

ANALYSIS OF LOCAL ELEVATOR COMPANY CORPORATE CULTURE

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ABSTRACT

Abstract. PT Louserindo Megah Permai (LMP) management planned to reinforce their human resource motivation in order to improve overall company performance. One of their tasks will be to standardize and boost the company culture. This study was conducted to identify the existing company culture components. The good ones would be maintained and the weak points would be improved. Methodology used in this study was interviews with the three levels of the organization using prepared questionnaires. Data collected from the interviews were processed using SPSS software 16.0. The good culture components found were: briefing, communication, socialization, tolerance, integration, attention, and management support. The remaining components were the weak points.

Keyword : company culture, interview, questionnaire, SPSS

1. INTRODUCTION

In general, a company long term goals are based on economic motives to increase added value and economic benefits for the stakeholders. For this purpose the company must have clear vision, mission, strategy, and planned work programs, which are focused and continuous. To achieve the goals a company needs the support of four pillars namely the quality human resources, integrated system and technology, appropriate strategy, and adequate logistics. Only the company who managed all the resources efficiently can survive and win the competition. One of the resources is the strong Corporate Culture. Corporate culture is a management engineering to support the change of strategies and structure of organization (Woo Gim Chuan Marcus, 2010).

PT LOUSERINDO MEGAH PERMAI (LMP) is one of local lift and elevator producers operating in Indonesia located in Kebayoran Lama, Jakarta. LMP has a manufacturing facility in Cipondoh, Tangerang and a warehouse nearby. LMP corporate strategy in the hypercompetitive market should always be adopted to the dynamic changes in the market. Company

corporate structure takes on the strategy and this structure change should be followed by the change in the corporate organization culture. The corporate culture is one of the binding rules for all managers and employees of LMP so that they have the same goals and way of working. The corporate culture works systematically as the guide for managers and employees to increase their performance and maintain their commitment to LMP.

Currently LMP rivals are large foreign big elevator companies like Mitsubishi, Hyundai, Schindler, Kone, Sigma, and Otis. LMP is the largest local elevator manufacturer in Indonesia.

2. FOCUS OF STUDY

The focuses of this study are defined in the following two questions:

1. How strong is the current corporate culture of LMP?
2. How the glorious corporate culture values in LMP are applied daily by the employees ?

3. THEORETICAL BACKGROUND

3.1 Company Corporate Culture

Culture is a certain complex and wide concept which is correlated with behavior, ceremony/ritual, and reliance. Whereas, company corporate culture in work definition are values which the human resources hold in carrying out their duties and also behavior in organizations.

Company corporate culture is related with other organization components, such as the structure and organization strategy, therefore they should have harmony among the strategy (how organization reach its purpose), structure (how organization is shaped to support in reaching the purpose), and the culture (how the organization correct their actions in reaching the purpose (Susanto, 2007)

3.2 Organization Culture

Organization culture is a spread dominant value in an organization and serves as a reference for employee working philosophy which is correlated to the system as a joint meaning which organization member's belief until it is distinguished from other organizations. Organization culture is often called basic philosophy which gives directives for organization policy in managing their employees. These directives are shaped by their members until they understand and feel the meaning, therefore can be called the basis for organization movement. (Moeljono, 2005)

3.3. Work Culture

Work Culture is a philosophy based on life view as the values become characteristic, habitual, and stimulating personage, be entrenched in life for the society and organization, then is reflected from attitude to the belief, ideas, opinion and action in daily activities. Organization Work Culture is a management system which includes the development, planning, production, and service for quality products. Quality meaning the most economical and meet customer satisfaction (Triguno, 2004)

4. RESEARCH METHOD

Figure 1 shows a flowchart for the study followed by the writer to conduct the research.

Study of existing company profile

In this step the writer collected relevant reading materials from the library and the internet with the topic. This included collecting available information about LMP organization and business activities. Relevant problems with the topic [corporate culture at LMP] were identified and formulated.

Data Collection using questionnaire.

This included collecting information about LMP organization, business and operations activities and process of production. Data collected using questionnaire distributed to office/managerial personnel, production, and warehouse, with 30 identified respondents to represent each level and division.

Data validity and reliability test.

Data collected from the questionnaire were tested for validity and reliability using Software SPSS 16.0.

When the whole data passed validity and reliability tests, they were mapped into the LMP organization culture objectives.

