



Implementation of change management through organizational restructuring intervention as a development strategy for Akar Tani Cooperative

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ABSTRACT

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A farmer cooperative, Akar Tani (KAT) in Bantaeng, South Sulawesi, experienced declining active membership (100 to 74) and reduced coffee output (12 to 8 tons/year), alongside governance problems that weakened members' trust due to delayed payments and poor records. This study examines how change management was enacted through organizational restructuring and identifies the key barriers that shaped the change trajectory. Using a qualitative case study design, we interviewed 11 informants (cooperative administrators, members, and external mentors), complemented by observations and document review. Data were analyzed iteratively using Miles and Huberman's approach supported by NVivo. The findings show that barriers were driven less by rejection of cooperative goals and more by uneven digital literacy, entrenched work habits, fragmented internal communication, and sensitivity around administrative-financial transparency. Restructuring actions aligned with Kotter's change stages, particularly capacity-building through practice-based training, multi-channel communication, clearer role division and SOPs, and early visible improvements in payment orderliness and financial information. This study contributes by extending change-management evidence to sustainability-oriented farmer cooperatives where trust recovery and collective learning are central mechanisms of restructuring. The practical implication is that cooperatives should prioritize transparency as a trust foundation while adopting gradual hybrid digitalization matched to members' readiness. This research is limited to a single cooperative and does not track long-term quantitative performance outcomes; future studies may compare multiple cooperatives and assess digital readiness trajectories over time.

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1. INTRODUCTION

Cooperatives are member-based economic institutions built on the principles of togetherness, economic democracy, and equitable benefit sharing. In the Indonesian context, cooperatives are institutionally positioned as a pillar of the people's economy and are particularly relevant for agricultural and rural-based enterprises, which underpin household livelihoods across many communities (Republic of Indonesia, 1992; BPS, 2023). The uniqueness of cooperatives lies in the shared economic interests of their members, their decision-making mechanisms based on voting rights, and their orientation toward social values such as cooperation, responsibility, and justice (Nurkholis et al., 2023; Ministry of Cooperatives and SMEs of the Republic of Indonesia, 2020). Through this model, cooperatives are expected to increase members' bargaining power, optimize the use of local resources, and promote more inclusive prosperity.

The Akar Tani Cooperative (KAT) was established in 2016 in Bantaeng Regency, South Sulawesi, and operates on 1,262 hectares of land at the foot of Mount Lompobattang. KAT focuses on improving coffee quality and productivity while maintaining environmental compliance. KAT's vision as a center for quality coffee production that supports environmental conservation emphasizes the cooperative's dual orientation: strengthening the farmers' economy and maintaining ecological responsibility, relevant to the growing attention to climate change and sustainability (Tanjung, 2025).

Entering its organizational development phase, KAT faced governance challenges that impacted its performance and member trust. A participatory internal evaluation revealed weaknesses in administrative and financial records, incomplete transaction records, and disorganized inventory documentation. This situation resulted in uncertainty regarding payments to member farmers and led to a decline in trust, which was then reflected in a decline in transaction activity and business performance (Serly, 2025). Indications of governance disruptions were evident in the increasing frequency of late payments, from an average of once per month in 2022 to approximately three times per month in 2024, accompanied by a decline in active members (from 100 to 74) and a decline in sales volume (from 12 tons to 8 tons per year). Compared with the average performance of coffee cooperatives in South Sulawesi, KAT demonstrated relatively lower performance, reinforcing the need for more systematic management (South Sulawesi Provincial Cooperatives and SMEs Office, 2023).

Internally, KAT's challenges are rooted in the dominance of traditional management systems, reliance on manual record-keeping, and non-data-driven decision-making. Limited human resource capacity in administrative and managerial functions, minimal ongoing training, weak internal oversight, and the absence of standard operating procedures (SOPs) increase the risk of inconsistencies in management and reporting (Ministry of Agriculture, 2020; Indonesian Farmers Association, 2019; IPB CARE, 2019). Externally, the increasingly competitive dynamics of the specialty coffee market, shifting consumer preferences toward ethical and sustainable products, and the accelerated adoption of technology in processing and marketing are pushing cooperatives to adapt to remain relevant (Snider et al., 2017).

