

## Designing A Functional Organizational Structure for Business Sustainability in A Family-Owned Garment Sme: A Case Study of Ragam Jaya Garment House

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**Abstrak.** Usaha kecil dan menengah (UKM) milik keluarga memberikan kontribusi signifikan terhadap pertumbuhan ekonomi; namun, banyak yang menghadapi kesulitan organisasi karena aktivitas bisnis menjadi lebih kompleks sementara koordinasi tetap informal dan otoritas terkonsentrasi di puncak. Penelitian ini berfokus pada Ragam Jaya Garment House, UKM garmen kustom milik keluarga di Indonesia yang telah beroperasi selama lebih dari dua puluh tahun tetapi terus sangat bergantung pada kepemilikannya untuk koordinasi operasional dan pengambilan keputusan strategis. Dengan menggunakan desain studi kasus kualitatif interpretatif, penelitian ini mengumpulkan data melalui wawancara semi-terstruktur, observasi di lapangan, dan tinjauan catatan operasional internal. Data yang dikumpulkan dianalisis secara tematik dan dievaluasi lebih lanjut menggunakan Rantai Nilai Porter, Kerangka Klasifikasi Proses APQC, Matriks RACI, dan Model Bintang Galbraith untuk mengungkap masalah yang terkait dengan definisi peran yang tidak jelas, keputusan terpusat, alur kerja yang tidak stabil, dan kesenjangan koordinasi di seluruh proses pemesanan hingga pengiriman. Temuan menunjukkan bahwa inefisiensi operasional bukan disebabkan oleh kurangnya sumber daya, tetapi oleh alur kerja yang tidak terdokumentasi, akuntabilitas yang tidak jelas, dan konsentrasi wewenang pengambilan keputusan yang berlebihan di tingkat pemilik, yang mengakibatkan hambatan dan peningkatan risiko operasional. Untuk mengatasi masalah ini, studi ini mengusulkan struktur organisasi fungsional sederhana yang didukung oleh hak pengambilan keputusan yang jelas dan mekanisme pengendalian proses minimum pada titik serah terima kritis. Desain ini mendistribusikan kembali keputusan rutin ke peran fungsional sambil mempertahankan kendali pemilik atas keputusan berisiko tinggi, sehingga meningkatkan koordinasi, mengurangi ketergantungan pada orang kunci, dan mendukung keberlanjutan bisnis jangka panjang serta kesiapan suksesi.

**Kata kunci:** UKM Milik Keluarga; Desain Organisasi; Sentralisasi Pengambilan Keputusan; Efisiensi Operasional; Keberlanjutan.

**Abstract.** Family-owned small and medium enterprises (SMEs) contribute significantly to economic growth; however, many encounter organizational difficulties as business activities become more complex while coordination remains informal and authority is concentrated at the top. This research focuses on Ragam Jaya Garment House, a family-run custom garment SME in Indonesia that has been operating for more than twenty years but continues to rely heavily on the owner for operational coordination and strategic decision-making. Employing an interpretive qualitative case study design, the study gathered data through semi-structured interviews, on-site observations, and reviews of internal operational records. The collected data were thematically analyzed and further evaluated using Porter's Value Chain, the APQC Process Classification Framework, the RACI Matrix, and the Galbraith Star Model to reveal issues related to unclear role definitions, centralized decisions, unstable workflows, and coordination gaps throughout the order-to-delivery process. The findings show that operational inefficiencies are not driven by a lack of resources, but by undocumented workflows, unclear accountability, and excessive concentration of decision authority at the owner level, resulting in bottlenecks and elevated operational risk. To address these issues, the study proposes a simple functional organizational structure supported by clear decision rights and minimum process control mechanisms at critical handoff points. This design redistributes routine decisions to functional roles while retaining owner control over high-risk decisions, thereby improving coordination, reducing key-person dependency, and supporting long-term business sustainability and succession readiness.