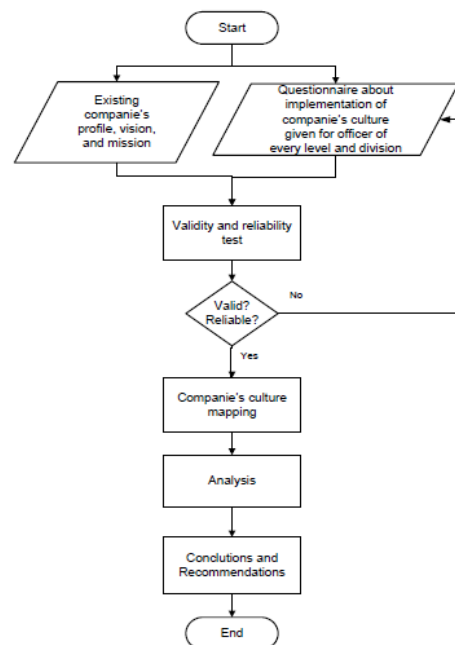


Figure 1. Flowchart for the methodology

Data Analysis

Following the mapping the findings were analyzed.

Conclusion and recommendation

Following data analysis, conclusion was written. Recommendation was prepared for further study.

5. RESULT AND DISCUSSION

5.1 Company Corporate Profile

Louserindo Megah Permai (LMP) was established on May, 18 1987. In the beginning LMP used a small workshop for elevator modification to renovate and repair all kinds of lifts, elevators and escalators. LMP later took jobs to do partial installation work as a sub-contractor and then for routine maintenance service and repair of old installations.

LMP prepare and complete installation manufacturing for passenger elevators, including hospital bed lift, service life, baggage and panorama lift. LMP intends to be national lift producer leader. LMP always keep growing and never lost quality challenges from foreign lifts. LMP cooperates with foreign elevator company for motor license and controller, in order for LMP to assemble own motor and controller.

5.2 Vision and Mission of Company Corporate

Vision : To be the “Biggest, best and most famous” lift producer in Indonesia
Mission :

1. Increase the best service toward passenger.
2. Increase the result of production quality through professional lift manufacturing, implementation and installation.
3. Increase prosperity and capability of human sources
4. Participate in saving state devisa through increasing local contents in the production output

5.3 The Questionnaire

The researcher developed and distributed questionnaire in three LMP working areas to cover the office as many as 9 respondent, production 15 respondent, and warehouse 6 respondent in which done by the researcher to make data included about company corporate culture criteria which given 20 question of questionnaire to representation at each division or every level by 30 sample respondent. Table 1 shows the results of the questionnaire.

Table 1. Questionnaire results

No	Question	Result
1	The Supervisor/Head of Division made me motivated to do innovation/ new ideas in work	4.167
2	The Supervisor/Head of Division give me freedom in action, and decision making	3.933
3	The Supervisor/Head of Division explains company Vision, Mission, and Organization Values to employees	4.200
4	The Supervisor/Head of Division explains clearly the success standards in my work	4.033
5	The Supervisor/Head of Division monitors the arrival and returns of employee	3.867
6	In work implementation, I coordinate with my team and The Supervisor Head of Division	4.533
7	I complete my job following company procedures	4.333
8	The Supervisor/Head of Division give clear directive and communication about my job and offer solution in case of obstacles	4.467
9	The Company provides optimum facilities to support completion of work	4.167

Table 1. Questionnaire results

No	Question	Result
10	I try to follow regulations although there is no monitoring from The Supervisor/ Head of Division	4.267
11	Peoples in the company use decent language to other people on every level	4.333
12	Salary is one of strong motivation to make employee work diligently	4.367
13	The Supervisor/Head of Division give reward or punishment to employee work performance	4.000
14	We perform religious praying together, read Hadits and care for orphans/needly people	4.467
15	I was given freedom to take advice/ built up critics to Head of Division.	4.200
16	Corporation formally acknowledges corporate work values	4.133
17	The Supervisor/Head of Division always remind me about 5R (Ringkas, Rapih, Resik, Rawat)	4.100
18	I usually was given time to change information with colleagues and Head of Division	4.033
19	The Supervisor/Head of Division observe environment place of work in the factory or environment	4.200
20	The Supervisor/Head of Division give opportunity to improve mistakes	4.300

5.4 Result of Validity and Reliability Test

Validity test results with 30 respondents will be compared with Table r value and arithmetic r value using SPSS software. Reliability test used Cronbach Alpha Reliability approach. This reliability test was used to see the consistency of research variables. High Alpha value was taken at $0.912 > 0.7$. Only valid and reliable data will be analyzed. The result of this test is shown in Figure 2.

