Organizational Culture Typology for Competitive Private University

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Abstract—**The study aims to assess the current organizational culture and preferred organizational culture by the lecturers as well as its influence on organizational commitment of the lecturers. The experiment was conducted at the Private Universities in Jakarta, with 150lecturers as respondent. Data was collected using questionnaires and analyzed with the different test methods and linear regression analysis using SPSS software version20. The results showed that the actual culture and the preferred culture are significantly different. Actual organization of the dominant culture tends toward hierarchy, while the lecturers preferred culture tends toward clan culture. The test results also showed that the gap between actual and the preferred organizational culture significantly affected the lecturers' continuance organizational commitment.**

Index Terms—**intellectual capital, hierarchy culture, clan culture, adhocracy culture**

I. INTRODUCTION

Although the influence of organizational culture on organizational effectiveness has been widely studied, studies on the organizational culture of universities in Indonesia, especially the study of the suitability of the organization's culture has not been done. Studies typically use the concept of organizational culture profile or Organizational Culture Profile (OCP) developed by O'Reilly *et al.* [1], for example, research by Ratnasari conducted in Riau Province Private University [2]. Because of the importance of organizational culture, several leading companies in Indonesia such as Bank Mandiri, PT. Railways, Director General of Taxation, and PT. Pertamina have implemented new work culture to improve their organizational effectiveness [3].

The object of the study are former universities in Jakarta, which includes the Higher Education Featured by Kopertis III Jakarta. One factor that plays an important role in the formation of a common commitment of lecturers are the individual values of the lecturers with the values that flourish in a university organization. Organizational culture according to Schein [4] is a set of shared values within an organization, which is usually determined by the founders and leaders of the organization are derived through a process of socialization of employees. With the growth and development of the organization, there can be a gap between the organization's values with the values of the individuals working in the organization beacause the intensity of direct communication between leaders and members of organizations decreases with the increasing size of the organization.

According to O'Reilly [5], the smaller the difference between the individual values with the values of the organization, the higher the commitment of the members of the organization. Based on the description it is necessary to examine the influence of cultural similarity of actual and preferred organizational culture on organizational commitment of the lecturers.

II. THEORETICAL BACKGROUND

Many of organizational scholars and observers now recognize that organizational culture has a powerful effect on the performance and long-term effectiveness of organizations [6]. Empirical research has produced an impressive array of findings demonstrating the importance of culture to enhancing organizational performance. Organizational cultures can be differentiated into four types, based on the two dimensions. One dimension differentiates effectiveness criteria that emphasize flexibility, discretion, and dynamism from criteria that emphasize stability, order, and control. That is, some organizations are viewed as effective if they are changing, adaptable, and organic. Other organizations are viewed as effective if they are stable, predictable, and mechanic. The second dimension of effectiveness criteria that emphasizes an internal orientation, integration, and unity from criteria that emphasizes an external orientation, differentiation, and rivalry. That is, some organizations are viewed as effective if they have harmonious internal characteristics. Others are judged to be effective if they are focused on interacting or competing with others outside their boundaries. The two dimensions form four quadrants, each representing a distinct set of organizational effectiveness indicators.

The four typologies of organizational culture based on competing value framework [6] could be illustrated in Fig. 1.
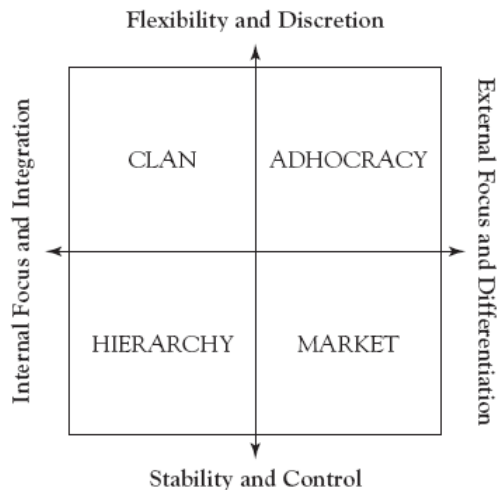

Figure 1.   The cempeting values framework.

