

# Comparison of Culture and Organization Effectiveness

## *A Case Study of Labuang Baji Hospital and Stella Maris Hospital in Makassar*

Muhammad Nur Yamin  
Faculty of Social Sciences  
Makassar State University  
Makassar, Indonesia  
nuryamin1@gmail.com

Muhammad Nur  
Dept. of Administrative Business  
National Informatics Polytechnic  
Makassar, Indonesia

**Abstract** The objective of the study was to analyze the relationship between organizational culture and effectiveness at Labuang Baji Hospital and Stella Maris Hospital. The research is explorative using qualitative method with case study approach. Interview and observation data were analyzed dominant pattern matching. The results showed strong organizational culture of Stella Maris Hospital showed the dimensions of consistency, adaptability, and mission, although the dimension involvement is weak. Conversely weak organizational culture of Labuang Baji Hospital was seen from the dimensions involvement, consistency, and mission, but the dimensions of adaptability is strong. Likewise Stella Maris Hospital shows effective on market share dimension, quality of service, profitability, revenue growth, and innovation compared to Labuang Baji Hospital less effective. Thus, organizational culture is related to organizational effectiveness. This shows that the strength of organizational culture determined by the clarity of the value and breadth of the norms will make a firm commitment to the organization.

**Keywords:** *organizational culture, organizational effectiveness, hospital, Makassar*

### I. INTRODUCTION

Strong organizational culture is a form of organizational effectiveness is high, there is a tendency of organizational culture as a milestone or foundation that must be owned by the organization, because the organizational culture supports the success or failure of the organization. The assumption that a group of people who live in togetherness will have value and be implemented together.

An effort to improve organizational performance requires the existence of a standard reference imposed by an organization that systematically guides its members to increase work commitment to the organization. Created a widely spread belief of corporate cultures being perhaps the significant factor behind the performance of companies [1]. Therefore, every organization needs to create shared values to build organizational systems to uniform thoughts and actions and change individual behavior to behavior organization. This study aims to compare organizational culture and effectiveness at Labuang Baji Hospital and Stella Maris Hospital in Makassar City.

A cultural perspective within an organization is a set of frameworks that guide organizational members to behave appropriately for organizational success. According to strong culture are also often said to help business performance because they create an unusual level of motivation in employees[2]. Sometimes the assertion is made

that shared values and behaviors make people feel good about working for a firm. The existence of a culture within an organization is where members of the organization can focus and devote all the attention to the value system prevailing within the organization. In addition, the relationship between culture and organizational effectiveness, viewed as an organization's success is due to a combination of values and beliefs, rules and practices, and the relationship between each other [3].

Culture that belongs to all members of the organization as an integration of values that believed to produce an effective organization, as proposed by Denison, organization that combines the nature of organizational culture that consists of four dimensions of involvement, consistency, adaptability, and mission, show the effect of higher level of organizational effectiveness[3]. This opinion is corroborated [4] [5] [6] that the nature of engagement, consistency, adaptability, and mission of organizational culture shows the significance of the effect on organizational effectiveness. As the research results focus on these four traits, it is consistent with other research on organizational culture and effectiveness, eg Fey and Denison, 2003; Gordon and Di Tomaso, 1992; Sorenson, 2002; Haaland et.al. 2003; Gillespie et.al. 2007; Yilmaz and Ergun, 2008; Schmith et.al., 2009;, show a positive relationship between each of the four cultural dimensions with various indicators of organizational effectiveness[7]. However, further research and practice regarding organizational culture evolves an understanding of how cultural traits combine to influence organizational effectiveness. Measuring the effectiveness of the organization according to the objectives based on The Denison Organizational Culture Survey with indicators of market share, revenue growth, quality of good and service, innovation/ new product development, employee satisfaction, and profitability[8]. The general framework of values and beliefs has a positive impact on organizational effectiveness.

Corresponding authors: Muhammad Nur Yamin

II. RESEARCH METHOD

Research Organizational culture and effectiveness including descriptive research is assessed at the organizational system level. The research approaches mentioned earlier [9] used qualitative methods with case study approaches. aimed at decrypting the comparison of organizational culture and effectiveness of Labuang Baji hospital and Stella Maris hospital in Makassar City, focusing on trend, pattern, direction, interaction of various factors. Data collection techniques are interviews and observations. As the case studies are hospital leaders (high, middle, and lower) who coordinate and direct the behavior of members of the work unit.

The data analysis technique uses dominant pattern matching [10], comparing the empirical finding pattern with prediction pattern based on the initial proposition, if the result of the interpretation of the case is examined as a whole rejected the initial proposition then traced further what causes it at the research location. Whereas if the results of the interpretation support the original proposition (no dichotomy), then see which patterns of relationship are proven in the field based on the theory. The matching pattern matching becomes evidence (data) for conclusion withdrawal.

