

Analysis of the Development Cycle/Level of PT. X (Yogyakarta) Based on Adizes and Galbraith Theory

Andreas Fajar Nugroho

Universitas Airlangga, Surabaya, Indonesia

E-mail: filefajar25@gmail.com

Abstract: E-commerce is a business strategy that promotes products and services through digital marketing platforms, one of which is PT.X. PT.X operates in multiple countries, including Indonesia, specifically in Yogyakarta. The Yogyakarta branch of PT.X consistently meets its annual targets and tends to express satisfaction with these achievements, often overlooking the crucial role of employee efficiency in reaching these goals. This study aims to explore the background and organizational culture of PT.X, assess its developmental stage based on the models of Adizes and Galbraith, and examine the challenges and strategies needed to sustain its current development stage. The organizational culture of PT.X (Yogyakarta) has been analyzed using the Organizational Culture Assessment Instrument (OCAI), revealing that the most significant desired cultural change is a reduction in Hierarchy culture by 7.50 points and a notable increase in Adhocracy culture by 6.83 points. According to Ichak Adizes, PT.X is currently in the 'Stable Organization' phase of its development cycle. Meanwhile, Jay Galbraith's Star Model suggests that PT.X (Yogyakarta) could undergo significant transformation by focusing on the areas of organizational structure and human resources—particularly addressing the issue of high employee turnover. Based on Adizes' (2014) model, PT.X (Yogyakarta) has reached the stability stage in its organizational life cycle. At this point, it is crucial to pay attention to potential factors that may lead to stagnation or organizational decline. As Galbraith (2014) emphasizes, sustaining organizational development requires addressing existing constraints—such as those currently faced by PT.X (Yogyakarta).

Keywords: E-commerce; Organizational culture; Level of Organizational Development; Adizes; Galbraith

INTRODUCTION

The rapid development of technology has impacted various aspects of life, both personal and social. The convenience and speed it provide extends not only to communication but also to businesses, both small and large. Various terms for the benefits of technological advancements have become known to the public, including: *voice call*, *video call*, *email* to communicate but the terms e-commerce not just for communication but rather the concept of buying and selling transactions via electronic devices supported by the internet. This statement is supported by Turban et al. (2008) who said that *e-commerce* is the buying and selling or exchange of products, services and information via information networks including the internet.

E-commerce is a business strategy that introduces products and services through a marketing process *platform* digital, one of which is PT.X. PT.X is a platform which is adapted for each region and provides a shopping experience *online easy*, safe, and

fast for customers through strong payment and logistics support. PT.X has a sense of confidence that shopping activities *online* must be affordable, easy, and enjoyable. This is the vision that PT.X wants to deliver through our platform, every day.

PT.X has operated in various countries, one of which is in Indonesia with various divisions and thousands of Human Resources, including in Yogyakarta. PT.X, which is located in Yogyakarta, tends to be satisfied with the company's targets that are always achieved every year, although it is often unaware that these achievements are inseparable from employees who work efficiently. All facilities and comforts provided by the company become demands that employees must work optimally according to procedures and leaders are the organizers and decision-makers. This has an impact on reducing the development of good relationships with subordinates, which is indeed not easy because of the different backgrounds between employees. This will certainly impact the performance results of PT.X employees, which

ultimately has an influence on decreasing and increasing company targets. Employees work perfunctorily and service is...*online* Responding to consumer needs and constraints is not optimal. Furthermore, the number of employees attrition is also increasing. This is in line with Adizes' (1989) opinion, which states that the growth and decline of every organization are primarily caused by two factors: flexibility in responding to environmental changes and "rigidity" (*controllability*) in responding to every change.

This is the situation that the company wants to see and is still a gradual process in improving the deficiencies and increasing the strengths that PT.X (Yogyakarta) has, seeing the increasingly tight competition between...*platform e-commerce* This aims to prevent PT. X, including the one in Yogyakarta, from major and irreversible destruction. Every stage an organization goes through will always give rise to difficulties or problems that require handling, both internally and through external intervention.