**Keywords:** Family-owned SMEs; Organizational Design; Decision Centralization; Operational Efficiency; Sustainability.

## Introduction

Micro, small, and medium-sized enterprises (SMEs) are essential contributors to economic development, especially through their role in job creation and income distribution. On a global scale, SMEs represent nearly 90% of all businesses and provide more than half of total employment, positioning them as a key foundation for economic resilience and stability (World Bank, 2023). In Indonesia, SMEs also dominate the business landscape and contribute significantly to national economic output and employment absorption (Ministry of Cooperatives and SMEs, 2022). Despite their importance, many SMEs face operational challenges as they grow. Increasing customer diversity, order complexity, and demands for speed and quality often render previously effective informal working arrangements inadequate. As SMEs transition from small-scale operations to more complex organizations, the absence of structured coordination mechanisms can result in inefficiencies, inconsistent performance, and weakened control over daily operations. A large proportion of SMEs are structured as family-owned firms, in which control and managerial responsibilities are largely held by family members.

This arrangement is widespread, as many family businesses originate from entrepreneurial ventures that depend heavily on mutual trust, strong personal ties, and informal coordination mechanisms (Siebels, 2016). In addition to financial performance, such enterprises frequently prioritize non-financial objectives, including sustaining family cohesion, safeguarding the family's reputation, and supporting continuity across generations. Family ownership can be a source of strength, as a long-term orientation and strong emotional attachment to the business may foster loyalty, commitment, and rapid decision-making (De Massis & Rondi, 2020). However, these same characteristics can become sources of risk when organizational roles are poorly defined and decision-making authority is excessively centralized. As business operations expand, such conditions tend to generate role ambiguity, operational bottlenecks, and

overreliance on a single key individual, typically the founder or owner (Jaskiewicz, Combs, & Rau, 2015). One of the most common challenges in family-owned SMEs is the overlap between family roles and organizational roles. Responsibilities are often assigned based on tradition or habit rather than formal job definitions, which may function adequately during the early stages but become problematic as coordination demands increase (Sievinen, Ikäheimonen, & Pihkala, 2020). At the operational level, reliance on informal decision-making practices may result in inconsistent procedures and uncertainty in daily activities, particularly when employees face unexpected situations or workload surges. The importance of clear organizational arrangements is amplified in a rapidly changing business landscape marked by digital transformation, greater market transparency, and increasing customer demands for fast and high-quality service (McKinsey & Company, 2018). For SMEs that operate on a made-to-order basis, even small disturbances, such as unclear specifications, slow approval processes, or weak coordination, can have immediate consequences for production lead times and output quality. Consequently, clear work planning, process ownership, and cross-functional coordination are essential for maintaining operational stability (Alkhoraiif, Rashid, & McLaughlin, 2019).

However, empirical studies indicate that family businesses tend to utilize formal management control systems less extensively than non-family firms, even though such systems have been shown to positively influence organizational performance (Duréndez, Madrid-Guijarro, & García-Pérez-de-Lema, 2016). Governance mechanisms, including clearer delegation of authority and defined decision paths, can help reduce excessive dependence on the owner and improve accountability. Even at the SME level, structured decision-making processes are essential for controlling operational risks and supporting sustainable growth (Calabrò, Campopiano, Basco, & Pukall, 2017). This study focuses on Ragam Jaya Garment House, a family-owned garment SME that has operated for more than two decades but continues to rely heavily on informal, owner-centered organizational arrangements.

As the company experiences increasing operational demands and early signs of revenue decline, the absence of a formal organizational structure has heightened dependency on the owner, constrained market development activities, and raised concerns regarding long-term sustainability and succession readiness. Therefore, this research aims to analyze the existing arrangement of roles, reporting relationships, and decision-making responsibilities within Ragam Jaya Garment House and to design a functional organizational structure that aligns with its operational needs and family business context. Rather than introducing complex management systems, this study emphasizes the establishment of minimum role clarity, accountability, and coordination mechanisms necessary to support business sustainability and reduce key-person dependency during periods of growth and transition.

