Organizational Culture Assessment in PTP

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Abstract

PTP is a company that deals in human resource management (HR), transportation, logistics, and retail. This company passed through a transformation since 2021 to positively enhance the company's vision, mission, and values. This research aims to ascertain the current organizational culture and employee future expectations. The survey method applied the organizational culture assessment instrument (OCAI). It was aimed at the director, manager, supervisor, and staff, and was comprehensive with a quantitative descriptive approach. Furthermore, the current and expected profile of PTP organizational culture can still be analyzed in the future. The results obtained the differences in organizational culture currently felt by each management position, where the dominant culture is clan. Meanwhile, the expected culture in the future is that of market. This information and typology can be used for company policy-making appropriate to the PTP vision, mission, values, and culture of each position.
Keywords: culture assessment, culture typology, organizational culture, OCAI.

INTRODUCTION

Increasingly fierce business competition has caused many consequences, and companies have to continue adapting to environmental developments and changes. Adaptation is necessary for an organization to compete and maintain its existence [1]. Moreover, globalization is one of the important factors why organizations need to make changes by exploring sources that create competitive and sustainable advantages. Organizational transformation is needed to survive and conduct innovation, thereby maintaining its existence [2].

Competitive advantage can be caused by the comparison of a company against similar companies. The differences in national values, culture, economic structure, institutions, and history are factors that influence competitive success. Organizational culture is one of the important factors that increase competitiveness. It can be a key factor determining the company's success in achieving its goals [3].

The need for change is necessary for companies seeking higher market demands. This need is felt in all business aspects, including service businesses such as the Priatman Limited Liability Company (PTP) which is engaged in human resources services, transportation, logistics, and retail. Companies should continue to adapt and develop in all lines of business. As part of this adaptation, the transformation of innovation values and culture becomes essential. By fostering a culture that embraces creativity and innovation, companies like PTP can develop new strategies and technologies that not only enhance efficiency but also ensure long-term sustainability in a competitive market [4]. This increases the competitiveness of a strong company, thereby maintaining its existence.

A change in organizational culture is not easy, as the work culture has been crystallized in each member of the company and has become an organizational way of life. Members tend to maintain it regardless of whether the culture is functional or dysfunctional. Cultural change is almost always faced with employee resistance; therefore, it often runs gradually and takes a long time [5].

A cultural improvement and internal change in PTP directly change old habits or the culture that already exists within the company. Culture is a characteristic that exists in a group, used as a behavioral guide that distinguishes it from other groups. Organizational culture is a value that should be understood and obeyed by a group of people in a company [6].

The influence of organizational culture on company performance is significant, as a strong and positive culture fosters employee engagement, collaboration, and alignment with company goals. When employees understand and adhere to the values and norms set by the organization, they are more likely to perform at their best, which directly impacts overall company productivity and success. In contrast, a weak or negative culture can lead to disengagement, low morale, and reduced efficiency, ultimately affecting the company's ability to achieve its objectives. Therefore, fostering a healthy organizational culture is crucial for long-term performance and sustainability [7] .

There are several series of steps taken by PTP management to change old habits. These steps should be planned and formulated properly to ensure the absence of obstacles in their application. Institutional change plays a crucial role in shaping the success of such transformations, as it involves redefining the structures, norms, and procedures within the organization to align with new objectives and practices. Without a robust institutional framework, change efforts may lack the foundation needed for sustained impact [8]. However, breakthrough changes and developments carried out by the management in the past have not shown significant progress. PTP's Human Capital Director (HCD) stated that there is no standardized culture and mechanism for changing old habits, although training and development have been provided. This shows that the employees have not fully implemented work regulations, for example, in the context of discipline [9].

The level of discipline is indicated by the number of PTP employee work delays every month. This indication is due to no formulation of values that support the transformation process. Therefore, joint efforts and commitment are required from leaders and employees to oversee the implementation of organizational culture change, thereby promoting the achievement of PTP's goals, vision, and mission.

This research analyzes organizational culture in PTP using the Organizational Culture Assessment Instrument (OCAI) method. Furthermore, the analysis is expected to provide an overview of the current and future organizational culture.