In such situations, change management becomes a strategic framework for restructuring organizational structures, processes, and practices to make them more effective and sustainable (Burnes, 2004);(Lozano, 2013). Kotter's Eight-Stage Model emphasizes urgency, a steering coalition, clarity of vision, communication of change, and embedding change into organizational culture as key stages (Kotter, 1996). The systemic approach also emphasizes that change must be understood as an organizational dynamic involving the interaction of internal and external factors, including cultural aspects and human resource capacity (Burnes, 2018). At the individual level, models such as ADKAR focus on behavioral change and managing member resistance (Hiatt, 2006). Given the

member-based nature of cooperatives, the success of restructuring is heavily influenced by member engagement and the quality of leadership capable of managing social dynamics during change (Byrne et al., 2023).

However, studies on cooperative restructuring that simultaneously operate in the context of agro-industry and environmental conservation are still relatively limited (Candemir et al., 2021). Previous studies have focused primarily on large-scale cooperatives or non-member-based business organizations, thus failing to fully capture the complexity of farmer cooperatives facing both market pressures and demands for ecological sustainability (Candemir et al., 2021). Therefore, studies are needed that contextually describe how change management through organizational restructuring is implemented, the obstacles that arise, and the steps taken to maintain cooperative performance and sustainability.

Based on this background, this study aims to explore the implementation of change management through organizational restructuring at the Akar Tani Cooperative. A qualitative descriptive approach is used to explore the drivers and barriers to change and to explain their implications for cooperative governance and performance in the context of a sustainable agro-industry. The research findings are expected to enrich the study of change management in member-based organizations and provide practical recommendations for similar cooperatives in strengthening governance, improving technological adaptation, and maintaining competitiveness.

2. RESEARCH METHODS

2.1 Design and Approach

This study employed a qualitative case study design to capture the change process and restructuring dynamics within a single farmer cooperative context, namely the Akar Tani Cooperative. This approach was selected because it enables an in-depth examination of organizational practices, interactions among actors, and contextual barriers that shape change implementation in member-based institutions, while allowing researchers to explore experiences, perceptions, and internal organizational dynamics in a natural setting (Sugiyono, 2016).

2.2 Informants and Informant Determination Techniques

Informants were determined using purposive sampling by selecting participants who met criteria relevant to the research focus. The informants consisted of five cooperative administrators, three representatives from the Balang Institute as assistants/advisors, and three coffee-farmer members of the cooperative. Inclusion criteria covered direct involvement in the restructuring process, understanding of internal policies, and experience in cooperative operational activities (e.g., meetings, mentoring, or coffee cultivation and marketing practices). The number of informants ($n = 11$) was determined purposively to represent the main actor groups involved in restructuring (administrators, members, and mentors). Recruitment continued until thematic saturation was reached, indicated by repeated patterns across interviews and no emergence of substantively new themes in subsequent data collection.

2.3 Location and Time of Research

The research was conducted at the Akar Tani Cooperative in Labbo Village, Pattalassang District, Bantaeng Regency, South Sulawesi Province. The location was chosen because it is the center of organizational activity and the primary venue for the restructuring process, including interactions between administrators, mentors, and members. Data collection took place from May to November 2025.

2.4 Data Collection Techniques and Procedures

Data were collected through three techniques: semi-structured interviews, observation, and documentation. Interviews were conducted with administrators, assistants, and

members to explore the chronology of change, restructuring practices, resistance, support, and adaptation strategies. Observations were conducted through non-participant and limited participant observation of operational activities (e.g., meetings, coordination, and garden/production activities) to capture actual interaction patterns and work practices. Documentation covered organizational records such as meeting minutes, management structures, activity reports, and other relevant supporting documents to strengthen contextual understanding and triangulate the data.

