

## **THE INFLUENCE OF ORGANIZATIONAL CULTURE TYPOLOGY ON EMPLOYEES' INNOVATIVE BEHAVIOR**

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### **ABSTRACT**

*Companies in information technology should always look for new ways and the latest in running the business. PT. NEC included in the ranking of 38 out of a list of 40 companies that took the most patents in 2015. Factors innovative behavior of employees is supporting the achievement of the company's vision in the field of information technology that is required to constantly innovate. Innovative behavior of employees is determined among other things by a factor supporting the organization, such as organizational culture other than an individual characteristic. This study aimed to analyze the influence of organizational culture typology on innovative behavior of employees. The study involved 150 respondents, drawn randomly, and the data were analyzed with multiple linear regression analysis and processed with SPSS version 20. The results showed that the clan culture and market culture positively and significantly affected innovative behavior of employees, while hierarchy culture negatively and significantly affected innovative behavior of employees. The results also showed that the adhocracy culture does not significantly influence the innovative behavior of employees.*

**Keywords:** clan culture, market culture, adhocracy culture, hierarchy culture.

### **INTRODUCTION**

PT Nippon Electronic Corporation (NEC) is a high technology based company, based in Japan and operates with representation in 160 countries worldwide with the number of employees almost 100,000 people (<http://www.nec.com/en/global/about/fact/firmsize.html>). PT NEC Indonesia has been established since 1968, is a company with a very low turnover rate below 2%. It means that most employees remain loyal to the company. This characteristic is one of the characteristics of Japanese companies which respect employee loyalty.

PT NEC, with a motto Passion for Innovation, is one of the companies that are always looking for new ways and the latest in the management of the company. The products of NEC have also encouraged the growth of creativity and innovation communities around the world. With a focus on the products of information and communications, NEC has been at the forefront of companies that invest their resources to the advancement of technology.

Based on data, <http://www.businessinsider.co.id/> PT. NEC is in the 38 position of the 40 most innovative companies with based on the most patents in 2015, ie by the number of patents as

many as 336 pieces. The number of patents obtained by NEC during the 2015 relatively far compared to IBM with the number of patents as many as 3,059. The ten most innovative company in the world based on the number of patents obtained in 2015 are presented in Table 1.

**Table 1. The top ten Companies in Patens**

<b>Rank</b>	<b>Name of companies</b>	<b>Number of Patens</b>
1	International Business Machines Corporation (IBM)	3.059
2	Samsung	3.052
3	Canon Kabushiki Kaisha	1.782
4	LG	1.263
5	Google	1.083
6	Sony Corporation	1.074
7	Microsoft	1.037
8	Qualcomm Incorporated	1.034
9	Kabushiki Kaisha Toshiba	1.022
10	Panasonic	896

Source : <http://www.businessinsider.co.id/>

Innovative behavior of employees is the driving force for the growth of technology-based companies. Innovation is defined as the process of making changes to something established by introducing something new. In other words, innovation is the successful implementation of creative ideas within an organization. The concept of innovation related to creativity, where creativity is associated with the arrival of new ideas, whereas innovation is putting creativity into action.

There are several factors of employees' innovative behavior, besides the individual characteristics. The first factor is organization support consisting of several aspects, including the risks taking, support to ideas, as well as participatory management in decision making (Amabile et al., 1996). The others factors are organizational structure and culture that support, and communications both vertically and horizontally to support creativity and innovation. Freedom and autonomy would also encourage innovative behavior, because the freedom and autonomy to employees will give them the freedom to determine the means used to achieve the goal (Amabile, 1998). Environment that provides freedom and autonomy also will encourage intrinsic motivation of employees, which is a key factor in promoting creativity in organizations. Barriers to innovation are the controls, which are identified in the literature that inhibit creativity and innovation (Amabile, 1998; Angle, 1989; Kanter, 1983; Oldham & Cummings, 1996). Control can occur in decision making, control the flow of information, or even perceived control in the form of reward system that puts too much emphasis on improving the extrinsic motivation. A culture that supports and encourages control will also result in lowering of creativity and innovation.

