



## ORGANIZATIONAL DEVELOPMENT WITH WEISBORD'S SIX-BOX DIAGNOSTIC MODEL

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### **Abstract**

*This research was conducted to see the effectiveness of Weisbord's six-box diagnostic model in the process of organizational development. In the process of developing this organization will be diagnosed with problems in a company. The method that will be used in this diagnosis process is the six box model. Data is collected by interview method. The results show that among the six aspects of the six box, there is one aspect that becomes a problem in the company, which is the helpful mechanism. This study also reveals that the six box model functions effectively as a diagnostic model for organizational problems.*

**Keywords:** *Organizational Development, OD, Weisbord's Six-Box Model, Organisation Diagnostic Model*

### **INTRODUCTION [Times New Roman 12 bold]**

The automotive market in Indonesia has quite a number of companies that compete with each other. Indonesia controls the largest car market in Southeast Asia and the ASEAN region by dominating one-third of total annual sales [1]. The country with a population of 268 million also has a rapidly growing middle class. This is the main attraction for industrial investors to open car manufacturing factories, including Mitsubishi and Wuling, which joined in 2017.

The Association of Indonesian Automotive Industries (Gaikindo) states that national production capability is increased by the joining of two new investors [2]. The growth of automotive production in Indonesia increased with the joining of new investors, but this was not followed by an increase in market demand.

Gaikindo noted that there was a significant decline in market demand for motor vehicle sales by 33%. The sales record shows that the achievement in May 90,000 units decreased to 60,000 units in June 2017[3]. This decrease was also seen with data from Gaikindo that four-wheeled vehicle sales only grew 1, 6 % from the achievement in 2016 [4]. This decline in market demand can be caused by several factors. PT Toyota Astra Motor's Executive General Manager explained that the sales of the lower-middle-class car segment declined due to Non-Performing Loans (NPLs / non-performing loans), *leasing company* records, and increasing interest rates [5]. Banking companies began to calculate the potential risk of non-performing loans or NPLs that also impacted in disbursing funds for motor vehicle loans. This affects the purchasing power of the public towards the lower middle car segment which is also



the largest segment in selling Toyota products in Indonesia.

The decline in automotive sales in Indonesia has an impact on the achievement of sales of PT X which slumped starting in June 2017. The decline in this trend is not seen in the comparison of total sales for the period of 2016 and 2017. The total sales stated an increase although only slightly by as much as 4%. This needs to be a concern because a slight increase does not indicate the company is getting profits according to expectations. Nevertheless, PT X still managed to maintain its performance in controlling market share. The company's market share is known to increase by 0, 2 % to 32% [6].

One of the strategies taken by the company for cost efficiency is organizational restructuring. The restructuring that is being carried out by PT X is the impact of the changes that have taken place at the Sole Agent Brand company. Less favorable market conditions also strengthened with the new policy of PT Toyota which is the company's restructuring and the impact on PT X. PT Toyota Astra Motor (TAM) has implemented a policy called TANGO. This policy is a restructuring of the company Single Brand Holder Agent in maintaining the company's existence. This policy has an impact on all the companies under the control of PT Toyota Astra Motor, including PT X.

The changes that took place at TAM were a result of the restructuring of the central company, Toyota Japan, which then affected all Toyota companies around the world. Toyota Japan conducted a major restructuring in early March 2017. The restructuring aims to change the

organizational structure, accelerate decision making, strengthen management supervision, and increase business innovation. The impact of restructuring on TAM began with the change of leadership of PT Toyota Astra [7].

The policy occurred because of the change of office holders that came into force in April 2017. ASII (Astra Internasional Tbk) and TAM have signed an agreement (MOU) with the aim of strengthening TAM, Toyota's entire sales and distribution network in Indonesia [8]. The MOU agreed that all sub-distribution functions such as logistics and marketing functions that had been carried out by the main dealer would be integrated into TAM.

This policy affects the process of product distribution in PT X. The distribution process was initially carried out by TAM through PT X which will then proceed to the main dealer. This policy change distribution channel into the distribution units is done directly by TAM to the main dealer without going through an intermediary, namely PT X. It in i make the logistic function PT X became part of the company TAM and authority to this function into b erkurang. The PT X logistics function is handled by a department called Vehicle Logistic Department (VLD). This change of authority encourages companies to conduct efficient monitoring of logistical functions by merging departments so that it is sufficient to send one department head as supervisor. VLD will be combined with work units that have the same function in handling car units namely Vehicle Sales Department (VSD). VSD is a work unit that handles car units related to the marketing area. The similarity of these



functions is considered by the company to merge the two departments into one work unit called Vehicle Sales & Logistics Department (VSLD).