In order to maintain and even improve the quality of PT.X (Yogyakarta) in various fields, one of which is annual targets, the company continuously improves itself and learns about the obstacles that occur so that it can grow and develop as an e-commerce company already has a name in the market. Consistent improvements towards better development enable and prove that the company has a resilient culture and is capable of thriving in various competitions *platform e-commerce*. The stages of organizational development are actually predictable and repetitive (Adizes, 1989). The development of each stage is expected to empower organizational leaders to be more responsible and active in preventing future organizational problems.

RESEARCH METHOD

The picture of organizational culture can be seen from the data analysis that was

recently carried out through OCAI (*Organizational Culture Assessment Instrument*). OCAI is a tool developed by Robert Quinn and Kim Cameron at the University of Michigan and validated for the purpose of assessing organizational culture (Cameron, 2004). The development cycle/level and problem-solving or challenges at PT.X (Yogyakarta) are analyzed based on the theory of Adizes and Galbraith.

RESULTS AND DISCUSSION

A. CULTURE PT. X

The OCAI is a tool developed by Robert Quinn and Kim Cameron at the University of Michigan and validated for the purpose of assessing organizational culture (Cameron, 2004). The types of culture found in the OCAI are:

- Culture *Clan*: A culture oriented toward a friendly work environment with people who share many similarities and feel like an extended family. Leaders act as facilitators, mentors, and team builders.
- Culture *Adhocracy*: A culture oriented towards a dynamic, entrepreneurial, and creative workplace. Leaders act as innovators, entrepreneurs, and visionaries.
- Culture *Market*: A results-oriented workplace culture that emphasizes targets, deadlines, and getting things done. Leaders act as powerful movers and shakers.
- Culture *Hierarchy*: A culture oriented toward a formal, structured workplace that carries out work activities according to established procedures. Leaders act as coordinators, monitors, and organizers.

	Now	Pref
Clan	25,00	25,17
Adhocracy	23,00	29,83
Market	24,50	25,00
Hierarchy	27,50	20,00
Total	100,00	100,00



The graph above shows the dominant culture today is culture **Hierarchy** with score **27.50** points. A culture that is oriented towards structure, procedures, efficiency, and predictability. This is followed by a culture **Clan** with a score of 25.00 points indicating that the current culture has a very pleasant place to work. Next is the culture **Market** with a score of 24.50 points, indicating that this company is oriented towards results, production, goals, and targets, as well as high competition culture **Adhocracy** also exists in this company with a smaller score than other cultures, namely **23.00** points, signifying that the company is also a dynamic, entrepreneurial and creative place to work.

The biggest changes desired for the future can be seen in culture. **Hierarchy**, with a drop in points of **7.50** and the biggest expected change being in culture **Adhocracy**, with a

point increase of **6.83**.

B. CYCLE / DEVELOPMENT LEVEL OF PT.X (YOGYAKARTA) ACCORDING TO ADIZES AND GALBRAITH

According to Adizes (1996), the cycle or level of organizational development is the developmental stage experienced by each organization, along with the conditions, difficulties, transitional problems, and implications that follow each development. Adizes (1989) outlines three main stages, namely:

1. Growth stage (*growing stages*) which covers the introduction time (*courtship*), infancy (*infancy*), and childhood (*go-go*).
2. Level "*coming of age*" which includes the period of adulthood (*adolescence*) and peak/golden time (*prime*) And
3. Level of decline (*aging organizations*) which covers the settling time (*stable organizations*),

the period of aristocracy (*aristocracy*), early bureaucratic period (*early bureaucracy*) and the period of bureaucracy and death (*bureaucracy and death*).