## Research Methodology

### Research Design

This study employs an interpretive qualitative case study design to examine how organizational roles, decision-making processes, and coordination practices are carried out within a family-owned SME. This design is considered appropriate because it allows the researcher to explore organizational phenomena in their real-life context and to understand how internal actors interpret and manage everyday operational challenges. Ragam Jaya Garment House was selected as a single case because it reflects the typical characteristics of a family-run business that relies heavily on informal coordination and centralized authority. Through this approach, the study aims to generate an in-depth and contextual understanding of the company's current organizational condition as a basis for proposing a more suitable functional organizational structure.

This study adopts an interpretive qualitative case study approach to examine how organizational roles, decision-making processes, and work coordination are practiced within a family-owned SME. A qualitative approach is appropriate because it enables researchers to explore organizational phenomena within their natural context and to interpret the meanings constructed by organizational actors based on their lived experiences. The research focuses on Ragam Jaya Garment House as a single case, allowing for an in-depth and contextual understanding of organizational dynamics that may not be adequately captured through quantitative methods. Data were collected using multiple qualitative techniques, including semi-structured interviews, direct observation, and internal document review. The use of multiple data sources supports triangulation and enhances the credibility of the findings. Primary data were obtained through interviews with the founder and owner, a family member representing the second-generation successor, and several key non-family employees. To complement these insights, secondary data were gathered from internal operational materials, including order records, production logs, quality control reports, and supplier-related documents.

These materials provided a more comprehensive view of everyday operational activities. The research process began with data collection and thematic coding to identify recurring patterns related to role division, reporting relationships, decision rights, and owner dependency. These findings were then analyzed using relevant organizational design and process frameworks. Business processes were documented from start to finish to identify critical activities and transition points, after which an accountability mapping exercise was conducted to evaluate how responsibilities and decision-making authority were distributed. Based on these findings, a formal organizational structure was proposed as the main outcome of the study. Consistent with the defined research boundaries, the analysis concludes at the design stage and does not extend to implementation or post-implementation evaluation.

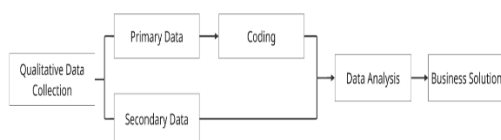


Figure 1. Research Design

**Data Collection Methods**

The data collection process was designed to obtain in-depth and context-sensitive insights from internal stakeholders who are directly involved in Ragam Jaya’s operational activities. Primary data were gathered through semi-structured interviews, a method well suited to exploratory case study research because it offers flexibility to explore emerging themes

while maintaining a coherent analytical framework (George *et al.*, 2016). Interviews were conducted with four key participants representing core organizational functions: the owner, the marketing function represented by the second-generation family member, administration, and production.

Table 1. Data Sources

| Type of Data   | Data Source                                                                                                                      |
|----------------|----------------------------------------------------------------------------------------------------------------------------------|
| Primary Data   | - Semi-structured interviews<br>- Direct observations                                                                            |
| Secondary Data | - Manual cash transaction recaps<br>- Order records<br>- Production operational notes<br>- Quality records<br>- Vendor documents |

Alongside the interview data, the study also drew on secondary sources derived from internal documents regularly used in day-to-day operations. These materials included handwritten financial records, customer order files, production assignment notes, quality inspection checklists, and supplier-related documentation. The purpose of using these secondary data was not to conduct a financial audit, but rather to provide contextual indicators and to validate the findings obtained from the interviews. By combining interview data with internal documents and direct observations, the researcher was able to capture both the formal and informal dimensions of organizational practices. To maintain consistency between the data collection process and the research objectives, the interview protocols were developed with reference to established analytical frameworks, namely Porter’s Value Chain, the APQC Process Classification Framework, the RACI Matrix, and the Galbraith Star Model. Each interview question was deliberately linked to specific analytical needs, ensuring that the data collected could be directly used to examine process ownership, decision-making authority, and organizational structure design requirements.

