

GROWING ROLE OF ORGANIZATIONAL CULTURE IN INNOVATION TO IMPROVE PERFORMANCE

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ABSTARCT

To win the competition is very tight, and the liberalization in education then an organization is required to make innovation and creativity, thus making the organization will be more superior than others. The purpose of this study was to analyze the role of organizational culture in fostering innovation to improve performance. Innovation is the implementation of the adoption of new thinking should be developed in order to create breakthroughs to win the competition. In addition it must create the environment to organizational culture which can support the growth of existing innovation / research is qualitative research involving 3 as sources. Organization cultural indicators used are: (1) Intent to innovate, (2) innovation infrastructure, (3) the impact of innovation and (4) the implementation of innovations. The results showed that by fostering an organizational culture that can accommodate innovation and creativity of the individual will be able to improve the performance of the organization

Keywords: Organizational Culture, Innovation, performance

INTRODUCTION

The influence of globalization in various forms has been made difficult to forecast the future, but it is certain that the technology and science is a source of prime mover progress public life in the world.

The impact of globalization of communication and information that changes the pattern of fundamental information flow has become an everyday experience. To deal with the Asean Economic Community of preparation required of every sector, because there will be displacement of the flow of goods and services, as well as experts will through borders unhindered. The emergence of the term liberalization of higher education in this context stems from the World Trade Organization which considers higher education as services that can be traded or sold. For the record, the Government of the Republic of Indonesia has ratified the WTO through Law 7/1994, because it opens up opportunities for liberalization of education, and

foreign investors are free to play in the education sector. For that universities in Indonesia are required to be able to innovate to win the competition.

In essence, each company must have a culture organization that is tailored to the type of vision, the mission of the company. Cultural organizations can establish the employee's performance, because it creates the motivation for employee, to give their best performance in utilizing the opportunities provided by the company. Values that are shared makes employees feel comfortable working , have the commitment and loyalty as well as the employees work harder , improve performance and job satisfaction and maintain a competitive advantage (Pratama , 2012)

Strong culture characterized by values that are deeply held and widely agreed upon in an organization. Employees who already understand the overall values as an organization's personality. Values and beliefs that will translate into the behavior of their daily work, so it will be a good performance.

LITERATURE REVIEW

Organization Culture

Organizational culture affects the behavior of the members of the organization as a system of cultural values within the organization can be used as a reference for human behavior in organizations oriented to the achievement of performance objectives or outcomes defined, so that if the organizational culture well, it is not surprising that members of the organization are the people who good quality as well. Thus the culture of the organization, either directly or indirectly will affect the performance of an employee.

Organizational culture impact on long-term performance of the organization, perhaps even an important factor in determining the success or failure of the organization. Although it is not easy to change, organizational culture can enhance the performance so that the productivity of the organization increases. Conversely, the worse the organizational culture contained in it, then this will affect the employees who are in it, so it will have an impact on employee productivity that is therein.

Before understanding the sense of organizational culture, then the culture is actually the word itself has become an important concept in understanding people and groups of people for a long time. . Stoner , et al (1995) give a sense of culture as a complex composite assumptions , behavior , stories , myths , metaphors , and various other ideas that became the one to determine what it means to be a member of a particular community .

Described by Dhewanto et al., (2014), the aggressive competition which is characterized by the emergence of new firms, technological advances and globalization, companies under pressure to always persist in the environment are constantly changing. And innovation is the key for the company to win the competition.

Innovation.

According to Drucker in Dhewanto et al., (2014: 2), "Innovation is an almost obligatory survival strategy". In Big Indonesian Dictionary, innovation is defined as income or the introduction of new things (renewal) or new invention differs from existing or previously known (ideas, methods or tools). According to Kanter (1996) there are three things that determine organizational excellence, namely: concepts, competence and connections.

According to Amabile and Conti (1999) can be interpreted as the implementation of innovation and new thinking by individuals within the company

According to Alamsjah et al, (2010: xxvi), innovation is new ideas that successfully exploited , include the creation of something new or a combination of desires and needs . In practice, innovation is a process that is carried out continuously over time. Innovation begins with a question whether there is an opportunity to innovate. Then, the company must choose what to do and why. The next step, companies should think about how innovation can be implemented. Recently, companies practicing such innovations and analyzing the benefits of innovation.

Andriopoulos and Dawson (2011 : 31) says there are three levels of innovation , namely (1) Incremental innovations (small changes based on the knowledge and capabilities that already exist (2) Modular innovations (changes more than just a simple product development , an example of creating a new product line) and (3) Radical innovations (changes to exploit the new knowledge to take advantage of opportunities that had not occurred before, affect the process of manufacturing , sales and so on). Meanwhile, according to its kind, there are at least five types of innovation include product innovation, service innovation, management innovation, process innovation and market innovation

Fontana (2010 : 18) mentions the innovation process as a way of redesigning the company's core operations in the process of transforming inputs into outputs to improve efficiency and effectiveness . While Kelley et al . , (2013 : 30) describes the process as a series of activities for the production of a firm offer . Innovation process stressed that the company should be able to get out of the daily habits and take advantage of its unique capabilities as much as possible.

RESEARCH METHODS

Quantitative Approach

This study used a qualitative approach to conducting interviews with three speakers . Indicators of innovation culture (Dobni) used are : (1) Intent to innovate , (2) innovation infrastructure , (3) the effect of innovation and (4) the implementation of innovations .

Finding

From the results obtained informant interviews 3 that in order to innovate intent indicator can be explained that the speaker feels the organization works defined innovation as the main direction is reflected in the vision and mission, governance indigo and operational strategies in the organization. Besides that the involvement and obligations innovation will also be reflected in the contribution made to the organization.

To indicator of innovation infrastructure is strongly supported by a training strategy that held the extent of the training and education of employees are aligned with innovation as the target of the organization. In addition to employees' freedom of action and creativity in the workplace is also strongly support the existence of this innovation infrastructure. Organizations that can accommodate the creativity of their employees to conduct workplace creations will have a different impact to an organization that does not give freedom to the employees.

To indicator of innovation influence the result that the market orientation and value orientation are things that need to be considered. Employee knowledge of the market and consumer needs of this very large impact on the performance of the organization. Employees who are able to read the needs of consumers will be able to provide good value chain . Employees are also required to value orientation means should focus on the added value that can be given to the consumer.

Implementation of this strategy is a challenge to whether the organization is able to carry out the idea that adds value and organizational capabilities and processes aligning system according to changes in the environment

CONCLUSION

Organizational culture are the values that are shared by a group or organization has a major role to foster innovation in the workplace . In the face of stiff competition , the entire organization is required to be able to have the creativity and build innovation in order to improve performance and win the competition .

Organizational culture that can accommodate innovation that can accommodate intention is to innovate , innovation infrastructure availability , be able to understand the influence of innovation and able to implement innovations .

Thus organizations that have values as it will perform well and can win the competition.

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