

## THE ESSENCE OF ORGANIZATIONAL CULTURE IN IMPROVING ORGANIZATIONAL PERFORMANCE

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### Abstract

*Organizational culture is an important part that must be considered in a company because it has an impact on improving performance. The human resources owned by the company determine the success of the organization within the company in achieving the goals of the company itself, therefore human resources begin to play a role in managing the resources owned by the company to achieve organizational goals within the company. The research method used in this research is qualitative research using descriptive methods. Data collection was carried out through the literature study method. There are steps that can shape organizational culture in improving performance and effective organizational development strategies.*

**Keywords:** *Organizational culture; organizational performance; effective organizational development.*

### INTRODUCTION

Culture is owned by every organization which is the hallmark of an organization, a quite important role is held in organizational culture because culture supports individual performance in the organization. When a good culture is formed, comfort will increase performance for individuals in the organization. Conversely, if a bad culture is formed, discomfort will decrease the performance of each individual in the organization. Organizational culture and organizational performance are two things that are interrelated and influence each other. Ideally, every organization will always improve the performance of its members in order to achieve organizational goals effectively and efficiently. Despite having qualified employees,

Organizational culture as a characteristic and upheld in an organization cannot be separated from the cultural ties that are created. Organizational culture is closely related to behavioral norms and values that are understood and accepted by all members of the organization and form the basis of the rules of organizational behavior. The success of organizational culture and corporate leadership style is a determinant of employee performance (Brahmasari & Suprayetno, 2008; Satyawati & Suartana, 2014; Putra, 2015; Noor & Juhji, 2020; in Habudin, 2020). Organizational culture as values guide human resources in carrying out their obligations and behavior in an organization. Organizational culture is functionally in the form of ease in generating growth in commitment to something broader than individual interests (Ariani, 2018). Employee empowerment and organizational culture are also closely related in a company, the stronger the organizational culture, the greater the encouragement of members of the organization or employees to move forward together with the company.

### LITERATURE REVIEW

In an organization, culture involves a set of experiences, philosophies, expectations, and values that are embodied in and reflected in the behavior of members. According to Mujiasih & Ratnaningsih (2012) in Habudin (2020) states organizational culture is a system that is believed and values developed by an organization which guides the behavior of the members of the organization itself. Meanwhile, according to Munandar; Samsudin (2013) in Habudin (2020) that organizational

culture is a way of thinking, feeling, and reacting based on certain patterns that exist within the organization.

Ningsih and Setiawan (2019) provide an understanding that organizational culture is a construction of two levels of characteristics, namely observable and unobservable organizational characteristics. According to Robbins & Coulter (2012) reveals that organizational culture as values, beliefs, or perceptions owned by employees in an organization or organizational unit. Organizational culture has been explored for its correlation with job satisfaction, organizational commitment, productivity, and turnover intentions. According to Schein (2004) that the existence of organizational culture can be found at three levels according to its depth, namely artifacts that manifest on the surface in the form of objects (physical manifestation), behavior (behavioral manifestation), and language (verbal manifestation).

The core values of the organization are deeply held and widely shared, a strong culture has a major influence on the behavior of its members because a high level of solidarity and intensity will create a controlled internal climate behavior. Furthermore, Thompson, Strickland, and Gamble (2010) revealed that three factors encourage the formation of a strong culture within a company, namely (1) a strong founder or leader establishes consistent values, principles and practices and understands customer needs, competitive conditions, and strategic needs, (2) the sincerity of the company's commitment to running a business in accordance with established traditions so as to be able to create an internal environment that supports decision making and strategies according to cultural norms,

According to Gaspersz (2012) performance is a translation of performance which is often interpreted as "appearance", "demonstration" or "achievement". This also agrees with what was said by Mangkunegara (2008) that the term performance comes from the word job performance or actual performance, namely work performance or achievements to be achieved. dismiss an employee. Performance is a condition that must be known and informed to certain parties to determine the level of achievement of an agency's results related to the vision carried out by an organization and to know the positive and negative impacts of an operational policy taken. This performance can be used by management to conduct periodic assessments of the operational effectiveness of an organization, organizational divisions, and employees based on objectives, predetermined standards and criteria. Furthermore, performance appraisal should contain performance indicators, namely: (1) paying attention to every organizational activity and emphasizing on the customer's perspective, (2) assessing each activity using performance measurement tools that give an impression on customers, (3) pay attention to all aspects of performance activities in a comprehensive manner that affect customers, and (4) provide information in the form of feedback to help organizational members identify problems and opportunities for improvement.

