The 4th Business Management International Conference

*"Challenges of Creative and Innovative Management"*

# The Role of Strong Organizational Culture to Increase The Organization Competitiveness

Syaiful Bakhri[ab], Daryono[a], Suharnomo[c]

[a] Ph.D Student of Faculty of Economics and Business Diponegoro University
[b] Lecturer of STIE Lampung Timur
Lecturer of Faculty of Economics and Business Diponegoro University

## Abstract

In recent era, the organizations need is the ability to exploit the potential of resources not only manage the issues of man, money, material, machine but also manage the culture. Organizations which can manage their culture well, will improve the performance, effectiveness, productivity, and even the morale of their employees. Unfortunately, organizations often give up on their perceived weak culture and do not know how to build and sustain a strong culture. This article seeks to integrate the most conceptually consistent findings and practices that organizations leaders need to know about the culture and what they can do to make their organizational culture become a strong culture.

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*Keywords:* Organizational culture; strong culture; human resource

## 1. Introduction

In recent era the organizations need is the ability to exploit the potential of resources. It means that organizations not only manage man, money, material, machine, but also manage culture. Even for the last point a researcher said that culture is the glue that guides the behavior and form of organization in decision making (Haberberg and Rieple, 2008).

The importance of culture is noticed by the organization because this factor is an important key in improving both individual and organizational performance. Individual organizational culture has been shown to improve employee performance (Syafii, Thoyib et al., 2015), job satisfaction (Tsai 2011) employee commitment (Nikpour 2017), and Organizational Citizenship Behavior (Harwiki 2016). Organizational culture is also organically proven to improve organizational performance (Nikpour 2017), organizational effectiveness (Yan 2016), and quality management (Lapiņa, Kairiša et al., 2015).

The relationship between organizational culture and individual and organizational performance is an important subject in strategic human resource Management. Today's, organizational culture is fundamentally built to promote competition at national and international levels, and has become one of the areas of strategic human resources research and has an impact on measurable performance (Yıldız 2014).

Culture is increasingly a concern for skilled leaders (Warrick 2017). Through strategy, practice, values, leadership style and role model of a leader can influence culture which in turn will bring positive performance for the organization. Although leaders understand the importance of culture, some of them may not have the training or knowledge of what it takes to build a successful culture. The purpose of this article is to help organizational leaders develop a better cultural understanding and how to build and sustain a strong culture.

## 2. Literature Review

People have been trying to define organizational culture, to understand its nature and to gauge its influence on organizational effectiveness ever since Peters and Waterman (1982) told managers that the key to organizational success was to have a strong culture, and then proceeded to prescribe a formula for such a culture (Lewis 1998).

According to Schein (2010) organizational culture is a paternity of basic adaptation and internal integration, which has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think and feel in relation to these problems. While Judge and Hadipapo (2015) said that organizational culture is often interpreted as values, symbols that are understood and obeyed together, owned by an organization so that members of the organization feel a family and create a condition of members of the organization feel different from other organizations .

Organizational culture is also often referred to as corporate culture (Deal and Kennedy 1982, Sadri and Lees 2001, Nazir and Zamir 2015). Organizational culture is part of an inseparable internal environment of a company consisting of a set of assumptions, beliefs and values shared by members of the organization and used to organize and direct behavior in accordance with the expected function (Gordon 2002). Thus, as stated by Rue and Byars in Brahmasari and Siregar (2009), organizational culture communicates how members of the organization should behave by building a system of values delivered through the ordinances, rituals, myths, legends, and other activities.

According to Bidokhti in Ahmady, Nikooravesh et al. (2016) organizational culture is one of the interesting and important issues in organizational behavior. The importance of understanding organizational culture in the context of organizational behavior considering its role has a profound impact on the variation of organizational processes, employees and performance (Shahzad, Luqman et al., 2012).

Sadri and Lees (2001) said that although organizational culture is not the only determinant of business success or failure, a positive culture can be a competitive advantage to the

organization so that the organization can compete. In addition, culture is important because action without recognizing cultural power may result in unpredictable or undesirable outcomes. This means that the importance of organizational culture becomes a matter of concern to management.

Further, according to Robbins and Judge (2013) there are certain characteristics of the organization that differentiate with other organizations that are part of the culture. Characteristics are divided into several levels such as:

a. Innovation in risk taking: the level of encouraging employees to be innovative and courageous in taking risks.

** Attention in detail: the level of demands on employees to be able to show accuracy, analysis, and attention to detail.

** Orientation to outcome: the level of demand to management to focus on results rather than the techniques and processes used to obtain those results.

** Orientation to the individual: the level of management decisions in considering the effect of outcomes on the individual within the organization.