The influence of market conditions and restructuring policies by the residence agent makes the company needs to adapt to existing changes. This change does not only affect the company's structure, but the work flow that employees need to go through. The effectiveness of this company's strategy can not only be seen from the sales results achieved, but the response of employees who undergo the system. This employee response can be considered through the perceived workload and the level of employee turnover in the company. Company employees assume that the workloads they carry are not light. Often employees must continue to complete personal work while carrying out additional tasks. The company has high expectations for the ability of employees to do all the work and completion in accordance with the deadline. This makes the employee feel the workload is heavy enough to consider quitting the job.

Another indicator that can be considered to see the company's performance is the turnover rate achieved by the company. Based on data in 2017, the company experienced a turnover of 226 employees or reached 10,4%. This turnover rate is included in the high turnover rate of a company. Sutikno mentioned the turnover rate which reached 10% was classified as very high. This can be a consideration of companies to evaluate the effectiveness of organizational performance[9].

Based on the explanation above, it can be concluded that the problems that are being faced by PT X are the decrease in

sales, adaptation to changes that occur in the Single Brand Holder Agent company, employee workload which is considered high, and the employee turnover rate is relatively high. The data shows that the company needs an assessment activity to find out the extent of the actions that need to be taken to improve the company's performance. Knowledge related to the strengths and weaknesses of this company can also be utilized to design appropriate strategies to maintain the company in the automotive business competition.

## RESEARCH METHODS

The application that is carried out on the diagnosis of this company uses the Six Box approach model. Six Box has the advantages of being easy to use with comprehensive results and has 6 aspects, namely purpose, structure, relationship, reward, helpful mechanism, leadership, and environment.

The following explanation relates to the six-box model organizational diagnosis framework described by Munir in his book "Six Dimension Organization with Organizational Development Approach". [10]

### *Purpose*

This aspect is related to the clarity of objectives and agreement on objectives. In other words, the extent to which members of the organization understand and support the goals of the organization. The components that become the focus of attention in this Minister



include vision and mission, strategic plans, annual plans, and annual programs.

#### *Structure*

The structure describes the form of organization in which tasks and processes are organized. It also deals with the level of authority and formal relations between groups. This aspect looks at how well the organizational goals and structures are used to achieve the targets

#### *Relationship*

Relationship discusses relationships that are intertwined in work and the quality of these relationships. Work relationships include three domains, namely between employees, between work units (sub-systems), and between members of the organization and customers.

#### *Reward*

Reward is related to the form of incentives that can affect employee work motivation. It also explains the feelings / attitudes of employees towards the awards they receive.

#### *Helpful Mechanism*

*Helpful mechanism* discusses everything that supports the organization's management process so that it can be managed well, effectively, efficiently, and productively to achieve organizational goals.

#### *Leadership*

This aspect focuses on the way the leader identifies and directs members in achieving goals. It also discusses the way leaders in managing and maintaining organizational accountability. Leadership effectiveness can be achieved through achieving leadership styles with variable follower codes, both in terms of their level of maturity and in terms of the followers' cultural variables.

#### *Environment*

*Environment* is a demand and pressure that comes from external organizations that require a quick response. This external factor becomes an Input dimension that influences the running of the company's business processes. Harrison & Shirom (2009) pay attention to several points for analyzing these external factors including the task environment and general environment.

## **Data Collection**

### **Interview**

Interviews are data collection instruments conducted by researchers directly to find out things from the subject of research in more depth (Sugiyono, 2011). The interview is done by asking a series of questions to the subject directly to the research subject as a preliminary study or finding the problem under study.

The data collection process is carried out using a structured interview method. Structured interviews are interviews where researchers use interview guidelines that have been arranged systematically and completely for the collection of data [11]. This aspect of Weisbord's *Six Box* diagnostic model is used as a guide for conducting interviews. The interview guidelines are based on the *Six Box* Weisbord aspect to support the diagnosis process.

### **Observation**

Argues that observation is a method of collecting data that is carried out on an object specifically to see the processes that occur physically and psychologically. The observation process is carried out systematically and intentionally through observation and recording of the symptoms of the object under study so



as to produce objective data that describe the behavior that appears at a certain time[12].