Of the nine stages, the 7 most important stages are:

1. Time of introduction (*courtship*) namely the main characteristic of an organization during the introduction period is the many ideas or concepts that are intended to be realized, even though the organization has not yet been established. Developments during the introduction period show normal characteristics, namely; if commitment is accompanied by realistic reality testing and risks are calculated moderately. Meanwhile, abnormal characteristics are when ideas are not tested realistically and in accordance with reality and risks are not calculated moderately.
2. infancy (*infant period*) namely, the ideas and concepts developed at the introductory stage, when accompanied by the ability to realize them, constitute the initial cycle of organizational life. Organizational activities still rely on the leader or founder (both in terms of commitment and decision-making). Therefore, the systems and procedures are still simple, and the management and hierarchical structure are narrow. Without commitment to the organization (in the form of attention, energy, and even money), the organization will die in the future *infant mortality*.
3. Children's time (*go-go*) An organization that successfully translates an idea into a tangible form is considered to have passed the initial stage. Success during this period encourages the founder to expand their ideas and try to realize every idea that emerges in their imagination. Ultimately, many ideas are sought after. Every opportunity is "grabbed" without considering the organization's resources and prioritizing them, as everything is a priority. As a result, a large amount of work must be done simultaneously.
4. adulthood (*adolescence*) , namely an organization that has succeeded in selectively choosing the opportunities to be taken and completed, through careful, realistic or radical priority setting in changing goals, re-establishing the organization's vision and mission. At this stage the organization reaches maturity in thinking and being unrealistic and working at a moderate level of risk and requiring contemplation, thinking, time, and reflection.
5. The peak/golden age of the organization (*prime*) is a period marked by success in achieving realistic goals. At this stage, the organization can be well-controlled because the systems and procedures, as well as decision-making mechanisms, have been well-structured and consistently implemented. Although the organization strictly adheres to these systems and procedures, it remains flexible in the sense that it is still able to adapt to various changes that occur in the environment.
6. Period of organizational stability (*stable organizations*) is the period when an organization is consistently able to maintain peak performance over a period of time. During this stage, many temptations and challenges arise both internally and externally.
7. The period of bureaucracy and death (*bureaucracy and death*) namely a period marked by the emergence of work routines that kill creativity and innovation, ideas or

innovations that emerge will always disrupt stability, there will be mutual hostility, mutual undermining/blaming and the implementation of organizational goals will be neglected.

The stages outlined by Ichak Adizes help us see a picture of the stages of the PT.X cycle which is at the stage of **organizational stability (stable organizations)**.

PT.X is currently one of the company's e-commerce with very rapid development and ready to compete with companies-e-commerce others. The variety of ideas and opportunities that arise become a challenge for PT.X (Yogayakarta) to pursue the targets it wants to achieve. However, looking at it from various perspectives, PT.X (Yogayakarta) does not forget to pay attention to the weaknesses and strengths of PT.X (Yogayakarta). Therefore, PT.X (Yogayakarta) becomes more selective in seeing existing opportunities so as not to make mistakes in thinking and acting which will certainly have an impact on the company.

The positive developments experienced by PT.X have led the company to continue its process. In addition to being selective in seeing existing opportunities, the company does not rush into taking work actions that have a high level of risk, especially related to performance and its employees. Success in this regard has made PT.X (Yogayakarta) successfully pass through the initial stages to the peak/golden stage until it is stable. This is marked by the existence of applicable systems and procedures that are implemented in making a decision and facing various changes or challenges, both small and large.

The current situation of PT.X (Yogayakarta) is what has brought it to a stage of stability, where the company is able to consistently maintain its

stability in several periods, especially in achieving the targets set, for example PT.X (Yogyakarta) is still a company *e-commerce* the most sought after by the company *e-commerce*. However, the most frequent occurrence at PT.X (Yogyakarta) is the high turnover of employees.

PT.X (Yogyakarta) has great opportunities to achieve and requires a large number of employees despite knowing the situation of employee turnover is still high. One of the causes of frequent employee turnover is employee mindset, adaptation methods and employee behavior that are not in line with the company's strategy and demands. This can be seen from the written evaluation data distributed and received every month by the company. The results regarding the company's demands that are difficult to fulfill optimally and want more comfort but are limited by the company through the leaders which then results in a tendency to make decisions to resign.