Organizational culture refers to a set of ideologies, traditions, commitment and shared values throughout the organization as a pattern of the member organization. Cultural values and norms is a powerful tool to stimulate innovation. Successful innovation depends on cultural norms organization that groups develop and the extent of cultural orientation in line with the group, and supported by the orientation of the whole organization (Amabile in Poškien, 2006). This is consistent with Van der Panne et al. (2003) and Miron et al. (2004) which stated that organizational culture is considered the most important factor determining the organization's ability to innovate.

Cameron and Quinn (2006) differentiate the organizational cultures into 4 culture typologies, based on the flexibility and its focus on internal or external. They are clan culture, adhocracy culture, market culture, and hierarchy culture. Clan and hierarchy cultures focus more on the internal stability, while adhocracy and market cultures focus on external organization conditions. Studies about the influence of organizational culture typology on innovative behavior have been carried out by Dasanayaka (2009), Yesil and Rich (2012), and Khurosani (2013) which states that the adhocracy organizational culture has a strong relationship with the innovative behavior of employees. Hartnel et al. (2011) resulted in different findings, namely that marketlah culture positive influence on innovative behavior. The relationship between the typology of organizational culture with innovative behavior by Duygulu and Ozeren (2009) found that adhocracy culture positively influence innovative behavior of employees at companies in the field of aviation, while for pharmaceutical companies is the hierarchy culture, and for companies in construction, chemical and steel are market culture.

Based on these descriptions, the development of an organizational culture to enhance employees' innovative behavior needs to be done correctly. It needs to know by the research about which the cultural typology has positive and significant impact on the employees' innovative behavior, so it can be suggested the type of organizational culture needs to be developed within the organization.

The purposes of this study are to: 1) analyze and determine the influence of clan culture of the innovative behavior of employees. 2) Analyze and determine the influence of adhocracy culture on employees' innovative behavior. 3) Analyze and determine the effect of market culture on employees' innovative behavior. 4) Analyze and determine the influence of the hierarchy culture on employees' innovative behavior. This research expected to provide inputs particularly to leaders in PT NEC Indonesia to develop a culture that supports employees' innovative behavior. The results of this study are expected to increase knowledge and useful knowledge, especially about the development of organizational culture and the development of innovative behavior of employees to support organizational performance.

## **LITERATURE REVIEW**

### **Organizational culture**

Organizational culture is characteristic of the organization, not individual members. However organizational culture shapes the behavior of the member of organization. (Wirawan, 2007). According Kreitner and Kinicki (2005), organizational culture is a shared values and beliefs that underlie the company's identity. The functions of organizational culture, among others: 1) Provide the identity of the organization to its employees, as an innovative company that hunts new product development. 2) Facilitate collective commitment, a company where employees are proud to be a part or as a pattern of behaviors in the long term. 3) Promote the stability of the social system, which reflects the level of perceived positive work environment and support, conflict and change is managed effectively. 4) Establish behavior by helping managers feel its existence, which also helps employees understand why the organization does what it should do and how the company intends to achieve long-term goals.

Robbins (2003) stated that the organizational culture have some functions within an organization: 1) Establish a boundary, it means creating a culture of clear distinctions between one organization to another. 2) To provide a sense of identity to members of the organization. 3) Facilitate the emergence of a commitment to something larger than one's personal self-interest. And 4) Increasing the stability of the social system. 5) Shapes the meanings that guide attitudes and behavior of employees.

Cameron and Quinn (2005) divided organizational cultures based on the competing value framework and develop a measurement instrument of cultural organization named Organizational Culture Assessment Instrument (OCAI). OCAI was development based on two dimensions, namely the internal and external dimensions of focus as well as the dimensions of flexibility and stability. (Cameron and Quinn, 2005). OCAI divide these two dimensions into four quadrants where each quadrant is referred as the clan, adhocracy, market and hierarchy cultures.