Observations were carried out on a participant basis based on observations during the working period of the psychology profession in the company. Participant observation is an observation made when the observer participates in the group [13]. Creswell describes this method of observation as a qualitative observation that is when researchers go directly to the field to observe the behavior and activities of individuals at the study site[14].

Recording the results of observations is done descriptively with the *anecdotal record* method. *Anecdotal record* is a description related to the activity in detail shown by a person and the situation in which the activity was carried out [15]

### **Document Study**

Studies document or *unobstrusive measure* is not collecting data directly (*direct*) of respondents but from the documents that the secondary data research [16]. Mentions qualitative documents that can be used in the form of public documents (newspapers, magazines, office reports) or private documents [17]. Moleong (Suwendra, 2018) groups documents in three types, namely personal documents and official documents. Personal documents can be in the form of diaries, personal letters, and autobiographies. Official documents consist of internal and external documents. Internal documents such as memos, announcements, instructions, rules, records of the results of meetings, and leadership decisions used by the circles themselves. Data from external documents in the form of information materials produced by social institutions

such as magazines, bulletins, statements, and news in the mass media.

### **RESULTS AND DISCUSSION**

Based on the assessment conducted by researchers, it is seen an area that can be a potential development point for companies. The area is derived from the communication system and the process of meeting employee needs. The company facilitates the work of employees with a communication system called the Nasmoco Integrated System (NIS). This system covers all areas such as the STAR system to see company sales that are regularly filled by sales, NIS PDD, NIS Accounting, NIS Payroll, Employee Database, and NIS Vehicle. The working of the system is very dependent on the internet connection so as to allow for slowness in the performance of some communication system products.

One that is experiencing problems is the NIS Vehicle. in this system there is a function that has a weakness that is updating data that has been uploaded. The team that felt a large impact on this shortage was the Vehicle Sales & Logistics Department (VSLD). The team which consisted of sales and logistics areas was constrained because of the delay in updating the data. Data updating by the sales area aims to communicate customer requests to the logistics area. This request information is then followed up with the delivery of the car to the dealer. Constraints on this communication result in the incompatibility of the car sent to the dealer at the customer's request. This will affect customer satisfaction so it needs to be improved in the system to maximize the achievement of customer satisfaction.



The next problem is related to the process of meeting employee needs. The recruitment process has generally been carried out with neat procedures. This procedure consists of opening vacancies needed, file selection, psychological tests, selection interviews, HRD interviews by department heads, and finally, user interviews.

In this selection process the company is affected by the performance of previous position fillers which gives a very good impression. This outstanding performance is considered by the company to make the next candidate standard that will fill the position. The recruitment process is no longer based solely on the competency of the intended position but is also expected to be close to the ability of the previous incumbent. This ambition makes the recording process less effective. Seen several positions require a long time to get a candidate. Generally the position is a *management trainee*. This has an impact on high employee workload. The high workload and not getting immediate reinforcements is feared could have an impact on the quality of employee work.

Another impact is the large number of employees who have passed the selection have a relatively short age of cooperation with companies. Candidates who have passed this selection stage cannot continue to work with the company due to failure in the process of probation for 1 year. A trial period or what is commonly said to be a work contract is a period where employees have started doing work according to their position and are required to meet predetermined targets. At the end of the 1 year period the company will assess the work results and decide on the continuation of the working relationship with the employees. The death of these

candidates is due to the inability of candidates to achieve certain targets. As a result of this, the company continues to incur costs without getting the potential candidates needed.

The next process that can still be improved is the feedback procedure. After the selection process, employees will do the work, and every year will be reviewed related to the work. After the work assessment is done, the supervisor will provide *feedback* related to the results so that employees can find out their weaknesses and what development can be done. This feedback is given without follow-up from the supervisor so that it cannot be controlled by the development of employee skills or abilities. The expectation of these feedback activities is to help employees maximize their abilities. If the employee does not make the recommended development, suggestions from superiors will be less than optimal. This is an obstacle to the development of employee capabilities.

The results of this performance appraisal are not only used to provide personal advice, but are the basis of the *Human Resource* team to create development programs specifically for managerial positions. The company's development program operates in three work areas, namely the technician, marketing, and managerial level. This technician and marketing position is the "spearhead" of the company's business processes so that they have a standard development process and have become uniform for all Toyota dealers in Indonesia. Each development program has been scheduled, has a leveling based on the level of difficulty, and accompanied by a certificate. Furthermore, managerial



level development programs are specifically intended for leader positions such as *section heads, department heads, general managers, and branch managers*.