**Data Analysis Method**

The data were analyzed using a thematic analysis approach aligned with qualitative case study research. This method enables a systematic process of identifying, organizing, and interpreting recurring patterns within qualitative data. All interview transcripts were coded and then grouped into major themes, such as unclear role definitions, centralized decision-making authority, workflow coordination issues, dependence on the owner, and succession preparedness. These themes were subsequently examined in relation to the company’s value chain and the APQC Process Classification Framework in order to assess how responsibilities and decision-making authority were distributed throughout the end-to-end workflow. Insights derived from the thematic analysis were then used as inputs for the application of organizational diagnostic tools, including the RACI Matrix, organizational structure archetypes, and the Galbraith Star Model. Through this integration, the analysis moved beyond descriptive findings toward identifying structural gaps and governance weaknesses within the organization. By linking empirical findings with established organizational design frameworks, the study ensured that the proposed organizational structure was grounded in actual operational practices while remaining aligned with the family business context of Ragam Jaya Garment

House. This approach supports the development of a practical and context-sensitive organizational structure aimed at improving accountability, reducing owner dependency, and strengthening long-term business sustainability.

## Results and Discussion

### Results

#### Summary of Qualitative Data Analysis (In-Depth Interviews)

The qualitative evidence derived from the in-depth interviews indicates that Ragam Jaya Garment House operates as a family-run, made-to-order enterprise that relies heavily on experiential knowledge and informal coordination. Although the business has operated steadily for more than two decades, many of its daily operational activities remain undocumented and continue to depend on verbal instructions, habitual routines, and centralized decision-making. The interview findings show that most operational decisions, including order confirmation, material purchasing, production routing, quality release, and customer complaint handling, are concentrated at the owner level. Although functional roles such as Administration, Marketing, Production, and Quality Control exist in practice, the boundaries of their authority remain unclear. This condition frequently creates decision bottlenecks, particularly during peak order periods or when specification changes occur. Production activities become especially vulnerable when order priorities shift suddenly, as no formal scheduling or coordination role has been assigned. This condition often leads to unstable workflows, repeated clarification, and increased rework, especially during the sewing and quality control stages. Similar issues were also identified in customer-related activities, where follow-up actions and repeat orders rely heavily on personal relationships rather than structured processes. Overall, the interviews confirm that Ragam Jaya's main challenge does not lie in the lack of personnel or operational activities, but rather in weak coordination mechanisms, undocumented workflows, and excessive dependence on the owner as the central

decision-making hub.

### Value Chain Analysis

To understand how operational challenges are embedded across business activities, a value chain analysis based on Porter's framework was conducted. Figure 2 illustrates Ragam Jaya's value chain by highlighting both its primary and support activities.

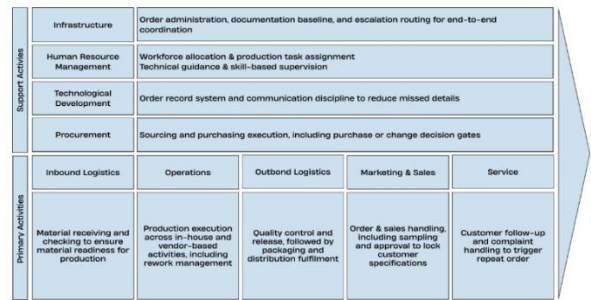


Figure 2. Ragam Jaya Porter's Value Chain (2025)

The primary activities begin with Inbound Logistics, which focuses on the receipt of materials and their readiness prior to production. Operations constitute the core activity and encompass cutting, sewing, outsourcing to vendors for screen printing and embroidery, and rework handling. Outbound Logistics includes quality control, release decisions, packaging, and delivery. Marketing and Sales are responsible for order intake, sampling, and customer approval, while Service activities involve post-delivery follow-up and the management of repeat orders. The supporting activities, namely Firm Infrastructure, Human Resource Management, Technological Development, and Procurement, also play a critical role in sustaining operational flow. However, the analysis indicates that these supporting functions remain weakly formalized. Documentation systems, role clarity, and coordination tools are still minimal, increasing the likelihood of information loss and inconsistent execution. The value chain analysis confirms that operational risks are not confined to production activities alone, but arise throughout the entire order-to-fulfillment process, particularly in areas where activities depend on informal coordination and centralized approval.