An organization with a clan culture has a strong internal focus, and high flexibility and discretion. The goals of the company were delivered to members of the organization and have a strong cohesiveness. They feel like a family from economic entity. Given the nature of those who are very friendly, it is not surprising that most people prefer and choose the clan culture than the other organization cultures. In the clan culture, the main focus is on flexibility on external needs. This is achieved by concentrating on employee excellence, which reflects the internal focus. Examples of companies that fit the culture of the clan is a conglomerate of Finland, Nokia, best known for the mobile phone. In this company, employee welfare is a top priority. Unlike the elements that attract the attention of most of the high-tech enterprises, Nokia emphasis on collegiality. Clan culture is often characterized as a pleasant place to work, an organization in which a lot of attention is given to the creation of a job that's fun for employees. Although this makes life comfortable but also needs to be stressed in order to give serious consideration to meet business objectives seriously.

An organization with adhocracy culture emphasizes flexibility and has great attention to the external environment. Adhocracy culture crosses the normal bureaucratic lines to capture opportunities, solve problems, and get results. In adhocracy culture there is no hierarchy, as opposed to the bureaucracy as a form of formal organization. They are contemporary organizations, which frequently have to make rapid changes in their operations. Adhocracy culture is characterized by highly innovative climate, and how organization to be survived. Companies with adhocracy culture are organizations in software development and business of filmmaking, which is widely recognized that the innovative products and services are critical factors to success. Not surprisingly, we will find adhocracy culture within the organization with a lot of research and development. For example, it is in 3M, a large American company that has been producing innovative products for over 100 years. To promote the innovative spirit at 3M, one of the earliest presidents, William McKnight, developed culture in which people are respected and are free to take risks. Three principles he articulated back in 1948, depicting the adhocracy culture namely: (1) the responsibility and delegation to encourage people to take the initiative; (2) fault tolerant; and (3) criticized in a good way, and be constructive, not destructive criticism.

An organization with market culture focuses on stability and control, but also has an external orientation. The organizations have big attention to the core values of competition and productivity to the end results. They carefully identify a market where they will compete and then strive to get results with results-oriented approach. The classic example of the market culture is General Electric. For several years, under the leadership of Jack Welch, they stated that every business unit should be respectively of the market and ranked number one or two. So the command is very clear. Sell, or close the business that not successful. Approach to successful changes done quickly and on a broad scale.

An organization with hierarchy culture focuses on internal and emphasizes on stability and control. The most effective leader is a good coordinator who stressed that the organization runs smoothly, relying on formal rules and policies. Government organizations and large companies tend to have a hierarchy culture. For example, McDonald's has key values centered on keeping

the production processes run efficiently, and guarantee to follow all the procedures how to use the equipment, which is contained in the manual as thick as 350 pages. Sometimes an organization with a hierarchy culture too focuses on the internal and ignores the external conditions, or too focuses on stability and ignores the need to change. As a result, the organization faces many serious problems.

### **Innovative Behavior**

In the rapidly changing business world, innovation becomes a key for any organization. Global economic growth has changed the pace of innovation, made possible with the technology evolving rapidly, shorter product cycles and levels of development of new products is higher (Abdi & Monday, 2014). Organizations should ensure that their innovative business strategies to survive and thrive and gain a competitive advantage. Innovation can be defined as a process to find and implement something new into the situation / condition that does not exist and has not been thought out in advance. In other words, innovation is how to think and do something new that can add or create value benefits, both social and economic. West & Farr (1989) defines innovation as the creation or adoption of new ideas and their efforts to develop this into products, services, processes, new business models with the added value expected for potential users. This definition focuses on the actions of individuals in several stages of the innovation process.