Development programs for this managerial level are being highlighted. This program has slightly more complicated stages than for technicians and marketing. The company's attention is more focused on managerial development which is motivated by the need for *leaders* to run new branches and is also a strategy in increasing sales.

In this new branch, employees are required to fill vacant positions, one of which is the *branch manager*. Filling this position, the company has a stage that is passed before getting the right candidate including *sourcing, potential review, and management development program*. *Sourcing* is a process of attracting candidates for the position offered by opening opportunities inside and outside the company. Interested candidates will register themselves and the company selects documents based on certain requirements. Candidates who pass this selection will go through the next stage, namely *potential review*. This process aims to see the suitability of potential candidates with the qualifications that need to be fulfilled for the intended position. *Potential reviews* are carried out using psychological tests and interviews. Candidates who successfully pass will proceed to the management development stage. This development phase aims to provide candidates with knowledge about the company's business processes and work that will be carried out in the position of *branch manager*.

In fact, from this series of processes, there is one stage which is considered by

the OD company to be less optimal in producing competent Branch Managers. One stage of concern is the development stage. In this development process it has weaknesses that are assumed to be the causes of non-optimal yield of candidates. This program has several stages of development for candidates. The material provided is still basic and there are no assignments related to duties as Branch Manager. In addition, the evaluation is carried out only once after all programs have been carried out. This evaluation quantity provides superficial information regarding the program's success. The following is the elaboration of the development program which still needs to be updated.

It is feared that this basic program cannot meet the required quality manpower. Inappropriate learning can hinder the process of developing candidates so that it takes longer to be able to meet the needs of the intended position. The length of the process of filling these positions will delay the company's plans to establish new branches which also result in achieving annual targets. Therefore development in this position is very important because it is a determinant of product sales strategy and has a role as a business driver for the company.

Based on the elaboration of researchers it can be concluded that there are four points that can be developed that are related to the communication system of the recruitment process, the feedback process, and the development program. The results of the analysis make problems related to the development program a priority that needs attention by the company. This is motivated by the most urgent need of meeting the needs of the position of



branch manager to lead the new branch. This development program is very much needed as a recruitment and preparation tool for candidates to take on the role of leader at a higher level.

The development program is a tool to help in the search for candidates and prepare to take on the role of leader to a higher level. Programs that have not been able to provide the necessary debriefing can result in the lack of competence of elected candidates. Candidates with immature competencies will also find it difficult to carry out the task in that position and show the expected performance.

The company is currently focusing on finding competent candidates to fill new branches. The establishment of this new branch is a realization of the company's strategy. competition increasingly fierce makes companies have to be more alert. Therefore the company established this new branch as a strategy to attract more customers in hopes of increasing the company's sales. the effort needed to support the ability of leaders of this new branch is to prepare prospective leaders with higher standards. The researcher offers an intervention to the Branch Manager position description so that it can meet current business demands and is supported by a leader development program that has been updated following the competency fulfillment needs.

## CONCLUSION

Technological developments and intense automotive business competition require companies to have a strategy to respond to these challenges. One of the strategies chosen and become the company's program today is to establish a

new branch with the aim of being closer to consumers. Therefore we need competent manpower to overcome and compete in this area. One of the most important positions to carry out branch operations is the branch manager.

The process of finding manpower for this position is done through two sources, namely external and internal company. External will be done by recruiting new manpower from outside the company. Internal sources come from talents that are already in the company. This new strategy requires the preparation of cadres carefully to have competent competence. With this condition it is necessary to do an assessment to determine the extent of the company's readiness to carry out new strategies in responding to the challenges of business competition.

After a diagnosis is made to see the company's readiness in responding to business competition, it is found that there is a need for an update on the Branch Manager position description and followed by a more systematic development program to prepare talent. The redesign of this job description aims to equip the branch manager to answer current business demands. Candidates who will fill these positions require careful preparation and are certain to have the required competencies. The next intervention is the updating of development programs that will adjust to the needs of the relevant positions.

The results of the interventions took the form of updating the Branch Manager position description and manual of the development program called the *Future Leader Development Program* (FLDP). This handbook contains explanations related to the program as a





whole, the stages of the program, and is equipped with documents to support the running of the program. This handbook is expected to be a guide for implementing development and provides advice on monitoring the achievement of program objectives.

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