## RESEARCH METHODS

The research method used in this study is qualitative research using descriptive methods. Data collection was carried out through the literature study method, namely by searching various written sources, in the form of books, journals, and articles relevant to the issues being studied.

## RESULTS AND DISCUSSION

### Steps to form organizational culture in improving organizational performance

Forming a good organizational culture can be done through effective leadership. Organizational culture is formed by leaders who have a figure from the culture they will build. Leaders must be able to help subordinates create a strong sense of identity for their workers, able to develop personal bonds between employees and the institution where they work. It is important that every member of the organization has a sense of belonging as a basic capital in pushing themselves

to achieve the mission and goals of the organization, without personal ties or a sense of belonging to the organization, it will be difficult to carry out the vision, mission and goals of the organization.

Not only leaders must be effective in creating a good organizational culture, but also members of the organization or employees must be able to maintain the stability of the organization as a social unit that guides behavior, as a result of the behavioral norms that have been formed. Forming a good organizational culture takes a long time and is gradual, because in the middle it can experience ups and downs from time to time. Employee productive efforts and helping everyone in working to achieve the same goals are goals in a good organizational culture.

The heart of a strategic management concept in an organization, strategy is an important thing that must be implemented in the organization. The strategy provides an overview of the organization's ability to align its resources with the changing demands of the organizational environment. Through the implementation of strategy, organizations can strive to utilize options in dealing with threats and utilize various organizational advantages to minimize organizational weaknesses.

In an effective organizational culture development strategy, we can see the tendency that every activity in the organization begins strategically where the decision-making part is influenced by the organizational culture itself. Through various studies by experts, the results show that strategy, pay system, organizational structure, organizational control system, leadership style, and other elements are strongly influenced by organizational culture. So it is understood that organizational culture is an important factor in organizational performance even in achieving organizational success or failure.

The important thing in implementing an effective organizational culture development strategy is seen from the shared cognitive structure within the organization as the heart of the organization because the cognitive structure includes assumptions, values, norms, attitudes, and behavior. The assumptions that are built become the basis of the interactions and internal relations of the organization. The values that are formed in the organization become the basis for members in the organization to act. The norms held by the organization become the rules that apply even though they are informal. Attitudes and beliefs in the organization become part of the habits of every member in the organization and interact with fellow members of the organization. In organizational culture also includes a symbolic component apart from the cognitive component,

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There are three strengths or strategies that have an important role in maintaining the culture, namely selection practices, top management actions, and socialization methods. (1) Selection, the purpose of the selection process is to identify and employ individuals with the knowledge, skills, and abilities to work well. The final process is decision making, significantly influenced by the decision maker's consideration of how well prospective members can enter the organization, identifying people whose values are basically consistent with the organization. Selection also provides information to applicants, whether the values possessed by individuals are in accordance with the organization to be registered. Selection gives two directions, which enables the employer or applicant to avoid incompatibility and maintain the organization's culture by selecting people contrary to the organization's values. (2) Top Management, Actions taken by superiors have a major impact on organizational culture. Through words, as well as behavior, superiors establish norms that filter the organization for example, whether risk taking is desirable, how much freedom managers give employees, and what actions result in raises, promotions, and other rewards. (3) Socialization. In carrying out socialization activities, each member needs assistance to adapt to the prevailing organizational culture.

## Conclusion

Forming a good organizational culture can be done through effective leadership. Organizational culture is formed by leaders who have a figure from the culture they will build. The important thing in implementing an effective organizational culture development strategy is seen from the shared cognitive structure within the organization as the heart of the organization because the cognitive structure includes assumptions, values, norms, attitudes, and behavior. In an effective organizational culture development strategy, we can see the tendency that every activity in the organization begins strategically where the decision-making part is influenced by the organizational culture itself.

Through various studies by experts, the results show that strategy, pay system, organizational structure, organizational control system, leadership style, and other elements are strongly influenced by organizational culture. So that it is understood that organizational culture is an important factor for organizational performance even in achieving the success or destruction of the North organization.

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