizational resilience has influence on organizational change

Result of the research by Stewart (2007) showed that organizational resilience is created from capability to make improvisation, which supported by an understanding that all problems can be solved. People in organization are responsible for the organizational management, so that they could spread it using the new system in order to make progress and take definite action to give priority in responding to a crisis. Leadership could facilitate and assist in establishing such response. Moreover, Neilson et al. (2008) suggested that it would be quite satisfying for people who work in the flexible/resilient organization, smooth adjustment to all problems shows higher level of the resilient organization. Based on this statement, the fifth hypothesis is proposed as follows:

Hypothesis 5: The organizational resilience has significant influence on organization performance

Relationship between organizational change and company performance has been investigated through research, such as: research, which describes the implementation process within the organization and its influence on factors, which contribute to the company performance, as described in Fernandes (2006), as conducted by Armenakis et al., 1999; Bingham et al., 1996; Burke, 2002; Greiner, 1967; Kotter, 1995, 1996; Rainey et al., 1986; Thompson et al., 2001. Based on their thoughts, the sixth hypothesis is proposed as follow:

Hypothesis 6: The organizational change has significant influence on the company performance.

METHODS

Population and Samples

The population target of this research is all managers of the star hotels, for this purpose, they include the functional managers who have met the given characteristics to be observed. Population of this research comprised of 600 respondents of three-, four-, and five-star hotel managers.

Numbers of the sample are determined using Slovin's equation. SEM analysis requires samples at least 5 times of the used indicator variable numbers (Ferdinand, 2006). Moreover, a measurement standard of sample that conforms to N population has been developed by Krejcie and Morgan, 1970 (Sekaran, 2002, in Ferdinand 2006) for N population of 600, therefore, number of the samples are 234.

Variable Measurement

Strategic Human Resource Management is defined as a planned-Human Resources Management pattern (for instance, workforce) and human resource management (for instance, functional) in which its spread and activity will enable the organization to reach the target and goal (McMahan, Virick, & Wright, 1999; Wright & McMahan, 1992, in Way, 2005). Organizational Change, Barbara Senior (2002) suggested that the essence of organizational change is a complex thing, which is shown by diverse typology in the organization starting from the different feature of the organization itself, different change on each level of the organization and diverse functional variation within the organization. Organizational resilience is capacity of the organization to respond positively or adaptively to any disturbing change (Stewart;

2007). Resilience does not only show ability to survive from external distress, but also show capacity to adapt and learn. This capacity might be quite important, particularly if the process concerning with knowledge about management and creation of knowledge. (Stewart; 2007).

Table 1
Variable and Indicator of the Research

No.	Variable	Indicator	Source
1.	Strategic HRM	Recruitment and Selection	Rose & Kumar (2006)
		Training	
		Performance Assessment	
		Providing performance-based compensation	
		Empowerment	
2.	Organizational Change	Trigger to change	Oakland & Tanner (2007)
		Readiness to change	
		Implementation to change	
		Motivation to change	
3.	Organizational Resilience	Right to decide	Neilson & Pasternack (2008)
		Information	
		Motivator	
		Structure	
4.	Company Performance	Market performance	Rose & Kumar (2006)
		Human resource performance	

The Statistical Analysis is conducted to examine the influence between independent variables and dependent variables. The analysis used to answer the hypothesis of this research is Structural Equation Model or SEM using the package of AMOS 4.0 program and SPSS Version 11.5.

RESULTS

Based on computation using AMOS 4.0 for this SEM model, it results goodness of fit as presented on Table 2. Then, this index values will compared with the cut-off value of each index. It is expected that a good model will have greater goodness of fit or comparable to the cut-off value.

Table 2
Testing Results of the Structural Goodness of Fit for the First Evaluation

Criteria	Results	Cut-off Value	Model Evaluation
Chi-square (χ^2)	49.524	$\leq 52,192$	Excellent
Probability	0.082	$\geq 0,05$	Excellent
Degree of Freedom	37	-	-
CMIN/DF	1.338	$\leq 2,00$	Excellent
GFI	0.967	$\geq 0,90$	Excellent
AGFI	0.918	$\geq 0,90$	Excellent
CFI	0.994	$\geq 0,95$	Excellent
TLI	0.987	$\geq 0,95$	Excellent
RMSEA	0.040	$\leq 0,08$	Excellent

Source : processed-primary data (2008)