### APQC Business Process Analysis

To deepen the analysis beyond the value chain level, the APQC Process Classification Framework was applied to map Ragam Jaya's end-to-end operational processes, from order receipt to after-sales service. Figure 3 presents the end-to-end process flow derived from the interview findings.

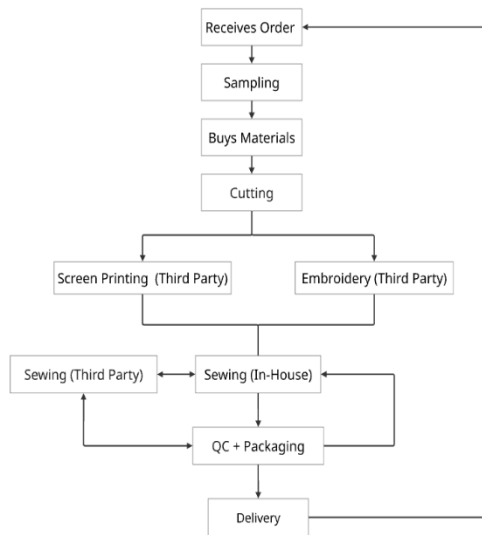


Figure 3. Ragam Jaya End-to-End Process (2025)

The scope of the process mapping extends across APQC domain 3.0, which focuses on marketing and sales activities, domain 4.0, which relates to product and service delivery, and domain 5.0, which concerns customer service management. Most operational activities are concentrated in domain 4.0, reflecting the made-to-order nature of the business. The key findings show that handoff points between roles, particularly during order capture, external vendor coordination, quality inspection, and rework loops, are highly vulnerable to miscommunication. Approval gates are also consistently concentrated at the owner level, especially in relation to specification locking, material purchasing, production routing, and final quality release. This APQC analysis demonstrates that, although Ragam Jaya already has a functioning end-to-end process, its stability is undermined by undocumented handoffs, inconsistent information control, and dependency on owner approval. Collectively, these issues increase lead time variability and the risk of rework.

### RACI Matrix

The RACI matrix was developed to translate APQC Level III activities into a responsibility structure involving the existing roles of Owner, Admin, Marketing, In-house Tailor, Vendor, and Quality Control. The results show a strong concentration of the Accountable (A) role at the owner level across nearly all critical activities. While Admin, Marketing, Production, and Quality Control perform execution roles as Responsible (R), they often lack sufficient decision-making authority, which requires routine exceptions to be escalated upward. This pattern confirms that Ragam Jaya's operational inefficiency is not caused by unclear task execution, but rather by the excessive centralization of accountability. As a result, workflows frequently pause while awaiting approval, increasing operational pressure and reducing responsiveness to customer demands.

### Discussion

Drawing on diagnostic insights obtained from the interviews, value chain analysis, APQC mapping, and RACI assessment, the proposed business solution for Ragam Jaya Garment House was formulated using the Galbraith Star Model as a comprehensive framework for organizational design (Galbraith, 2014). This model was selected because it enables alignment between strategy, structure, and processes without imposing excessive bureaucratic complexity, which is particularly important for a family-owned SME operating in a relatively informal setting. In this study, the strategic focus is not directed toward market expansion, but rather toward operational stabilization in order to support long-term sustainability. Findings from the APQC and RACI analyses indicate that three operational success factors are especially critical, namely specification accuracy, lead-time reliability, and quality consistency. However, these outcomes are constrained by fragmented information control and the continued concentration of decision-making authority in the hands of the owner. Therefore, the proposed design emphasizes clearer decision rights, stronger ownership of order information, more stable coordination between in-house operations and external vendors, and more formalized quality and customer governance loops. Structurally, Ragam