III. RESULT AND DISCUSSION

This study builds on the organizational culture framework of Daniel R. Denison's Theory, the concept of organizational culture along four dimensions shows the relationship with organizational effectiveness[9].

Table1. Relationship organizational culture and effectiveness at Labuang Baji Hospital and Stella Maris Hospital in Makassar City, Year 2014

Effectiveness Organization	Organizational Cultural Dimensions							
	Invol-ement		Concis-ency		Adapt-ability		Mission	
	LB	SM	LB	SM	LB	SM	LB	SM
Market share							W IE	S E
quality of service	W IE	W E						
Profitability			W IE	S E			W IE	S E
Innovation					S E	S E		
Revenue growth					S IE	S E		
employee satisfaction	W E	W IE						

Description:

LB: Labuang Baji Hospital  
SM: Stella Maris Hospital

S : strong  
w: weak  
E : effective  
IE: ineffective

The effects of these four cultural traits, can be argued that each of the four cultural traits has a significant effect on

organizational effectiveness and the four cultural traits are expected to lead independently to a positive effect on organizational effectiveness Overall, however, the relative effects of each cultural trait to an organizational effectiveness indicator can be vary from one characteristic cultural to another.

A. Dimension of Involvement to Organizational Effectiveness

Involvement is an organizational member committed to the job, encouraging engagement and creating a sense of ownership and responsibility for the job. Weak involvement at Stella Maris Hospital is determined by the ability to empower the organization's members and low teamwork. While at Labuang Baji Hospital low involvement due to team orientation and the development of the ability of members of the organization is low. According to, high levels of engagement and participation organizations create a sense of ownership and responsibility, then develop into a big commitment to the organization and expand capacity to work with greater independence [6]. In addition, organizations high on the nature of engagement are expected to perform better especially in aspects related to the internal dynamics of the organization and require flexibility, such as quality improvement [11].

B. Dimension of Consistency on Organization Effectiveness

Consistency as the existence of systems and organizational processes are steady because of the belief in values and regulations. Strong consistency in Stella Maris Hospital due to the influence of core organizational values is high so that understanding and integration are also high. Another thing in Labuang Baji Hospital is that the consistency is weak due to the low appreciation of the organization's core values, understanding and integration. K. Lencioni in Janovics[5] argue that work behavior is rooted in core organizational values, skillful leaders and followers reach agreement and combine different perspectives, organizational activities are well-coordinated and integrated. In addition, proposed shared beliefs and values of organization members are indispensable for organizational effectiveness especially regarding organizational innovation, employee behavior and other organizational actions[6].

C. Dimensions of Adaptability to Organizational Effectiveness

Adaptability is the ability of an organization to respond to changes in external conditions by making internal adjustments to the organization. Stella Maris Hospital and Labuang Baji Hospital have strong adaptability to respond to external forces, through customer focus and change making. Different things at Stella Maris Hospital have a strong but weak organizational learning at Labuang Baji Hospital. So that market share Stella Maris Hospital more effective.

According to, adaptation as an organizational ability in responding to changes that occur rapidly in the external environment by making internal adjustments to the organization [11]. Then, organizations accept, translate, and interpret signals from the environment into opportunities to drive innovation, gain knowledge, and develop organizational market capabilities [5].

#### *D.Dimension of Mission to the Effectiveness of Organization*

The mission that provides clarity and direction of the organization at Stella Hospital has been strongly determined by clarity of direction and organizational strategy, vision and goals. While Labuang Baji Hospital mission dimension is weak because of all three factors is weak. Janovics [5] argue, the direction of organizational strategy tells the organization members why they are doing their work, and how the work they do contribute to the organization. On the other hand, Job size clarity and goal emphasis are also good predictors of organizational performance, and appear to be the strongest control of market share, financial performance indicators, and overall company performance [8].

Based on these conditions, the strong organizational strength dimension of the organization is in line with the effectiveness of certain indicators of organizational effectiveness, and the weak organizational dimension corresponds to the ineffectiveness of certain indicators of organizational effectiveness. The dimension of involvement in organizational culture affects the quality of service and job satisfaction of employees, the dimension of organizational culture consistency can affect the level of profitability of a hospital, the dimension of organizational culture adaptation affect the level of organizational sales growth and the level of work innovation leadership, and mission dimension in organizational culture level of market share and profitability.

#### CONCLUSION

The effectiveness of Labuang Baji Hospital organization is different from Stella Maris Hospital due to the difference of organizational culture strength. Demonstrating a less powerful organizational culture at Labuang Baji

Hospital also demonstrates the effectiveness of less effective organizations, and a strong organizational culture at Stella Maris Hospital also demonstrates the effective level of organizational effectiveness.

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