The Clan Culture seemed more like extended families than economic entities. Instead of the rules and procedures of hierarchies or the competitive profit centers of markets, typical characteristics of clan-type firms were teamwork, employee involvement programs, and corporate commitment to employees. These characteristics were evidenced by semiautonomous work teams that received rewards on the basis of team (not individual) accomplishment and that hired and fired their own members, quality circles that encouraged workers to voice suggestions regarding how to improve their own work and the performance of the company, and an empowering environment for employees, typified by a friendly place to work where people share a lot of themselves. It is like an extended family. Leaders are thought of as mentors and perhaps even as parent figures. The organization is held together by loyalty and tradition. Commitment is high. The organization emphasizes the long-term benefit of individual development, with high cohesion and morale being important. Success is defined in terms of internal climate and concern for people. The organization places a premium on teamwork, participation, and consensus.

The Adhocracy Culture characterized as "tents rather than palaces" in that they can reconfigure themselves rapidly when new circumstances arise. A major goal of an adhocracy is to foster adaptability, flexibility, and creativity where uncertainty, ambiguity, and information overload are typical. The adhocracy organization may frequently be found in industries such as aerospace, software development, think-tank consulting, and filmmaking. An important challenge for these organizations is to produce innovative products and services and to adapt quickly to new opportunities. Unlike markets or hierarchies, adhocracies do not have centralized power or authority relationships. Instead, power flows from individual to individual or from task team to task team, depending on what problem is being addressed at the time.

The Market Culture refers to a type of organization that functions as a market itself. It is oriented toward the external environment instead of internal affairs. It is focused on transactions with (mainly) external constituencies such as suppliers, customers, contractors, licensees, unions, and regulators. And unlike a hierarchy, where internal control is maintained by rules, specialized jobs, and centralized decisions, the market operates primarily through economic market mechanisms, mainly monetary exchange. The major focus of markets is to conduct transactions (exchanges, sales, contracts) with other constituencies to create competitive advantage. Profitability, bottom-line results, strength in market niches, stretch targets, and secure customer bases are primary objectives of the organization. The core values that dominate market-type organizations are competitiveness and productivity.

The Hierarchy Culture characterized by a formalized and structured place to work. Procedures govern what people do. Effective leaders are good coordinators and organizers. Maintaining a smooth running organization is important. The long-term concerns of the organization are stability, predictability, and efficiency. Formal rules and policies hold the organization together. Organizations ranging from a typical U.S. fast-food restaurant (such as McDonald's) to major conglomerates (like Ford Motor Company) and government agencies (such as the Justice Department) provide prototypical examples of a hierarchy culture. Large organizations and government agencies are generally dominated by a hierarchy culture, as evidenced by large numbers of standardized procedures, multiple hierarchical levels (Ford has seventeen levels of management), and an emphasis on rule reinforcement.

Organizational commitment is defined as a strong desire to remain a member of a particular organization; a willingness to exert high levels of effort on behalf of the organization; and a definite belief in, and acceptance of the values and goals of the organization [7]. Organizational commitment could be differentiated as affective commitment and continuance commitment [8]. Affective commitment denoting an emotional attachment to, identification with, and involvement in the organization and continuance commitment denoting the perceived costs associated with leaving the organization. The third distinguished component of commitment, *normative* commitment, reflects a perceived obligation to remain in the organization [9]. Many research support of a positive relationship between organizational commitment and desirable outcomes.

Research conducted on the Rowan University showed that the actual and the preferred culture was clan culture, since the scores had the highest magnitude [10]. Clan culture is a form of organizational culture in which organizational culture here is similar to a family organization. Clan culture emphasizes teamwork and employee development, where the employee is considered as a customer and partner [6]. The organizational culture promotes humane working environment, with the goal of empowering managerial

employees, obtain participation, commitment and loyalty [6]. Results of this study are in accordance with studies conducted at Riau Province private universities, that teamwork culture improves performance of the lecturers [2].

Research about the suitability of the individual value with the organization value and its relationship with employee commitment to 6 banks in Delhi, India using the Organizational Culture Profile (OCP), Organizational Commitment Survey (OCS), and Socialization Practice Scale (SPS) indicated that there was a relationship between the similarity of the value and employee commitment [11]. Study by Nwadei [12] about the relationship between the similarity of individual values with organizational values showed there was a significant relationship between similarity of the values with the organizational commitment of employees. The study conducted using organizational culture approach by Hofstede [13].