GFI value is 0.967, which means 96.7% of population covariance matrix can be explained by sample covariance matrix, therefore, properness of the model based on the GFI value is excellent. RMSEA value is 0.040, which means that it has met the recommended criteria as suggested, 0.080, therefore, properness of the model based on RMSEA is excellent. The recommended AGFI value is 0.90 and in analysis on this evaluation model, the AGFI value is 0.918. GFI value is excellent due to its value has beyond the minimum value as recommended. Other criteria is excellent due to its calculation results have met the recommended value. Testing result of the model using chi-square gives decreased value to 49.524 and the probability is 0.082. This testing result describes that the empirical data is not different from the proposed model ($\text{prob} > 0.05$). Model properness index using Tucker Lewis Index (TLI) recommends the value more than 0.95, and result of the model calculation gives 0.987. The properness index using Comparative Fit Index (CFI) recommends value more than 0.95 and result of the model calculation gives 0.994. Results of the analysis conclude that the evaluation model has acceptable properness.

Testing the Hypothesis

Statistical value of C.R (Critical Ratio) will have t-distributed with the degree of freedom for about 37. Below is the description of the testing results on six hypotheses of the proposed structural model on this research. The application of gamma (γ) symbol shows greater influence of the exogenous construct on the endogen, and beta (β) symbol shows greater influence of the endogenous construct on the endogenous one. Hypothesis testing on the structural model related to the regression coefficient of the testing result on each line as presented in the Table below.

Table 3
Result of the Hypothesis Testing on the Structural Model

Hypothesis	Line Direction	Regression Coefficient	Standard Error	Critical Ratio	<i>p</i> -value	Standard Coefficient
H1	HR Performance	0.809	0.195	4.152	0,000	0.235
H2	HR OC	0.029	0.117	0.246	0,806	0.003
H3	HR OR	0.915	0.143	6.375	0,000	0.564
H4	OR OC	0.684	0.095	7.198	0,000	0.705
H5	OR Performance	0.411	0.160	2.569	0,010	0.264
H6	OC Performance	0.561	0.158	3.552	0,000	0.326

Source : processed-primary data (2009)

On the first hypothesis testing, it shows that the regression coefficient for the strategic human resources variable on the performance variable is 0.809 and 4.152 (greater than 2) for C.R. and *p*-value 0,000 (smaller than 0,05). In the standardized form, this coefficient is 0.235. This result shows that the obtained regression coefficient confirms significant influence of the strategic human resources variable on the performance variable. Therefore, hypothesis of this research is proven (acceptable).

The second hypothesis testing shows that the regression coefficient for the strategic human resources variable on the organizational change variable is 0.029 and 0.246 (greater than 2) for C.R. and *p*-value 0,806 (greater than 0,05). In the standardized

form, this coefficient is 0.018. This result shows that the obtained regression coefficient confirms insignificant influence of the strategic human resources variable on the organizational change. Therefore, hypothesis of this research is not proven (unacceptable).

The third hypothesis testing shows that the regression coefficient for the strategic human resources variable on the organizational resilience variable is 0.915 and 6.375 (greater than 2) for C.R. and *p-value* 0,000 (smaller than 0,05). In the standardized form, this coefficient is 0.561. This result shows that the obtained regression coefficient confirms significant influence of the strategic human resources variable on the organizational resilience variable. Therefore, the third hypothesis of this research is proven (acceptable).

The fourth hypothesis testing informs that the regression coefficient of the organizational resilience variable on the organizational change variable is 0.684 and 7.198 (greater than 2) for C.R. and *p-value* 0,000 (smaller than 0,05). In the standardized form, this coefficient is 0.692. The results show that the obtained regression coefficient confirms significant influence of the organizational resilience variable on the organizational change variable. Therefore, hypothesis of this research is proven (acceptable).

Testing on the fifth hypothesis shows that the regression coefficient of the organizational resilience variable on the organization performance variable is 0.411 and 2.569 (greater than 2) for C.R. and *p-value* 0,000 (smaller than 0,05). In the standardized form, this coefficient is 0.215. The results show that the obtained regression coefficient confirms significant influence of the organizational resilience variable on the organization performance variable. Therefore, hypothesis of this research is proven (acceptable).

Testing on the sixth hypothesis shows that the regression coefficient of the organizational change variable on the performance variable is 0.561 and 3.552 (greater than 2) for C.R. and *p-value* 0,000 (smaller than 0,05). In the standardized form, this coefficient is 0.291. The results show that the obtained regression coefficient confirms significant influence of the organizational change construct on the organization performance variable. Therefore, hypothesis of this research is proven (acceptable).