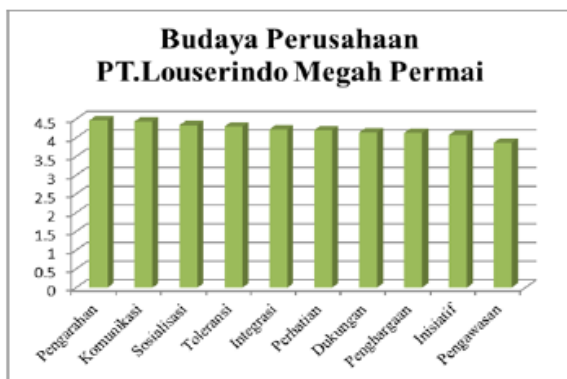


Figure 2. Corporate Culture levels of LMP

5.5 Description of the 10 Corporate Culture Components.

Based on questionnaire results there are ten company corporate culture components found in LMP.

Briefing

Appreciation Statement is stated as variable-8: The Leader provides clear directives and communication about job and offers solution in times of unresolved problems. Employees of LMP feel the clear appreciation because LMP routinely run weekly meeting every Monday to review past performance and plan for future weekly plans.

Communication

This component is stated as variables X6 and X11: to conduct communication

and coordination with work colleagues or leader using clear decent languages. LMP always apply positive communication among management and employees to create close relationship. Decent appropriate languages are used in allocating tasks and reporting work performance performed by LMP employees.

Socialization

Value is a basic concept and trust in an organization. Value can motivate employees to reach the best results. Motivation should be performed by all supervisors, managers or executive to all human resources.

Value statement is defined as variables X3 and X14 when disseminating LMP vision, mission, and organizational values in routine job activities as well as during religious or social activities within LMP or with outside society.

Values concept is found at all levels at LMP leaders, employees, and general society in order to motivate employees to get best work achievement in line with the targets of LMP corporate goals.

There are posters carrying the messages about the vision and mission of LMP. This is one type of socialization act at LMP.

Tolerance

Employees should be motivated to be aware of risks that may happen. This statement is stated as variable x20: the chance to repair a mistake. LMP do not tolerate any deviation from rules already defined. This is because any deviation from stated technical or manufacturing standard rules may endanger the passengers of LMP elevators.

Integration

This component defines how work units in the organization are motivated to coordinate their activities in manufacturing the products. How far there is the need for cooperation in carrying out tasks. How deep are the interdependence in human resources. These statements are defined as variables x7, x15, and x16: Corporate procedure regulation, to give advice and critics to the supervisors and cooperation among employee. Integration in LMP still need to be increased in work completion between LMP's various sections, and between supervisors, employees and leaders.

Attention

Company faces various kinds of problem in the environment, such as competition, passengers, technology, and surrounding environment. Attention statement is stated as variable X19: how much attention is given by LMP to its surrounding society. A lot of employed LMP workers are recruited from people living in the adjacent area.

Endorsement

This component deals with how far supervisor/manager gives clear information, helps and endorse employee in carrying out their work. This component is stated as as variables x1, x9, and x17: when there is new appropriate innovation/ideas, the company should allocate working facilities to perform them. Employees should feel that there are endorsement and support from their supervisor/leader. This is in line with the concept of 5R [Ringkas (Concise), Rapih (Orderly), Resik (Clean), Rawat (Maintain), and Rajin (Diligence)]. LMP still have to improve in this cultural component.

Achievement

Achievement appreciation (salary rise, promotion) are based on employee work

performances. At LMP there is a clear standardized system based on criteria which were determined by LMP directors. Reward system statement is found on variables X4, X12, X13, i.e. the measurement of successful performance, salary adjustment, and provision of reward or punishment.

Initiative

This is defined as how far someone with good initiatives are given attention and opportunities to realize the plausible idea in the company activities. Also on how far someone is given the authority on how to carry out his/her job. However initiative goes together with the relevant responsibility. This component is stated as variables X2, X10, and X18: When an employee has a different way of doing things he/she shall follow the rules and obey the regulation, and shall not waste time for changing information.

Supervision

Consist of regulation and direct supervision which use to see the totality of employee behavior. (Susanto,1997). This statement is found as variable X5: leaders monitor employee performance.

6. CONCLUSION

Based on the discussion above the writer concluded that the culture components which passed the validity and reliability test above 0.912 are:

Briefing

The best briefing should be done by a leader in LMP as routine activities every Monday to evaluate one week activities.

Communication

Communication applied among employees to create high morale and familiarity among them obtain high standard of employee working performance.

Socialization

Posters containing messages of LMP vision and mission were found displayed in the interior walls of LMP.

Tolerance

LMP management do not tolerate any manufacturing mistakes because LMP operates in this particular field.

Attention

Leaders pay attention and appreciation to the best work place of production floor or offices.

LMP holds 5R values: Ringkas (Concise), Rapih (Orderly), Resik (Clean), Rawat (Maintain), and Rajin (Diligence). Posters showing this message are displayed on interior walls of LMP.

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