METHODS

This type of research is descriptive with a quantitative approach and is aimed to ascertain facts using the right interpretation [10]. Furthermore, it utilizes quantitative data obtained from the survey conducted on all employees in the PTP environment, using a questionnaire adapted from Cameron & Quinn.

This research, with descriptive designs, can be simple or complex and involve quantitative data complemented by qualitative data [11]. The results will produce comprehensive information on the variables analyzed. The aim is to provide a systematic, factual, and accurate description of organizational culture mapping using OCAI at PTP.

The population in this research were all PTP employees, totaling 17 respondents. The sampling technique used was saturated sampling, where all population members constitute the sample. Furthermore, the primary data were collected through a questionnaire developed by Cameron & Quinn called OCAI. In this questionnaire, 24 questions were grouped into six dimensions describing the types of organizational culture, namely clan, adhocracy, market, and hierarchy.

The OCAI measurement is based on the Ipsative Rating Scale (IRS). The respondents were asked to divide the number 100 into four alternative answers reflecting organizational culture. This scale enabled the respondents to observe that the types of organizational culture are not distinct. This illustrates the principle held by Cameron & Quinn that four types of cultures exist in organizations.

RESULTS AND DISCUSSION

Figure 1 shows the demographics of the respondents which are categorized by gender, last educational background, age distribution, and years of service. This category determines the employees' cultural understanding based on their inherent characteristics.
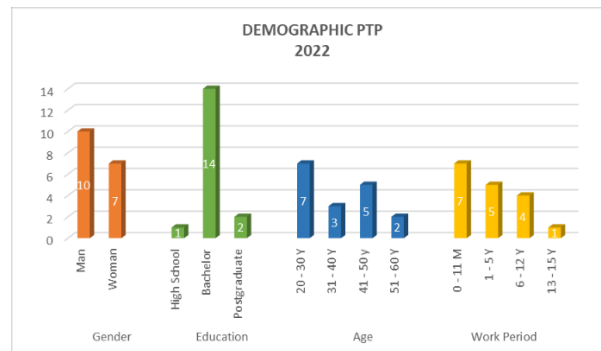

Figure 1. The demographics of the respondents
Source: HRIS PTP, 2022.

After ascertaining the current cultural profile and future expectations on each cultural dimension, it was deduced that there was a diversity of cultural profiles for the Directors, General Managers, Supervisors, and PTP employees. Figure 2 shows that at the director level, the culture was clan 32.50, while the future dominant culture was market 37.50 and hierarchy 37.50. Therefore, the current conditions in PTP tend to be similar to a family, while the expectation is a structured, controlled, and goal-oriented place for the future.
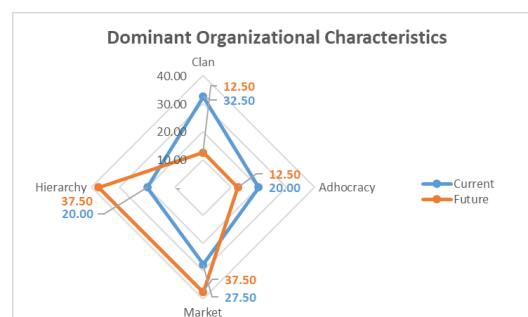

Figure 2. Dominant Organizational Characteristics by Director Level.

In contrast to the director level, at the general manager level, the dominant culture is market 33.33, while the future dominant is market 38.33. This indicates that the current culture at PTP is goal orientation, and future expectations aim to improve on this culture. Meanwhile, at the supervisory level, the culture is the same as the director level, namely clan with a value of 30.00, and the future culture is market 42.00. At the staff level, the culture is clan 38.57, while the future is market 33.57. Similarly, at the comprehensive level, the culture is similar to the level of directors and supervisors, namely clan 32.94 while the future culture is market 37.35. The current culture that has a significant difference is found only at the level of the general manager.