Jaya's current condition reflects a highly centralized arrangement in which coordination depends heavily on direct supervision by the owner. While such a structure may offer flexibility, it also creates sustainability risks as operational complexity increases. For this reason, the proposed design introduces a simple but clear functional structure that preserves flexibility while redistributing routine decision-making authority to relevant roles. This finding is consistent with Galbraith (2014), who argues that organizational effectiveness depends on the alignment of strategy, structure, and process, rather than on structural complexity alone. It is also in line with Duréndez, Madrid-Guijarro, and García-Pérez-de-Lema (2016), who highlight the importance of management control systems in improving SME performance, and with Calabrò, Campopiano, Basco, and Pukall (2017), who emphasize that clearer governance structures and decision mechanisms are necessary to reduce dependency on centralized authority and to support sustainable organizational development.

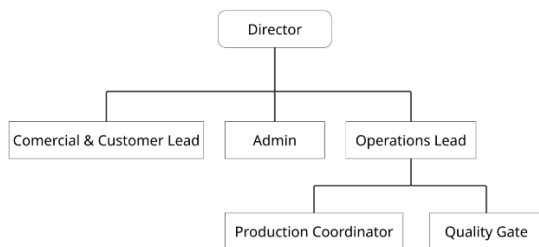


Figure 4. Proposed Organizational Structure

As shown in Figure 4, the proposed organizational structure introduces functional coordination roles, namely the Commercial & Customer Lead, Admin as the Order Information Owner, and the Operations Lead, while retaining the Owner as the authority for strategic and high-risk decisions. This design reduces the Owner's span of control and minimizes daily operational bottlenecks without introducing excessive hierarchical rigidity. In addition, the proposed process improvements are designed as minimum control mechanisms rather than detailed standard operating procedures (SOPs), so that they remain consistent with the company's informal working culture and need for operational flexibility. The purpose of these

improvements is not to over-formalize daily activities, but to ensure that critical decisions, information ownership, and escalation paths are clearly defined and consistently applied throughout the order-to-fulfillment process. Critical control points are therefore established at key APQC handoff stages, where the risks of miscommunication, delays, and rework are highest, and where clear accountability is most needed, as reflected in the RACI analysis and in-depth interview findings. These controls are intended to promote consistent decision-making, centralized information management, and appropriate escalation of exceptions according to their level of risk. One of the most important priority controls is order capture and the establishment of a single order record, which ensures that all order information remains centralized from the outset. The process begins with the Commercial & Customer Lead, who gathers customer requirements, and is followed by the Admin, who formalizes the order record as a single and consistent reference for subsequent stages of the process. This finding is in line with Galbraith (2014), who emphasizes that organizational effectiveness depends on the alignment of structure, processes, and decision-making mechanisms. It is also consistent with Duréndez, Madrid-Guijarro, and García-Pérez-de-Lema (2016), who show that management control systems contribute positively to organizational performance, as well as with Calabrò, Campopiano, Basco, and Pukall (2017), who underline the importance of governance structures and clearer decision paths in reducing dependency on centralized authority and supporting sustainable business development.

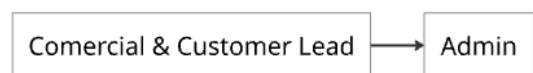


Figure 5. Order Capture Flow

At a minimum, this process produces a finalized initial order record containing sufficient information to proceed to the sampling stage. Any decision that may significantly affect customer commitments is classified separately and requires higher-level approval. Furthermore, the Sampling Feasibility and

Specification Lock Gate functions as a formal control point to prevent specification changes once execution has begun. In this stage, the Admin is assigned responsibility as the owner of the specification version, while Production provides feasibility input and the Commercial & Customer Lead validates customer-related requirements. Any major change must first obtain customer approval and the Owner's authorization before the Admin can officially lock the specification. This mechanism is important to ensure information consistency, reduce miscommunication, and prevent rework during the production process. Such findings are in line with Galbraith (2014), who emphasizes that organizational effectiveness depends on clear alignment between processes, roles, and decision rights. They are also consistent with Duréndez, Madrid-Guijarro, and García-Pérez-de-Lema (2016), who show that stronger control mechanisms and clearer decision paths can improve organizational performance, particularly in SMEs.