2.5 Data Analysis Techniques

Data analysis was conducted iteratively and continuously from the data collection stage to the writing of the findings. The analysis followed the Miles and Huberman framework, which includes data reduction, data display, and conclusion drawing and verification (Miles & Huberman, 1994). Data reduction was carried out through coding and focusing information on key themes (e.g., forms of change, key actors, barriers, and strategies). Data display was organized into thematic narratives and concise matrices to support pattern identification across actor groups and data sources. Conclusion drawing and verification were conducted by comparing evidence across interviews, observations, and documents and ensuring consistency of interpretation. NVivo software was used to support data management, coding, and systematic tracking of themes.

2.6 Data Validity

Data validity was maintained through triangulation of sources and techniques (comparing interviews, observations, and documents), as well as member checking with key informants to verify the accuracy of the researcher's interpretations. Furthermore, the researcher implemented an audit trail (process notes, analytical decisions, and coding traces) to maintain transparency throughout the analysis process. This strategy aligns with the principles of credibility and trustworthiness in qualitative research (Creswell & Miller, 2000; Lincoln & Guba, 1985).

3. RESULTS AND DISCUSSION

3.1 Informant Profile and Data Sources

The study involved 11 informants representing key actors in the restructuring of the Akar Tani Cooperative, consisting of five cooperative administrators, three mentors from the Balang Institute, and three farmer members. Primary data were obtained through semi structured interviews and observations of cooperative activities. These data were complemented with internal documents, including meeting minutes, standard operating procedures, and administrative and financial records. To ensure confidentiality, informants are identified using role based codes such as Admin 1, Mentor 2, and Member 3.

3.2 Key Findings of Restructuring

Thematic analysis using NVivo identified four major issues shaping the dynamics of organizational change. Human resource readiness and digital literacy were unevenly distributed among members. Several members still required assistance when accessing digital information, completing forms, or following administrative procedures, which made adaptation gradual rather than immediate. This situation was expressed by one member who stated, "I still often need help when I have to fill in forms or read information on my phone because I am afraid of making mistakes" (original Indonesian: "Kami masih sering minta tolong kalau harus isi form atau baca info di HP, takut salah.") (Member 2).

Old work habits also influenced the pace of restructuring. Existing routines were perceived as familiar and safe, leading to hesitation when new procedures were introduced. An administrator reflected this initial doubt by explaining, "The old way has

been working, so at first we were unsure about changing anything” (original Indonesian: “Cara lama itu sudah jalan, jadi awalnya kami ragu kalau harus ubah ubah.”) (Admin 1). Communication patterns within the cooperative were not evenly participatory. Meeting discussions tended to be dominated by certain individuals, while others remained passive. This imbalance required a more inclusive communication strategy to ensure broader engagement in the restructuring process. A mentor observed, “In meetings, only certain people are actively speaking, while the others tend to stay quiet” (original Indonesian: “Kalau rapat, yang aktif itu orang-orang tertentu, yang lain lebih banyak diam.”) (Mentor 1).

Administrative and financial governance emerged as a sensitive area influencing trust. Previous experiences with delayed payments and unclear records generated suspicion among members, making transparency a critical element of restructuring. One member articulated this concern by stating, “What makes members question things the most is payment, because it used to be delayed and the records were not clear” (original Indonesian: “Yang paling bikin anggota bertanya-tanya itu pembayaran, karena dulu sering terlambat dan catatannya tidak jelas.”) (Member 1).

Overall, the obstacles identified were linked more closely to capability gaps, work culture, and governance transparency than to rejection of the cooperative’s collective goals

3.3 Restructuring Interventions Implemented

In response to these findings, the cooperative implemented a restructuring intervention focused on capacity building, change communication, and governance improvement. Practice-based training and small group mentoring strengthened administration, financial recording, and the use of simple applications so members could learn through trial without fear of making errors. Communication was conducted through multiple channels, including meetings, WhatsApp groups, and face-to-face interactions. Informal engagement at farms was also used to build rapport and reduce resistance.