Innovation has become a topic of studies in economics, business, engineering, science and social science. However, although it has been studied by various disciplines, the term innovation itself is often understood differently and sometimes interchangeably with terms such as change, discovery, design, and creativity. Most people are able to provide examples of innovative products such as the iPod or computer tablet, but few were able to define clearly the innovative aspects of these products. The New Oxford Dictionary of English (1998, p.942) defines innovation as "making changes to something established by introducing something new". This definition does not state that innovation must be radical or occur in the product alone. Not only innovation for large companies. In the context of organizational innovation can occur in the product, processes or services both radical and incremental.

Scientists and practitioners emphasize the importance of innovative behavior in the workplace (innovative work behavior / IWB), a measurement of innovative behavior is still very difficult to do. Jong and Den Hartog (2008) provided four (4) dimensions to the measurement of innovative behavior in the workplace (IWB), namely: opportunity exploration, idea generation, championing and application.

The realization of something new begins with a man who identifies new opportunities (Basadur, 2004). The beginning of the innovation process is often determined by chance: find an opportunity, problems that arise or puzzles that need to be solved. Exploration opportunities include finding ways to improve the service or the delivery process at this time or try to think of the work process, product or service in an alternative way.

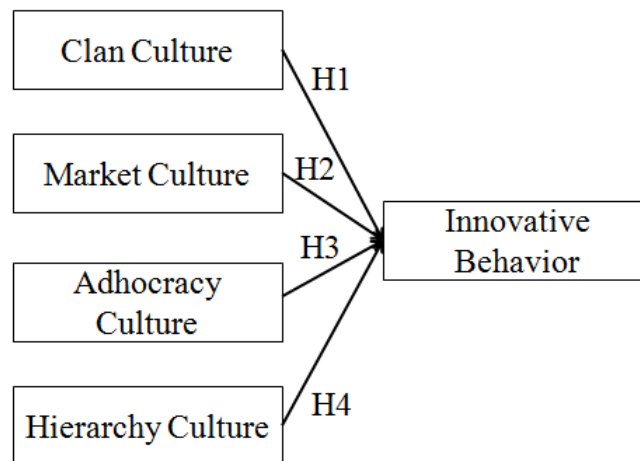
Idea generation is the next element of the IWB and represents the first stage in exploiting opportunities. To be able to innovate, besides knowing their chances / opportunities, the ability to develop new ways to take advantage of opportunities that are also important. Idea generation refers to the manufacturing concept for improvements. The ideas generated can be associated with a product, service or process, entry into new markets, an increase in the work process at this time, or in general is the solution of the problems that have been identified.

Championing is another important aspect when an idea has generated. Most of the ideas are need to be sold. Coalitions are often needed to implement innovations; This is how to get the

power to sell the idea to potential partners. In many cases, the prospective users of the proposed innovation (colleagues, bosses, customers, etc.) often do not feel confident with the added value of these innovations. This requires our expertise to be able to sell and convince him. This stage is called championing, trying to convince the added value of the innovation that we propose. Furthermore, the ideas are need to be implemented and practiced. Implementation can mean improving the product or procedure that has been existed, or build the new ones. Great effort and results-oriented attitude is required from employees to embody the idea. The behaviors in the application with regard to the efforts are made by the individual to be able to put that idea into practice.

### **Research Framework and Hypothesis**

The analysis of the influence of organizational culture typology on innovative behavior of companies compiled as Figure 1. Based on the results of previous studies that the typology of organizational cultures have different influences, then the framework is based on a premise that the typology of organizational culture will have a different effect on the innovative behavior of employees.



**Figure 1. Research Framework**

Based on the research background, literature review and research framework that has been described above, the research hypothesis is on the way down as follows:

- H1: Clan culture significantly influence the innovative behavior of employees
- H2: Adhocracy culture significantly influence the innovative behavior of employees.
- H3: Market culture significantly influence the innovative behavior of employees.
- H4: Hierarchy culture significantly influence the innovative behavior of employees.