Study examined the relationship between organizational cultures with the effectiveness of the college showed that the strength of organizational culture does not have a significant relationship with college effectiveness [14]. The results also showed that the type of organizational culture that has a close relationship with the organizational effectiveness of the college is a clan culture, followed adhocracy culture, market culture, and hierarchy. This similar result was found in the research conducted at the California State University. It was found that the dominant preferred culture is clan culture but the dominant actual culture is hierarchy culture [15].

III. RESEARCH METHODOLOGY

Research using the survey method, performed by taking a sample of the population and the use of questionnaires as a data collection tool. This research is explanatory research study as it aims to explain the influence of variables through hypothesis testing. Research related to human behavior, which considers that the behavior of human psychology is a reaction that can be complex or simple, so this research is an explanatory research, based on the perception of the respondents.

A. Research Hypotheses

The profile of organizational culture will be examined, and based on the theory and previous research, the research hypotheses are:

- There is a significant difference between actual organizational cultures with preferred organizational culture by the lecturers.
- The smaller the difference between the preferred culture and the actual culture of the organization, the higher the organizational commitment of the lecturers.

B. Sample and Data Analysis

The sample of this research was 123 lecturers from 5 foremost Private University in Jakarta. Variables in this study consisted of 2 variables namely preferred organizational culture and actual organizational culture

(X1) as an exogenous variable and endogenous variable of organizational commitment (Y1). Data obtained by distributing questionnaires about lecturers perception in organizational culture and organizational commitment. Organizational culture was measured by Organizational Culture Assessment Inventory (OCAI) developed by Cameron and Quinn (2006), and organizational commitment was measured by Organizational Commitment Survey (OCS) developed by Meyer and Allen (1990). Data analysis conducted to test the hypothesis that there are significant differences between the actual organizational cultures with preferred organizational culture of the lecturers. Testing was conducted using SPSS software (Statistical Package for Social Science).

IV. RESULT AND DISCUSSION

A. Actual and Preffered Organizational Culture Profile

As presented in Table I, the dominant actual culture was hierarchy culture but the dominant preferred culture was clan culture. This result was similar with previous researches conducted by Fox [15].

Average score of the actual clan culture was at 23.53, while the average score of the preferred culture clan was at 28.55. Clan culture is a form of organizational culture in which the organization's situation is similar to a family. An organization with a clan culture emphasizes teamwork and employee development, where the employee is considered as a customer and partner. As Cameron and Quinn [6], that the clan organizational culture promote humane working environment, with the goal of empowering employees, obtain participation, gain commitment and loyalty of their employees.

TABLE I. STATISTICS OF CULTURE PROFILE

	Preferred	Actual	The Gap
Clan Culture	28.55	23.53	-5.02
Adhocracy Culture	23.65	22.86	-0.29
Market Culture	23.32	25.31	1.99
Hierarchy Culture	23.99	27.01	3.01

Value of the average score of actual adhocracy culture was 22.86 while the average score of the preferred adhocracy culture was 23.65. Adhocracy culture [6] is a cultural organization that works based on the formation of ad hoc teams, which refers to the unit, temporary, special, and dynamic. Organization with adhocracy culture can be seen in industries such as aerospace, software development, consulting think- tank, and filmmaking [6].

The average value of the actual market culture score is equal to 25.31, while the average score of the desired culture of the faculty market amounted to 23.32. The market organizations focus on transactions with parties outside the organization such as suppliers, customers, contractors, licensees, unions, regulators, and others. Based on this research, higher education institution should reduce the market oriented culture.

The mean score for actual hierarchy culture was at 27.01 while the desired hierarchical culture was 23.99.

Hierarchy culture is a culture that emphasizes a relatively stable environment, where tasks and functions can be integrated and coordinated so that the uniformity of products and services can be maintained. This is because the workers are under control to do the job. In the hierarchical culture, organizational success is determined by the decision makers who have the authority for making rules, standards and procedures, as well as the control and accountability mechanisms [6]. This result did not support the research by Fralinger and Olson [10], since there are similar dominat organizational type between actual with the preferred culture in Rowan University.