Clan culture emphasizes teamwork and employee development because customers are considered partners. This form of organization creates a humane work environment, with the managerial goal of empowering HR by gaining employee participation, commitment, and loyalty. The influence of the working environment towards the performance of employees is significant, as a positive and supportive environment can enhance motivation, job satisfaction, and overall productivity. When employees feel valued and comfortable, they are more likely to perform better and contribute effectively to organizational goals [12] . This clan culture is characterized by a friendly workplace where people share personal information like a big family. Furthermore, leaders are considered mentors and even parents because they accentuate loyalty, tradition, and commitment. The organization always prioritizes teamwork, participation, and consensus. It also focuses on the long-term benefits of human resource development, including maintaining organizational cohesion and morale.[14]

The PTP organizational leadership at the director level, which is currently the dominant culture, is clan 42.50. Meanwhile, the future dominant culture is market 50.00, as shown in Figure 3. This indicates that the PTP leader is a mentor and facilitator, while future expectations are aggressive and results oriented.
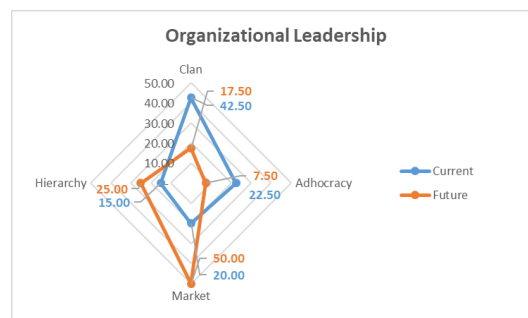

Figure 3. Organizational Leadership Characteristics by Director Level.

Aside from the director level, at the general manager level, the dominant culture is market 33.33, while the future dominant culture is market 36.67. This shows that the dominant culture at PTP is aggressive and result-oriented, and future expectations aim to improve these metrics. Additionally, market culture is results-oriented, where people are competitive and target-oriented, and the aim is to get tasks completed. The organizational leader is ambitious, expects high performance, and is highly focused on the success of employees integrating the company. Significant attention is also paid to competition and the achievement of increased goals and targets. Moreover, the main interest in this culture is a competitive advantage and making the company a leader in the market. This enables the organization to unite with a desire to win the competition [15].

At the supervisor level, the culture is hierarchy 30.00, while the future dominant condition is hierarchy 27.00. Furthermore, at the comprehensive level, the dominant culture is hierarchy 27.35, while the future is hierarchy 29.41. The hierarchy culture is characterized by a formal and structured work environment emphasizing procedures and regulations. Leaders in this culture are coordinators and organizers in maintaining the smooth running of the organization to emphasize stability and efficiency. This culture determines success through reliable product/service delivery, control, and accountability mechanisms. Long-term concerns in this culture include stability, predictability, and efficiency. Furthermore, employee management pays special attention to work comfort and safety [15].
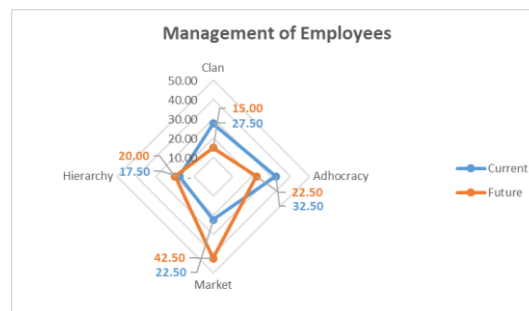
Figure 4. Management of Employee by Director Level.

Figure 4 shows the management of employees based on the director level. The dominant culture is adhocracy at a value of 32.50. Leaders are considered visionaries and innovators and are ready to take risks. The organizational culture has characteristics that promote employees to be more innovative and take risks. This is because every member of the organization has a high level of responsibility, is free to work, and has many opportunities for initiative within the organization. Therefore, they need to be encouraged to innovate and should be more willing to take risks when innovating. In future conditions, the dominant market is 42.50.

At the general manager level, the dominant culture is market 33.33, while the future dominant culture is market 36.67. Future conditions expected by the director are the current conditions implemented at the general manager level, namely competing and placing high demands on performance in organizations under their control. Meanwhile, at the supervisor level, the dominant culture is clan 29.00, while the future dominant culture is clan 35.00. This is different from the level of directors and general managers. At the supervisor level, the management of employees has been implemented, and future expectations include teamwork, consensus, participation, risk-taking, giving freedom, and uniqueness. Therefore, there are aims to improve this in the future.