In this situation, the company always pays attention to the strengths and weaknesses of the company. First, the company reviews the factors that influence the high employee turnover rate. If it is caused by a regulatory inconsistency or a mismatch between demands and rewards, the company will review the situation and even make improvements if necessary. However, if employee turnover is caused by personal reasons or matters that are not in accordance with company regulations, the company will not respond. Similarly, employees who wish to apply for a job will be accepted if they meet the requirements and needs; if they do not, they will be rejected even if the company needs a large number of employees. Furthermore, if an employee wishes to leave, they will be allowed to do so. If an employee's performance does not meet company regulations, the

company can take action to terminate the employment relationship or dismiss them. This applies to all human resources owned by PT.X.

Based on Jay Galbraith's Star Model, PT.X (Yogyakarta) will be very transformative if it focuses on the organizational structure and people aspects, one of which is related to the frequent employee turnover and exit activities. The current condition of PT.X (Yogyakarta) has a mechanistic organizational design characterized by cross-functional work specialization, cross-hierarchical departmentalization, very clear span of command elements, very narrow span of control, centralization and high formalization. However, PT.X (Yogyakarta) needs to review the centralization element in the decision-making process. In the people aspect, it is important for companies to review human resources which are indeed the standard needs of the company to meet work demands in seizing every opportunity. The process in the people aspect starts from recruitment, selection and training given to employees who want to enter, undergoing a trial period and related training *problem solving*.

Galbraith's Star Model (2014) consists of:

- Strategy is the direction a company will grow. This means companies need to decide what to do and what not to do given their limited resources and significant opportunities. Within the context of strategy, companies must focus on how to do things, where to do them, and the appropriate approach to doing them well.
- Organizational structure is about the distribution of power and authority across a hierarchy. These hierarchies can take several forms: functional organization, product or business unit organization, customer business unit

organization, channel organization, geographic organization, hybrid structure, and matrix organization. We then look at other dimensions of structure, such as the distribution of power (both horizontal and vertical), division of labor, and organizational form.

- Information and decision processes are the ways in which work gets done in an organization. In this context, processes have two types: informal processes, business processes, and management processes.
- The reward system in an organization is a source of motivation. Reward systems are designed to align individual goals with organizational goals. To achieve organizational goals, leaders must motivate individuals within the organization to behave in ways that will lead to successful strategy implementation. This can be accomplished in several ways, including through compensation, promotions, recognition systems, and job challenges.
- The 'people' dimension of organizational design focuses on selecting skills and mindsets that align with the company's strategy. For example, companies today seek data scientists who can extract insights from the vast amounts of data they collect.

Based on this description, PT. X (Yogyakarta) needs to further emphasize its organizational structure and people. Organizational structure is about the distribution of power and authority, while the people dimension in organizational design focuses on selecting skills and mindsets that align with the company's strategy (Galbraith, 2014). PT. X (Yogyakarta) already has excellent strategies, processes, and rewards. However, it needs to make

adjustments to its organizational structure related to the distribution of power and the people dimension, which are not in line with the company's standard needs. For example, PT. X (Yogyakarta) is an e-commerce company which has a big name and maintains its stability. This can be seen from its resilience and success in facing competition with other companies *e-commerce* others. Companies that carry out activities to handle consumer needs and constraints online. Of course, it requires alertness, dexterity and critical thinking in both thinking and acting.

Based on the organizational structure related to the distribution of power related to the issue of decentralization and centralization and PT.X (Yogyakarta) has a high centralization. Therefore, it is important to look back at the field conditions where consumer complaints and obstacles cannot always be immediately resolved with the established resolution process and the situation of employees who are mostly generation Z. On the other hand, it is also important for the company to focus on recruitment, selection and training of employees in accordance with company standards that require employees with resilience in facing consumer pressure, mastering how to handle consumer needs and obstacles, so that the intensity of employee turnover can decrease.