At the organizational level, restructuring clarified role divisions, production workflows, and quality procedures, while encouraging the digitization of financial recording and reporting. Changes were reinforced through visible improvements, including more orderly payment services and clearer financial information, so members could recognize concrete benefits. Periodic evaluations were conducted to support implementation consistency and provide feedback for continuous improvement.

3.4 Discussion

The findings indicate that restructuring in farmer-based rural cooperatives is a social change process shaped by trust and collective learning rather than by structural adjustment alone. This pattern is particularly salient in member-based institutions where service reliability and transparency directly influence members’ willingness to participate and comply with new routines. The presence of internal and external support coalitions, intensive communication, member empowerment through training, and early visible improvements reflects Kotter’s (1996) change stages, particularly those related to building support, communicating direction, enabling member action, and consolidating early gains.

At the individual level, member hesitation can be interpreted through the ADKAR model as gaps in awareness, desire, knowledge, and ability to change (Hiatt, 2006). This explains why interventions need more than instruction and require gradual mentoring, repetition, and a supportive space for questions, especially when digital practices are introduced to replace long-standing manual routines.

From a change dynamics perspective, the process also mirrors Lewin’s (1951) sequence. Longstanding routines were softened through interpersonal communication and demonstration of benefits, new practices were introduced through clarified procedures and gradual digitization, and reinforcement occurred through monitoring and reporting routines. The practical implication is that similar cooperatives should treat

service transparency as a foundation of trust, design contextual training matched to member readiness, and select user friendly technology so that new practices can be internalized and sustained beyond the mentoring period. This study also suggests that early improvements in payment orderliness and information clarity can function as a trust restoring mechanism that accelerates acceptance of restructuring in cooperative settings.

4. CONCLUSION

This study demonstrates that change management in a farmer cooperative is primarily a process of trust building and collective learning rather than a purely structural adjustment. In the Akar Tani Cooperative, the main barriers to restructuring were uneven digital capability, persistence of manual work routines, fragmented communication, and heightened sensitivity regarding administrative and financial transparency. Restructuring became effective when interventions were implemented through hands on capacity development, inclusive communication across multiple channels, clearer role division supported by standard operating procedures, and visible improvements in payment orderliness and financial reporting that restored members' confidence. Governance transparency and gradual capability development emerge as central mechanisms that enable restructuring to be accepted and sustained beyond the period of external mentoring.

The findings suggest that farmer-based cooperatives should institutionalize structured and continuous training programs covering administration, digital financial recording, technology literacy, and service procedures. Training should be gradual and practice oriented to match member readiness. Internal communication requires consistency across formal meetings, digital platforms, and informal interactions in order to strengthen shared understanding and reduce resistance. Digitalization should be implemented progressively through a hybrid system that bridges manual and digital practices. Strengthening organizational structure and clarifying workflows remain essential to ensure service consistency and accountability. Transparent and timely administrative and financial services are fundamental for rebuilding and maintaining member trust. Leadership also plays a decisive role; a communicative and example driven approach increases acceptance of organizational change.

Supporting institutions and partners should maintain technical assistance and human resource development, particularly in digital skills and governance improvement. Mentoring strategies need to consider socio cultural contexts and involve respected local figures to accelerate acceptance of change initiatives. Periodic monitoring and evaluation are necessary to assess the sustainability of restructuring outcomes and provide feedback for continuous refinement.

Future studies may compare restructuring processes across multiple cooperatives to identify variations in barriers and change trajectories. Further inquiry could also examine digital readiness in greater depth, particularly socio psychological factors influencing technology acceptance in rural cooperative settings. Exploration of leadership models that effectively support organizational transformation in member-based institutions would further enrich the literature on cooperative change management.

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