At the staff level, the dominant culture is hierarchy 28.57, while the future dominant is adhocracy 33.57. At this level, the staff feels that managing employees provides security and stability in the relationship. However, in the future, they expect to take risks and have freedom as well as uniqueness. The future adhocracy condition at the staff level is the dominant condition at the comprehensive level, which had a value of 26.76, while the expected future dominant condition between clan and adhocracy had the same value of 27.94. This indicates the preference for risk-taking, freedom, uniqueness, teamwork, consensus, and participation.

The adhocracy culture describes a dynamic workplace with an entrepreneurial and creative environment. The comprehensive level is willing to take risks. The organization is also united in a shared commitment to experimenting, having innovative approaches, and thinking. The goal of this organization is to be innovative and adaptable and promotes employees to take the initiative, as there is no centralized form of power or authority. Furthermore, the organization emphasizes rapid growth and new resources in the long term [16].
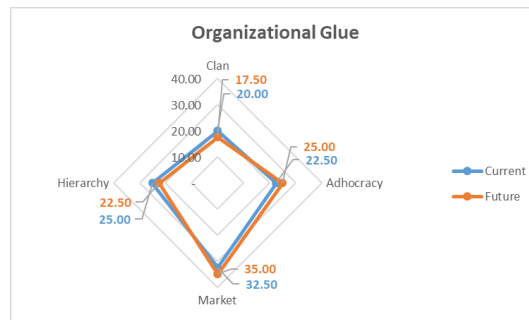
Figure 5. Organizational Glue by Director Level.

Figure 5 is organizational glue at the director level. The dominant condition is market 32.50, while the future dominant condition is market 35.00. This indicates that the current conditions at PTP in the organizational glue are aggressive and victorious. Meanwhile, an improvement in the achievement of results is expected in the future. In this context, performance audit plays a crucial role in evaluating whether organizational activities and strategies align with the set goals and deliver the expected outcomes. By assessing the efficiency and effectiveness of resource use, a performance audit can help ensure that the organization remains result-oriented and accountable in its operations [17]. Organizational culture should have characteristics that are more focused on results rather than techniques and processes to achieve employee targets. Result orientation is the ability to maintain a high personal commitment to complete tasks, be reliable and responsible, and identify risks systematically. Therefore, it is necessary to understand the relationship between planning and results to achieve organizational success.

This differs from the general manager level, where the dominant condition is hierarchy 30.00, and the future dominant condition is clan 28.33. The general managers want the implementation of regulations and formal policies to be orderly. Meanwhile, the future expectation is loyalty and mutual trust. At the supervisor level, the dominant condition is market 28.00. The current conditions are the same as expected in the future by the director level that organizational glue is in form of success, achievement of results, aggressiveness, and victory. Aggressiveness is a behavior that attacks or is hostile to others through assertive statements, self-imposed, and domination of power. In organizational culture, aggressiveness is a condition in which each member tends to be more competitive and aggressive. This characteristic of organizational culture can also be interpreted as conflict tolerance. A strong organizational culture will resolve problems or internal conflicts well. This is because the organization has a very high tolerance for conflict [18]. Meanwhile, the future dominant condition is 30.00 adhocracy, where supervisors aim to create innovation and development. This adhocracy is a future condition that is also expected by the staff level to be worth 27.86, and at the comprehensive level 27.94.

At the staff level, the dominant organizational glue is clan 30.00. At this level, supervisors feel a sense of loyalty and mutual trust. Meanwhile, at the comprehensive level, the dominant condition is hierarchy 26.47, which indicates that the current conditions at PTP bond the organization by complying with formal regulations and policies.
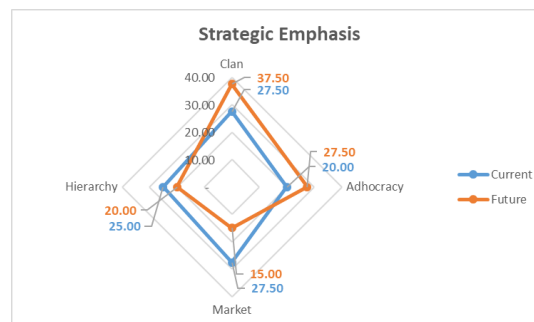
Figure 6. Strategic Emphasis by Director Level.