DISCUSSION

Relationship between Strategic Human Resources and Organization Performance

Based on result of the statistical testing, it can be concluded that strategic human resources has significant influence on the organization performance. It confirms that the more positive of the strategic human resources, according to the manager's perception, performance of the organization will be more improved. Theoretically, findings of the research supported the theory by Noe (2006) who suggested that strategic human resources have influence on the success of the company management. Results of this research support the previous research by Rose (2007); Lashley (1999, 2000); Jarrar & Zairi (2002). Refers to results of the research by Jarrar & Zairi (2002), strategic human resources has become an alternative for the organization development due to it can be applied as fundamental of a strategy in order to improve the organization performance.

Indirectly, strategic human resources have influence on the organization performance through organizational change and organizational resilience. Directly, strategic human resources will be able to improve the organization performance, but indirectly, strategic human resources have the most significant influence on the

organization performance improvement through organizational change and organizational resilience. It means that both organizational change and organizational resilience are able to mediate the influence of strategic human resources on the organization performance.

Relationship between Strategic Human Resources and Organizational Change

Some remarkable findings of this research, which are based on the statistical analysis information, showed that strategic human resources have insignificant influence on the organizational change. It confirms that the organizational change as perceived by the respondents has not influenced obviously by the implementation of strategic human resources. These findings support the previous research as conducted by DiMaggio & Powell; 1983; Hannan & Freeman, 1984; Scott, 2003, in which the strategic human resources have less significant influence on the organizational change. In contrast, findings of this research are different from result of the research by Oakland (2007).

Indicators of this organizational change include trigger/motivator to change, readiness to change, implementation to change and motivation to change. Readiness to change is the main indicator to establish the organizational change, however, according to result of the loading factor, participation is the weak indicator in establishing strategic human resources. It means that lower participative level of the employees will slow down the change speed performed by the organization. This conforms to result of the research by Taplin (2006) that the organization performance improvement depended on the employee participation. It means that lower participation of the employees will slow down the change speed of the organization.

Findings of this research showed that even though strategic human resources have insignificant influence on the organizational change, however, this variable could mediate the strategic human resources variable in improving the organization performance. It means that the speed of the organizational change will be able to contribute the improvement of the organization performance if the strategic human resources management is applied properly and correctly, so that the employees can be hired as partners in improving the organization performance through the organizational change. According to Kotter (2002), the main challenge in implementation to change is changing one's behavior, so the challenge is on the implementation of the human resources strategy consistently.

Relationship between Strategic Human Resources and Organizational Resilience

Based on the statistical analysis results, it showed that strategic human resources construct have positive and significant influence on the organizational resilience. The strategic human resources of this research are described by participative, initiative, commitment, and responsibility indicators. While the organizational resilience variables are described by organization structure, right to decide, information, and motivator indicators.

The organizational resilience is formed if the managerial lines have power. Such empowerment demands a balance between reward and responsibility in order to make sure some training for specific skill required by the organization, establish definite measurement system and applies continuous improvement system, as well as the organization structure, which is able to facilitate these. Jarrar & Zairi (2002). It requires the organization commitment to give greater responsibility to managers and employee

participation in offering initiative to the organization in order to have capacity to adapt to the environmental change (Neilson, 2008).

Relationship between Organizational Resilience and Organizational Change

Findings of the research based on the statistical analysis showed that the organizational resilience has positive and significant influence on the organizational change. It shows that organization is able to adapt to any external change. This findings support the research results by Neilson (2008) who suggested that organization, which has capacity to adapt to any environmental change will have better performance than the average ones. Besides that, these findings have also supported result of the research by Stewart (2007), Seville et al. (2006).

Resilience is created from capability to make improvisation, which in turn, it will be supported by an understanding that all problems can be solved (Neilson, 2008). The organizational resilience is an organization, which still could achieve its main goal even though in difficult situation (Seville et al. 2006). This does not only reduce the measurement and frequency of any crisis, but also improve and accelerate the organization movement in facing such crisis effectively (adaptive capacity). In order to overcome the crisis effectively, the organization should recognize and make a change in responding to the complex system, where the organization operates (responsive to any existing situation) and look for new opportunity even in difficult condition.

Findings of this research showed that the speed of organizational change by the organizational resilience is the adaptive capacity of the organization to the existing condition change (Seville et al. 2006). It means that the higher level of organizational resilience, the faster change can be performed by the organization to adapt to any changes.

Relationship between Organizational Resilience and Organization Performance

Based on result of the statistical analysis, it showed that the organizational resilience has positive and significant influence on the organizational performance. It showed that organizational resilience is organization, which is able to adapt to environmental change, and have an effect on the organization performance improvement. Findings of the research supported the research by Stewart (2007), Seville (2006), and Oakland (2007). Besides that, result of the research supported the research by Neilson (2008) as well, which suggested that the organizational resilience could improve the organization performance.

