

CHAPTER I

INTRODUCTION

A. Background

Change is nothing new in organizations. Hill, C., Jones, G. (2001) defines change as "the movement of a company of the current situation to a desired future situation of the competitiveness". Rapid technological developments and globalization have changed the world market to be more competitive and ever-changing. The advantage will be obtained by organizations that are more adaptable. How quickly an organization can learn and develop will largely determine a company's position in a competitive and dynamic market. Therefore, the ability to adapt and deal with changes is very important for companies. (Kotter, 1996; Dag Naslund et al., 2022) mentioned that in the next few decades, competition in most industries will probably speed up and even more.

The plan for the future organizational change process determine by the role and action of employees. Dwiatamadja, C. (2021) mention that "the main key to the success of an organization or business in order to be able to survive and maintain its sustainability depends on the quality of its employees, starting from the personal level to the group level". Therefore employee is a valuable asset for the organization. New ideas will drive the growth of the organization as well as the growth of its employees. However, the roles and actions of employees are significantly influenced by their perceptions.

Currently, millennial and generation X have entered the productive age for work and starting to be hired. Millennial is a generation that born between the early 1981s and 2000s. This generation was born after generation X (born between 1965s-1980s). Based on data from the Indonesian population census 2021, the second largest population is in the productive age (Millennial) as much as 69.38 million or 25.87% and the third largest is Generation X 58.65 million or

21.88%. With different and uniqueness characteristics of both generations, It is important for companies to know about the readiness of millennial employees compared to generation X employees when changes occur in the organization in order to provide maximum performance for the organization. According to Assery, S. T., Tjahjono, H. K., Palupi, M. (2015), good human resource planning will increase the yield of competitive advantage.

The millennial generation is starting to be hired in various positions in the company. Along with the phenomena above, the emergence of the COVID-19 pandemic has actually change, not only the health system, but also the economic system and the work industry in Indonesia. According to McKinsey (2020) the COVID-19 pandemic makes it necessary for organizations to change the way they operate in order to create safe, rewarding, and successful careers. These changes include strategies, systems, technology, physical arrangements, and human resources (Cummings and Worley, 2014; Herawati, R., Tjahjono, H. K., Qamari, I. N., & Wahyuningsih, S. H., 2022). Challenge for organization to demonstrate their ability to face obstacle for their business continuity. Right there, the urgency of this research is to find out the level of readiness between Millennial and Gen X employees dealing with organizational change during the COVID-19 pandemic.

According to McKinsey (2020), the COVID-19 pandemic is having a significant impact on every type of business including mining. Indonesia as the world's biggest coal exporter (Bloomberg, 2022) experienced a decline in coal demand due to regional quarantine (lockdown) and many factories being closed during the pandemic. The COVID-19 crisis affects commodity demand, supply chains, and operating models. This condition causes the coal mining employees have to adapt with the changes that occur. Therefore, this study chose PT. Lanna Harita Indonesia (coal mining company) as a research area. This company has many employees. The majority are Gen X and Millennial employees. This study tries to compare the level of readiness between Millennial and Gen X employees and to find out the gap in readiness levels between the two generations of

employees dealing with organizational change during the Covid-19 pandemic at PT. Lanna Harita Indonesia.

B. Scope of Problem

1. Is there a difference in the level of readiness between Millennial employees and Gen X employees when facing organizational change during the COVID-19 pandemic?
2. Do Millennial employees have a higher level of readiness than Gen X employees in dealing with organizational changes during the COVID-19 pandemic?

C. Research Purpose

The purpose of this study is to determine the difference in the level of readiness between Millennial and Gen X employees toward organizational changes during the COVID-19 pandemic and to prove whether Millennial employees have a higher level of readiness than Gen X employees in dealing with organizational changes during the pandemic COVID-19.

D. Benefits of Research

1. Theoretical Benefits: This research is useful as a comparison for further research with the same theme.
2. Practical Benefits: To be a guide for companies, Millennial employees and Gen X employees to deal with future changes.