C. CHALLENGES AND WAYS TO MAINTAIN THE DEVELOPMENT CYCLE/LEVEL OF PT.X (YOGYAKARTA)

PT.X (Yogyakarta) has employees who mostly consist of generation Z. A generation that supports the work process which requires the ability to quickly understand various technological developments including...*e-commerce* However, Generation Z dislikes rigidity and authoritarianism, so they are more

likely to choose to resign from the workforce when faced with such situations. This is also experienced by PT.X, so it is important for the company to analyze this problem in terms of the distribution structure of power (centralization/decentralization). This means that the company also needs to look at it from the perspective of leaders as power holders and decision-makers to be able to see the real conditions on the ground faced by subordinates. The hope is that leaders can also act as innovators and visionaries in the company.

This aims to ensure that the resources owned are resilient in the future and remain resilient in facing the greatest pressures facing the company, namely all the needs and constraints brought by consumers. Therefore, it is important for the company to consider the dimensions of '*people*' related to criticality and creativity in thinking, acting and innovating, especially in terms of problem solving. Emphasis on the dimension '*people*' not only reduces the intensity of employee turnover in the company but can also maximize employee performance in participating in achieving everything that becomes an opportunity for PT.X (Yogyakarta).

PT. X (Yogyakarta) has reached a level of stability when viewed from the organizational development cycle proposed by Adizes (2014). The key to a company's success in facing problems is not by reducing them, but rather by focusing on the organizational issues that arise at that time. Therefore, when an organization reaches a stable stage, attention must be paid to things that will cause the organization to decline or age (*aging*). This can be done by:

1. The awareness that organizations will always face problems is a company's experience and that organizational management needs to be carried out continuously to solve problems.

2. Be familiar with normal or abnormal problems that occur.
3. Recognize and be aware of organizational characteristics that are experiencing decline.
4. When recognizing signs of decline, it is important for organizational leaders to redirect the organization back to its stable period.
5. Do *spin off* in the form of organizational refreshment, improving the organization's personal capabilities, rebuilding the organization's new vision, and reaffirming the commitment of organizational members to be able to return to a stable period.

According to Galbraith (2014), organizational cycle improvement and development can be maintained by reviewing the constraining factors, such as those faced by PT. X (Yogyakarta). In this company, the issues that need to be reviewed based on the company's problems are structural factors (distribution of power) and people aspects. Therefore, the appropriate steps are:

1. Reviewing the organizational structure of the centralization/decentralization elements based on the company's needs in seizing opportunities and based on conditions that occur in the field.
2. Looking back at the aspect of 'people' (human resources), after going through the recruitment and selection process which is in accordance with the company's standard needs, the company needs to pay attention to training which supports employee development such as problem *solving*. Training that helps improve employee skills in addressing/solving needs/complaints that occur in the field.

CONCLUSION

PT.X is an e-commerce company operating in Yogyakarta. The organizational culture at PT.X was analyzed through OCAI (Organizational Culture Assessment Instrument) with graphic results showing that the current dominant culture is Hierarchy culture with a score of 27.50 points. A culture oriented towards structure, procedures, efficiency, and predictability. Next is the Clan culture with a score of 25.00 points which indicates that the current culture has a very pleasant place to work. Next is the Market culture with a score of 24.50 points which indicates that this company is oriented towards results, production, goals, and targets, as well as high competition. Lastly, Adhocracy culture also exists in this company with a smaller score than other cultures, namely 23.00 points, indicating that this company is also a dynamic place, valuing entrepreneurial and creative growth to work. The biggest desired future changes can be seen in the Hierarchy culture, with a decrease in points of 7.50 and the biggest expected changes are in the Adhocracy culture, with an increase in points of 6.83.

According to Adizes, the stages of the PT.X cycle are in the stable organizational stage. In Jay Galbraith's Star Model, PT.X (Yogyakarta) will be very transformative if it focuses on the organizational structure and 'People' aspects, one of which is related to the frequent employee turnover and turnover. According to Adizes, PT.X as a company that has reached a stable stage must pay attention to things that will cause the organization to decline or age. Improvement and development of the organizational cycle can be maintained by reviewing the constrained factors, such as those faced by PT.X (Yogyakarta) (Galbraith, 2014).

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