Organizational resilience is a function of all vulnerability, responsiveness to situation and adaptive capacity of an organization in a complex system, dynamic, and dependent to each other (Seville, 2006). Organizational resilience is more emphasized by indicator of right to decide, which means that in order to be able to establish organizational resilience, the organization needs greater responsibility to decide policy in running the organization. This has positive and significant influence on the organization performance improvement. Based on this information, besides right to decide lean organization structure, smooth information flow and motivator play important roles in establishing the organizational resilience. It showed that if the management are in charge on an efficient organization structure and given greater responsibility to make decision and has complete and accurate information, the organization performance will be improved as well (Stewart, 2007).

Relationship between Organizational Change and Organization Performance

Information of the statistical analysis result showed that the organizational change has positive and significant influence on the organizational performance. It indicated that the faster the organization is able to make change and adapt to the environment, it will be able to improve its performance. Result of this research supported the previous ones conducted by Lawrence & Lorsch (1967); Pfeffer & Salancik (1978), Van de Ven & Poole (1995), Stewart (2007), and Fernandes (2006), who suggested that developing human resources capacity and organization is the most appropriate way to integrate the planned change and use to implement the change strategy in order to improve the organization performance.

The organizational change is described by some indicators of trigger/motivator to change, readiness to change, implementation to change and motivation to change. Indicator of readiness to change is the most significant indicator in describing the organizational change variable, it shows that in general, the superior is ready to make change in his/her organization. This is done to anticipate any change from both internal and external organization in order to improve its performance. The second indicator, implementation to change, is able to describe the organizational change variable. Implementation of the planned change demands the manager to provide understanding to other members of the organization and the external stakeholders about the need of change to improve performance (Kotter, 1995; Burke 2002; Laurent, 2003).

In improving organization performance through change speed, in general, the respondents assess that readiness to face change is the main indicator to accelerate change, then implementation to change. This conforms to what Kotter (2002) suggested that gradual and continuous improvement will not be adequate anymore, therefore, emphasizing on the change speed is more important and has the most significant influence on the organization performance. This is in harmony with what Simsek (1994) suggested, without any dramatic change within the environment, organization will experience slower adaptive change, and it will slow down the organization performance as well.

CONCLUSION AND SUGGESTIONS

Conclusion

In general, result of this research showed that strategic human resources, organizational change, and organizational resilience variables are simultaneously able to improve the organization performance, while the organization change is determined by the organization's ability to adapt to environment that derived from empowered human resources.

New findings of this research are expected that organization performance could be improved, so that human resources should be empowered by improving employee's participation in decision-making process, improving the employee's commitment to the organization, improving the employee's initiative to be creative and innovative, and improving the employee's responsibility for the job and achieving the goal. If managers of this organization are empowered, they will be able to improve the organization's ability to adapt to any change. Ability to adapt to such change is marked by efficient organization due to have lean structure, extending authority of right to make decision, smoothness of the communication flow, as well as motivator that enable the employees to be more motivated.

Ability of the organization to adapt to such change will be able to make change within the organization as indicated by the trigger/motivator to change, readiness of the organization to change and willingness of the organization to implement the change, as well as self-motivation of each manager to change.

Suggestions

It is recommended to empower manager in order to create organizational resilience so that it would be easier to adapt to environment by improving commitment and responsibility of the managers for their jobs, as well as providing extensive right to make decision for their jobs.

Besides that, it is recommended to offer some training programs to employees at the whole levels in order to be more empowered and able to give accurate information about organization to the market. This is based on response of the respondents who give lower score to information given by the employee to the market, which is not incompatible with the real condition in the organization. It means that employees should not give incompatible information to the market, so that it is expected that the information could flow accurately to the employees.

Leadership plays important role in determining direction, inspiring change within the organization and ascertaining the change is really implemented (Oakland, 2007), therefore, some empowered managers are really required.