Figure 6 shows the strategic emphasis at the director level in the current condition, which is clan 27.50 and market 27.50, while the future dominant condition is market 37.50. The current condition at the PTP director level in strategic emphasis is the development of human resources, high trust, openness, participation, competition, achievement, and target achievement. In the future, the director level expects to improve this. This is different from the general manager level, where the dominant current and future conditions are hierarchy 31.67 and 28.33, respectively. Therefore, current conditions and future expectations in PTP are at the general manager level.

At the supervisor level for strategic emphasis, the current condition is hierarchy 34.00, while the future dominant condition is hierarchy 36.00. This is the same as the strategic emphasis at the staff level, where the dominant condition is hierarchy 41.43, and the future dominant condition is hierarchy 28.57. At the comprehensive level, the strategic emphasis is dominant in the current and future conditions. This is similar to the conditions at the supervisor level and staff level, with a score of 35.59 and 29.71. The current conditions at PTP in strategic emphasis include efficiency, control, fluency, and stability. Furthermore, organizational culture should have stability characteristics, in which organizational activities focus more on maintaining the status quo than development. Stability is the ability of an organization to support itself or reduce the number of disturbances or pressures from outside [19].

Figure 7. Criteria of Success by Director Level.

Figure 7 is the criteria for success at the director level. The dominant current and future conditions are adhocracy 27.50 and 32.50 respectively. The directors assessed the success criteria for PTP, namely the latest products/services and leaders in these services/products. They also expect that in the future, they will continue to be leaders in these services/products. This is similar to the condition in the future at the general manager level, which is adhocracy 36.67, although the dominant condition is hierarchy 36.67. The current condition of PTP in terms of success criteria is efficiency, reliability, regular schedule, and low-cost products.

At the supervisor level, the current dominant condition is adhocracy 29.00. These are expected conditions in the future at the director and general manager levels. However, it is different at the supervisor level for the criteria of success, where the future dominant condition is clan 31.00. At this level, the expectation is to get human resource development, teamwork, member commitment, and concern for members. The characteristics of organizational culture expected at the supervisor level are companies with the greatest focus on employees, the company's greatest assets. Moreover, the leader prioritizes work activities in the organization based on the team, not the individual. Therefore, organizational leaders can provide support through clear communication, friendly attitude, motivation, and guidance to all members [19].

For the success criteria at the staff level, the dominant current condition is clan 33.57 and hierarchy, while the future dominant condition is hierarchy 31.43. As for the comprehensive level, the current dominant success criteria is 30.00 hierarchy. The same conditions at the staff level, namely the conditions for success, include efficiency, reliability, routine schedule, and low-cost products. Meanwhile, the future dominant condition is adhocracy 27.06. The current conditions for the success criteria include the level of director and general manager at PTP.

CONCLUSION

PTP organizational culture is a pattern of values developed by PTP to overcome problems arising from external adaptation and internal integration. The employees need to be taught the correct ways to understand, think and feel about these problems. There are differences in current and future conditions at the employee level, both at the director, general manager, supervisor, staff, and comprehensive levels. This difference is due to the absence of a formulation of an organizational culture that is specifically carried out to support the transformation process in achieving PTP goals, vision, and mission.

The director expects that the organizational culture for the dominant characteristic dimensions, organizational leadership, employee management, organizational cohesion, and strategic emphasis in the future is the market culture. This is because this culture is result-oriented, competitive, and target-oriented, as well as task completion to make the company a market leader. Furthermore, organizations are united by a desire to win the competition. The dimensions of the expected success criteria in the future, include adhocracy, where the workplace is dynamic with an entrepreneurial, creative environment and employees are willing to take risks. It is also innovative, and adaptable, which promotes employees to take initiative as well as emphasizes fast growth and new resources in the long term.

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