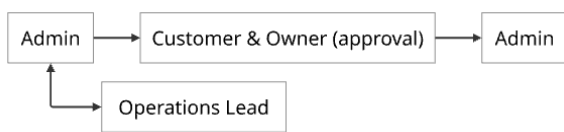


Figure 6. Sampling and Specification Lock Flow

The minimum output is a finalized specification that serves as a unified reference across all functions. After this point, any modifications are treated as high-risk exceptions rather than casual adjustments during the workflow.

The Material Purchase Confirmation (APQC 4.0) control ensures that materials are procured under clearly defined conditions, thereby reducing uncertainties that could affect lead times. The process begins with the Admin, who prepares the purchase requirements based on finalized specifications, while the Owner reviews and approves purchases that involve significant cost exposure or operational risk. Through this mechanism, material procurement is carried out in a more controlled and consistent manner, so that production can proceed with greater certainty regarding input availability and timing. This finding is in line with Galbraith (2014), who emphasizes the

importance of aligning processes, decision rights, and coordination mechanisms to improve organizational effectiveness. It is also consistent with Calabrò, Campopiano, Basco, and Pukall (2017), who highlight that clearer governance and decision-making structures are necessary to reduce operational risk and support sustainable business performance.

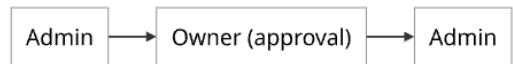


Figure 7. Material Purchase Flow

The Quality Gate Release (Before Packing and Delivery) (APQC 4.0) control ensures that decisions regarding product release or rework are made before packing and delivery activities take place. At this stage, responsibility is assigned to the person in charge at the Quality Gate, while any item identified as requiring rework is systematically returned to Production Coordination for the necessary corrections. This mechanism helps ensure that quality issues are addressed before products reach the customer, thereby reducing the likelihood of delivery errors, customer complaints, and repeated corrective actions at later stages. By establishing a clear release-or-rework decision point, the process also strengthens accountability and supports more consistent quality outcomes. This finding is in line with Galbraith (2014), who emphasizes that organizational effectiveness depends on clear coordination mechanisms and decision alignment. It is also consistent with Alkhoraif, Rashid, and McLaughlin (2019), who highlight the importance of process control and operational consistency in reducing inefficiencies and improving performance, particularly in SME operations.



Figure 8. Quality Release Flow

At a minimum, this process produces a release or rework note as evidence that the quality gate has been applied consistently, thereby preventing quality-related issues from emerging

only at the final delivery stage. In addition, the External Assignment and Vendor Handoff Control (APQC 4.0) is designed to formalize decisions regarding external task assignments while maintaining process visibility across both internal and external parties. The chain of responsibility begins with the Operations Lead, who assigns tasks to external vendors and ensures their readiness for execution. Subsequently, the Production Coordinator oversees the handoff process and provides the Admin with updates on task progress. Through this mechanism, work transferred to external parties can be monitored more systematically, reducing the risk of miscommunication, delays, and loss of control over production status. This approach is in line with Galbraith (2014), who emphasizes the importance of aligning processes, coordination mechanisms, and decision rights in organizational design. It is also consistent with Alkhoraif, Rashid, and McLaughlin (2019), who highlight that clearer process control and coordination are essential for reducing operational inefficiencies, especially in SME environments.