BIBLIOGRAPHY

- Adu, Kwaku Appiah. 1997. Market Orientation and Performance: *Do the Findings Established in Large Firm Hold in the Small Business Sector?* Journal of Euro-Marketing; 6, 3; ABI/INFORM Global. p.1
- Alwi, Syafaruddin. 2001. Human Resource Management: *Competitive Superiority Strategy*, First Edition, BPFE, Yogyakarta.
- Cho, Seonghee, Robert H. Woods. SooCheong (Shawn) Jang. Mehmet Erdem, 2006, *Measuring the Impact of Human Resources Management Practices on Hospitality Firms Performance*, International Journal of Hospitality Management No. 25, p 262 – 277.
- Chung, Beth G, 2001, A service market segmentation approach to strategic human resource management, *Journal of Quality Management*, 6 (2001) 117 – 138.
- Daley, Dennis M. 2002, *Strategic Human Resource Management, People and Performance Management in the Public Sector*, Pearson Education, New Jersey.
- Fernandes, Sergio, Hal G. Riney, 2006, *Managing Successful Organizational Change in the Public Sector*, Public Administration Review; March/Apr 2006;66, 2 p 168.
- Ferdinand, Agusty, 2006, *Method of the Managerial Research, Research Guidance for Writing Mini Thesis, Thesis, and Dissertation of Management Sciences*, Second Edition, Publisher of Diponegoro University, Semarang.

- Glueck, F. William and Lawrence R. Jauch, 1999. *Strategic Management and Business Policy*, Second Edition, Translation, Murad and Henri Sitanggang, Erlangga Jakarta.
- Tzafrir, Shay S., and Gedaliahu H Harel. 1999. *The Effect of Human Resource Management Practices on the Perceptions of Organizational and Market Performance of the Firm*. Journal of Human Resource Management, Vol. 38 No.3 p. 185 – 200.
- Harris, Lloyd C. and Emmanuel Ogbonna. 2000. *Strategic Human Resource Management, Market Orientation, and Organizational Performance*, *Journal of Business Research*, 51. p. 157 – 166.
- Kasali, Rhenald, 2007, *Change, (Management of Change and Management of Hope*, Ninth Printed, Publisher PT Gramedia Pustaka Utama, Jakarta.
- Kotter, John P and S. Cohen, 2008. *The Heart of Change*, Translator Arif Budi Nugroho, Publisher Trans Media Pustaka, Jakarta.
- Lashley, Conrad, 1999, *Employee empowerment in services : a framework of analysis*, Personnel Review Vo. 28 No. 3, 1999, pp 169 – 191.
- _____, 2000, *Empowerment through involvement: a case study of TGI Fridays restaurants*, Personnel Review Vo. 28 No. 3, 1999, pp 169 – 191.
- Levine, L., 2001, *Integrating knowledge and processes in a learning organization*, Information Systems Management, Vo. 18 No. 1, pp 21 – 33.
- Mangkuprawira, Tb. Sjafri. 2003. *Strategic Human Resources Management*, Ghalia Indonesia, Jakarta.
- Neilson, Gary L. Bruce A. Pasternack, 2008, *Result*, Translator Andre Wiriadi, Publisher PT Elex Media Komputindo, Jakarta.
- Noe, Rymond A., John R. Hollenbeck, Barry Gerhart, Patrick M. Wright, 2006, *Human Resources Management Gaining a Competitive Advantage*, Fifth Edition, McGraw Hill/Irwin Companies, New York.
- Pearce and Robinson. 1997. *Strategic Management: Formulation, Implementation, and Control*, translator Ir. Agus Maulana MSM, Binarupa Aksara, Jakarta.
- Oakland, J.S. and S.J. Tanner, 2007, *A New Framework for Managing Change*, The TQM Magazine Vol. 19 No. 6, 2007, p 572 – 589.
- Othman, Rozhan Bin, 1996, *Strategic HRM : Evidence From the Irish Food Industry*, Personnel Review, Vol. 25, No. 1, pp. 40 – 58.

- Purnomo, Ratno. 2003. *Achievement of Continuous Competitive Superiority through Functions and Roles of the Human Resources*. STIE Stikubank, Semarang.
- Rose, Raduan Che, Naresh Kumar, 2006, *The Influence of Organizational and Human Resource Management Strategies on Performance*, Performance Improvement, Volume 45, Number 4, p 18 – 24.
- Senior, Barbara, 2002, *Organizational Change*, Second edition, Pearson Education Limited, London.
- Simsek, Hasan and Karen Seashore Louis, 1994, *Organizational Change as Paradigm Shift, Analysis of the Change Process*, Journal of Higher Education, Vol. 65, No. 6 (November/December), 1994, by the Ohio State University Press.
- Stewart, Jenny, and Michael O'Donnell, 2007, *Implementing Change in a Public Agency, Leadership, Learning and Organizational Resilience*, International Journal of Public Sector Management, Vol. 20 No. 3, 2007, pp. 239 – 251.
- Way, Sean A., Diane E. Johnson, 2005, *Theorizing about the impact of strategic human resource management*, Human Resource Management Review, 15 (2005), pp 1 – 19.