Higher Education Institutions (HEIs) in Indonesia can be divided into two groups: the public HEIs and the private HEIs. The public HEIs are under the jurisdiction of the state treasury law, education system law and civil servant law and are treated as part of the ministry. Private HEIs are regulated under the Foundation and Education System Law, and are considered the business arm of the foundation. Under the many regulations issued by government, the Indonesian HEIs have no independent means of carrying out their mission as a moral force and they become less accountable and less innovative [16]. This is the explanation why the culture of private higher education tend to be hierarchy.

B. Profile of Organizational Commitment

Organizational commitment of the lecturers dominated by the affective commitment is as shown in Table II. It was a good organizational commitment, because affective commitment reflects commitment based on emotional ties the employee develops with the organization primarily via positive work experiences and has positive correlation with positive behaviors [17]. Normative Commitment reflects commitment based on perceived obligation towards the organization, for example rooted in the norms of reciprocity. Continuance Commitment reflects commitment based on the perceived costs, both economic and social, of leaving the organization [18].

TABLE II.   COMMITMENT PROFILE

Commitment	N	Mean	Std. Deviation
Affective	107	3.6187	.49186
Continuance	107	2.8641	.58445
Normative	107	3.3473	.76530

According to Robbins (2006) affective organizational commitment is a good commitment, because it is related to individual performance. As stated by Meyer and Allen (1997), many researches confirm that affective commitment is related to individual performance.

C. Results of Hypotheses Test : Hypotheses 1

Statistical paired tests showed in Table III indicated that the differences between actual and preferred clan, between actual and preferred market, between actual and preferred hierarchy were significant at the level of 0.000, 0.001, and 0.001. The difference between actual and preferred adhocracy was not significant, indicated that the

actual adhocracy culture already fit with what the lecturers preferred. The clan market culture should be increased, and the market culture and the hierarchy culture should be lowered.

TABLE III.   RESULT OF PAIRED SAMPLE TEST

Pair	Organizational Culture	t	df	Sig
1	Actual Clan – Preffered Clan	-5,885	121	,000
2	Actual Adhocracy – Preffered Adhocracy	-1,352	121	,179
3	Actual Market – Preffered Market	3,402	121	,001
4	Actual Hierarchy – Preffered Hierarchy	3,527	121	,001

D. Results of Hypotheses Test : Hypotheses 2

Based on the hypotheses test, the gaps between actual organizational culture and preferred organizational culture did not affected affective and normative organizational commitment of the lecturers. The gaps significantly affected the continuance organizational commitment of the lecturers, but in the positive direction as shown in Table IV. Continuance Commitment reflects commitment based on the perceived costs, both economic and social, of leaving the organization.

TABLE IV.   THE EFFECT OF CULTURE GAP ON CONTINUANCE COMMITMENT

Organizational Culture Gap	t-value	Sig
Constant	33.046	0.000
Actual Clan and Preferred Clan	-1.663	0.099
Actual Adhocracy and Preferred Adhocracy	1.668	0.098
Actual Market and Preferred Market	3.331	0.001
Actual Hierarchy and Preferred Hierarchy	0.766	0.445

As shown in Table IV, the t-value was 3.331 with significant level 0.001. The gap of market organizational culture had a positive impact on continuance commitment, so the bigger the gap between actual market culture and preferred market culture, the stronger continuance organizational commitment. This result supported research conducted by Wang *et al.* [19] that there was different direction of the effect of perceived organizational support that lower continuance commitment, while increasing affective commitment and normative commitment.

V.   CONCLUSION AND RECOMENDATION

A. Conclusion

- Actual organizational culture based on the perception of the lecturers was dominated by hierarchy organizational culture, while the dominan preferred organizational culture is the clan culture.

- There are significant differences between the actual organizational culture and preferred organizational culture by the lecturers.
- The gap between actual market culture and preferred market culture had positive effect on continuance commitment of the lecturers.

B. Recommendation

- To achieve organizational culture qonruence, the management needs to involve the lecturers in setting policies and making rules by socialization process.

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