### **RESEARCH METHODS**

#### **Design and Research Variables**

This research was an explanation (explanatory research) because this research is intended to explain the causal relationship between variables through hypothesis testing. Independent variable is the organizational culture of the clan (X1), adhocracy organizational culture (X2),



organizational culture market (X3) and the culture of the organization hierarchy (X4), while the dependent variable is the innovative behavior of employees (Y). Variable typology of organizational culture using a framework approach to competitiveness or competing value framework of Cameron and Quinn (2006), while the innovative behavior of employees using the framework De Jong & Hartog (2008).

### **Data and Data Collection Methods**

The research data is primary data obtained using Merode survey measuring devices in the form of questionnaires with questions are closed, meaning that each question has been given options to respond. A graduated scale (rating scale) by using a Likert scale, including questions related to the problem and the research variables.

### **Population and Sample**

The population in this study were all employees in PT NEC Indonesia some 229 people. The sample 150 employees, are taken from the population with the Slovin formula with an error of 5 percent.

### **Data analysis**

#### **Validity and Reliability**

Validity test used to measure whether the questions in the questionnaire are appropriate or not. A questionnaire considered valid if the questions in the questionnaire were able to reveal something that will be measured by the questionnaire (Ghozali, 2005). To measure the validity can be done by performing the correlation between the scores of the questions with a total score of the construct or variable. While to know the score of each - each item in question is valid or not, it was determined statistical criteria as follows: 1) If  $r_{count}$  is more than  $r_{table}$  and is positive, then the question is valid. 2) If the count  $r$  is less than  $r_{table}$ , then the question is not valid. 3) If  $r_{count}$  is more than  $r_{table}$  but negative, the question is also declared as invalid. Reliability testing (Ghozali, 2005). To assess each of the questions can be seen from the reliable Cronbach's Alpha value on each of the questions. A question said to be reliable according Priyatno (2008: 26) when the value of Cronbach's Alpha greater than 0.6.

#### **Classic Assumption Test**

Test assumptions made against the remnant or residue that must meet the assumptions of normality, multicollinearity, and heteroscedasticity. The method used to test the normality is to use a scatter plot diagram (Ghozali, 2007). Test multikolinearity by VIF (Variance Inflation Factor). A regression model showed multikolinearity if: the value of tolerance is less than 0.10 while VIF greater than 10 (Ghozali, 2007). Heteroscedasticity test using scatterplot graph image between the residual value and the prediction results of multiple linear regression analysis with SPSS. If the picture shows that the dots spread and does not form a specific pattern, it can be concluded that there is no heteroscedasticity.

#### **Multiple Linier Regression Analyses**

Multiple linear regression equation with all variables as follows:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + e$$

Which:

Y = Innovative behavior

a = Constant

- b1, b2, b3, b4 = Regression coefficients for clan, dhocracy, market and hierarchy culture  
X1 = Clan culture  
X2 = Adhocracy culture  
X3 = Market culture  
X4 = Hierarchy  
e = Error

### Goodness of Fit Model and Hypothesis Testing

Test the accuracy of the model is based on the criteria of the coefficient of determination, or R2 and F test F test used to determine whether jointly independent variables significantly influence the dependent variable.

Hypothesis Testing conducted using t-test. The criteria used to look at the significance of each independent variable that clan culture (X1), adhocracy culture (X2), the cultural market (X3), and cultural hierarchy (X4). If the significance value less than or equal to 0.05, then it is said that the hypothesis is accepted, or independent variable significant effect on the dependent variable, namely the innovative behavior of employees (Y).

## RESULTS AND DISCUSSION

### Characteristics of Respondents

Most of the respondents were age 31-35 years with a percentage of 22 percent, ages 26-30 years with a percentage of 21 percent, ages 41-45 years with a percentage of 21persen, age under 25 years with a percentage of 10 percent, ages 46-50 years with a percentage 8 percent, while for the questionnaire aged 50-55 and more than 55 years each with a percentage of 1 percent. Most of the respondents were male sex with a percentage of 65 per cent while that of female sex with a percentage of 35 percent. Most respondents are employees who have tenure under 10 years amounted to about 67 percent of the total employees. Education of respondents as many as 80 percent of employees of PT NEC Indonesia has a higher educational (undergraduate).