** Group orientation: the level of work activities organized in groups.

** Aggressiveness: demands to people in the organization to be aggressive and competitive.

** Stability: the degree of emphasis on organizational activity in maintaining the status quo rather than growth.

Based on the characteristics of organizational culture above it appears that Organizational culture is a set of basic assumptions, values, norms, symbols and philosophies that are found and developed by an organization member that serves as a guide and guidance for members of the organization thinking, behaving and solving Problems with adapting it from the outside and integrating it into the organization.

Schein (2010) mentioned that organizational culture has three layers:

a. Artifacts

In this layer we can see the uniqueness between cultures in various organizations visible or visible.

b. Values

This layer contains the demands of strategy, goals, philosophy of organizational leaders is to act and behave.

c. Assumption

This layer contains a number of beliefs that the members of the organization are guaranteed, they are well received to do something right in the right way.

While there is a clear understanding of organizational culture including its levels, the description of what culture is worth developing in an organization needs to be clarified. Identification of strong culture can be known from Robbins (2005) which says that strong culture is a culture where the values of the organization are held intensively and widely shared from the members of the organization.

Organizational culture can have considerable influence, especially when the culture is strong. A strong organizational culture can result in a company able to improve its competitiveness, so it can take action and coordinated against competitors and customers. In addition, corporate culture can lead employees who have more competence to get together to achieve goals (Bangun, 2008).

Strong culture is generally associated with a much higher performance than a weak culture (Jin, DeLoughy et al., 2013). Even a strong culture should reduce employee turnover because it demonstrates high agreement about what the organization represents. Such unanimity of purpose builds cohesiveness, loyalty, and organizational commitment. These qualities, in turn, are lessen employees' propensity to leave (Vandenberghe 1999).

Beside a strong culture, there is also a weak culture. Warrick (2017) mentioned that the term weak culture is used to describe cultures where norms and practices are unknown or confusing, inconsistent, or not reinforced. Bateman and Snell (2013) describes a weak culture culture as a level of culture where everyone has different values, there is a lack of clarity about the goals and principles underlying each company's decisions.

Weak culture is difficult to do because expectations are unclear and there is little consistency in practices throughout the organization. A weak organizational culture will have a negative impact on factors such as performance, morality, customer relations, cooperation, service and loyalty.

Comparison between strong culture and weak culture can be seen in the following:

Table 1. The Differences between Strong culture and weak culture

| Strong Culture | Weak Culture |
|---|---|
| Values are widely accepted | Values are embraced by only a handful of people within the organization, usually top management |
| Culture provides a consistent message of what matters | Culture provides conflicting messages about what matters |
| Employees can tell the history and hero of the company | Employees have little knowledge about the history and heroes of the company |
| Employees are very identify with the culture | Employees have little concern for their organizational cultural identity |
| A strong relationship between shared values and behavior among members of an organization | Weak relationship between shared values and behavior among members of the organization |

Source: Dessler (2013)

accepted and implemented by members of the organization. In other words, culture can be built with a defined purpose or otherwise default.

According to Schemerhorn J.R. (2012), one of the ways organizations are to be strong and positive cultures is through socialization. This is the process of helping new members learn the culture and values of the organization.

Socialization often begins in an anticipatory sense of professionalism and interpersonal skills. It continues With an employer's orientation and training programs, which, when well done, can have a strong influence on the new member.

Another strategy that can be used to build and maintain a strong organizational culture is through the following steps (Warrick 2017):

Table 2. Guideliness for building and sustaining culture

| |
|---|
| 1. Make strategy and culture important leadership priorities |
| 2. Develop a clear understanding of the present culture |
| 3. Identify, communicate, educate, and engage employees in the cultural ideals |
| 4. Role model desired behaviors |
| 5. Recruit and develop for culture |
| 6. Align for consistency between strategy and culture |
| 7. Recognize and reward desired behaviors and practices |
| 8. Use symbols, ceremonies, socialization, and stories to reinforce culture |
| 9. Appoint a culture team |
| 10. Monitor and manage the culture |

Source: Warrick (2017)

According to table 2 above we know that the first step to make strong organizational culture began with leadership. It is obvious because the leader of organizations has power to share and to order what the organization need to be achieved.

**4. Summary**

Organizational culture is an integral part of an organization's success. In today's competitive era, organizational leaders must build and sustain a strong organizational culture. A strong organizational culture means a culture that encourages positive work behavior and prevents dysfunctional behavior.

A strong organizational culture will in turn enhance the competitiveness of the organization. This is because organizational

culture can lead employees who have more competence to be able to get together to achieve goals. In addition, a strong organizational culture will avoid organizational failure.

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