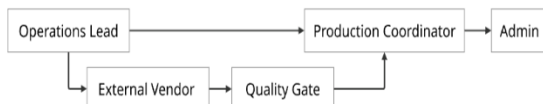


Figure 9. External Handoff Flow

At a minimum, this process generates an external task confirmation and a handover status record, enabling the organization to track work transitions between internal and external parties without requiring extensive SOP documentation. Any issue that may jeopardize lead time or product quality is treated as an operational exception and escalated to the Owner when it reaches a higher level of risk. In addition, the Customer Feedback Loop Management: Handling Complaints and Capturing Repeat Orders (APQC 5.0) control ensures that customer complaints and repeat orders are not treated merely as informal communications, but are systematically documented and linked to the original order record. In this process, the person in charge begins with the Commercial & Customer Lead as the owner of the customer feedback loop, while the Admin ensures that all related

information is integrated into the order documentation system. This mechanism helps preserve customer information continuity, supports more consistent follow-up, and ensures that customer-related decisions are based on recorded information rather than personal memory or informal communication alone. This finding is in line with Galbraith (2014), who emphasizes that effective organizational design depends on clear coordination mechanisms, decision rights, and information flows. It is also consistent with Calabrò, Campopiano, Basco, and Pukall (2017), who highlight the importance of governance and structured decision processes in reducing dependency on informal control and strengthening long-term business sustainability.

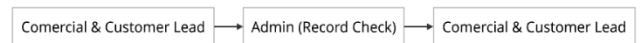


Figure 10. Customer Loop Control Flow

At a minimum, this process should produce a customer feedback loop log that is linked to the order records, allowing follow-up actions and key lessons to be systematically captured and retained. This also helps maintain consistency in decision-making when complaints or repeat orders affect customer commitments. By embedding clear ownership at these key process gates, Ragam Jaya Garment House can reduce rework, stabilize lead times, and improve quality outcomes without imposing excessive formalization on daily operations. This approach is consistent with Galbraith (2014), who emphasizes that organizational effectiveness depends more on process clarity, coordination, and decision alignment than on structural complexity alone. It is also in line with Calabrò, Campopiano, Basco, and Pukall (2017), who highlight that clearer governance structures and decision mechanisms are important for reducing dependency on centralized authority and supporting long-term business sustainability.

## Conclusion

Ragam Jaya Garment House operates as a custom-made clothing business in which most operational activities remain centralized under

the direct control of the owner, particularly in relation to coordination and managerial decision-making. As order volumes and product variations continue to increase, the absence of a formalized workflow raises the likelihood of communication breakdowns, repeated work, scheduling delays, and decision-making constraints in time-sensitive situations. The findings of this study show that the existing work arrangement and role distribution are not formally documented, resulting in unclear accountability and a strong concentration of decision-making authority at the owner level. Consequently, responsibilities across roles often overlap, and many operational tasks are delayed while awaiting the owner's guidance or approval, which creates workflow instability when the owner is not consistently present. To address this issue, a function-based organizational structure with clearly defined roles is proposed as the most appropriate design to reduce dependency on the owner and ensure more consistent daily operations. The proposed model emphasizes clearer role responsibilities and well-defined boundaries of accountability involving the Owner, Admin as the order information owner, the Commercial & Customer Lead, the Operations Lead, as well as production coordination and quality gate roles. This structure retains the owner as the decision-maker for high-risk matters while shifting routine decisions and exception handling to the relevant operational roles. Furthermore, the structure is supported through the establishment of decision rights and minimum process controls at key vulnerable points. Decision rights are grouped into three levels routine, exception, and high-risk so that routine activities do not always depend on the owner's approval. In addition, six minimum critical process controls across APQC domains 3.0 to 5.0 were identified, namely the single order record, sampling and specification locking, material purchase confirmation, quality gate release, vendor assignment and handoff control, and customer feedback capture. These controls provide a practical mechanism to reduce rework, improve information consistency, and strengthen business continuity readiness, including gradual succession transition.

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