### Descriptive statistics

Respondents' answers to questions about the organizational culture are as Table 2. The average value of respondents indicate that organizational culture is the dominant culture of the clan with an average score of 3.8867, followed by culture market with an average score of 3,8694, then adhocracy culture with an average score of 3.8043. Cultural hierarchy has the lowest score, with an average score of 3.6547. The value of the average score for the four organizational cultures are still below 4 means that culture can still be improved.

**Table 2. Descriptive Statistic for Organizational Culture**

	Mean	Std. Deviation	N
Clan culture	3,8867	0,75179	150
Adhocracy culture	3,8043	0,78646	150
Market culture	3,8694	0,76093	150
Hierarchy	3,6547	0,64294	150

Source: Research Data Processed (2016)

Respondents' answers to questions about the innovative behavior of the respondents are as Table 3. The value of the average score of innovative behavior of employees is the most dominant on the dimensions of the application with a score of 3.8957, followed by income ideas



with an average score of 3.8689, then championing with an average score of 3.8331, while exploration opportunities have the lowest scores by an average score of 3.8046. Overall score of innovative behavior of employees are less than 4.00 so it still needs to be improved.

**Table 3. Descriptive Statistic for Innovative Behavior**

	<b>Mean</b>	<b>Std. Deviation</b>	<b>N</b>
Opportunity exploration	3,8046	0,69382	150
Idea generating	3,8689	0,79910	150
Championing	3,8331	0,75624	150
Application	3,8957	0,59589	150

Source: Research Data Processed (2016)

### **Validity and Reliability Instruments**

The results of testing the validity of the instrument were carried out showed that the value of the Pearson correlation score of votes with a total score of variables all of which is greater than 0.3. Means the questions on the questionnaire are all valid research to measure the research variables. Cronbach Alpha value of the results of reliability testing instrument has a value greater than 0.6, meaning reliable research instrument.

### **Classic Assumption test**

The test results showed a trend normality assumption residue that resembles a bell shape, whereas the P-Q plot shows that these points form a diagonal line. It shows that the residual value of a normal distribution so as to meet the assumptions of normality. The test results by using tolerance and variance inflator index (VIF). Values tolerance of all independent variables is greater than 0.1 and VIF has a value of less than 10, so it can be concluded that there is no strong correlation between the independent variables of the study. The test results showed that heteroscedasticity the points spread between the value of zero and does not form a particular pattern. It can be concluded that the regression model to meet the assumption of heteroscedasticity.

### **Multiple Linear Regression Model**

The results of multiple linear regression analysis showed the coefficient of determination of 0.688, it means that as many as 68.8 percent of the variation of the innovative behavior of employees can be explained by the variable of organizational culture typology. The coefficient of determination is greater than 0.6 so that the model is good enough to represent the influence of organizational culture typology on the innovative behavior of employees. F test results showed that the value of F is 79.997 with significance value 0,000. Means jointly variable of organizational culture typology consisting of clan culture (X1), adhocracy culture (X2), the cultural market (X3), and cultural hierarchy (X4) significantly influence the innovative behavior of employees (Y).

### **Hypothesis Testing Results**

The results of hypothesis testing using t test, as presented in Table 4. The results of these tests show the t value and the level of significance of the four typologies of organizational culture influence on employees' innovative behavior.

Hypothesis 1: Clan culture significantly influence the innovative behavior of employees

Results of t test to examine the influence of clan culture of the innovative behavior of employees generate value amounted to 6.160 t-test with a significance level of 0.000. Based on this conditions the first hypothesis is accepted, that the clan culture significantly influence the innovative behavior of employees. The influence of the clan culture is positive, so the higher the score of the clan culture, the better the innovative behavior of employees.

An organization with a clan culture, as stated by Cameron and Quinn (2006) has a strong internal focus, and high flexibility and discretion. The goals of the company were delivered to members of the organization and have a strong cohesiveness. They feel like a family from economic entity. Given the nature of those who are very friendly, it is not surprising that most people prefer and choose the clan culture than the other organization cultures. In the clan culture, the main focus is on flexibility on external needs, so it is a good condition to promote employees' innovative behavior.

**Table 4. Results of Hypothesis Test**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
	(Constant)	7,788	0,680		11,461	0,000
	Clan culture	1,404	0,228	0,550	6,160	0,000
1	Adhocracy culture	0,163	0,171	0,067	0,951	0,343
	Market culture	0,695	0,192	0,276	3,626	0,000
	Hierarchy culture	-0,316	0,140	-0,106	-2,249	0,026

Source: Research Data Processed (2016)

Hypothesis 2: Adhocracy culture significantly influence the innovative behavior of employees

The results of t-test to test the effect of adhocracy culture on innovative behavior of employees generate was 0.951 with a significance level of 0.343. Based on these conditions, the hypothesis is rejected, so that adhocracy culture did not significantly influence the innovative behavior of employees.

These results are different with previous researches by Dasanayaka (2009), Yesil and Rich (2012), and Khurosani (2013) which stated that the adhocracy organizational culture has a strong relationship with the innovative behavior of employees. The finding of this research did not support Cameron and Quinn (2006). Cameron and Quinn (2006) stated that adhocracy culture can be found within the organization with a lot of research and development, and the company that has been producing innovative products. The findings did not support the research by Duygulu and Ozeren (2009) that adhocracy culture positively influences the innovative behavior of employees at companies in the field of aviation.

Hypothesis 3: Market culture significantly influence the innovative behavior of employees

The results of t-test to test the effect of the market culture on innovative behavior of employees generate was 3.626 t-test with a significance level of 0.000. Based on these conditions, the hypothesis is accepted, that the market culture significantly influence employee innovative

behavior. Cultural influence of the market is positive, so the higher the score the market culture, the better the innovative behavior of employees.

This research supports Hartnel et al. (2011) that market culture positively influences the innovative behavior, and research by Duygulu and Ozeren (2009), that market culture in the construction, chemical and steel companies are positively affected on innovative behavior of employees. As stated by Cameron and Quinn (2006), organizations with market culture are not only focused on stability and control, but also on the external orientation. The organizations have big attention to the core values of competition and productivity to the end results. They carefully identify a market where they will compete and then strive to get results with results-oriented approach.

Hypothesis 4: Hierarchy culture significantly influence the innovative behavior of employees  
Results of t test of the hierarchy culture on the innovative behavior of employees generate was - 2.249 with a significance level of 0.026. Based on these conditions, the research hypothesis was accepted, so that the hierarchy culture significantly influenced the innovative behavior of employees. The influence was negative, so the higher the score of the hierarchy culture the lower of innovative behavior of employees.

An organization with hierarchy culture, as stated by Cameron and Quinn (2006) focuses on internal and emphasizes on stability and control. The most effective leader is a good coordinator who stressed that the organization runs smoothly, relying on formal rules and policies. Sometimes an organization with a hierarchy culture too focuses on the internal and ignores the external conditions, or too focuses on stability and ignores the need to change. Because of these characteristics, the employees have to follow many procedures on how to do their jobs and don't have many chances to do something new. The ignorance of the external conditions also makes the employees performance measurement is not based on the innovativeness behaviors but on how they follow the rules in the organization.

## **CONCLUSION AND RECOMMENDATION**

### **Conclusion**

- 1) Culture clan positive and significant impact on the innovative behavior of employees.
- 2) Culture adhocracy no significant effect on employee innovative behavior.
- 3) Cultural market positive and significant impact on the innovative behavior of employees.
- 4) Culture hierarchy and significant negative effect on the innovative behavior of employees.

### **Recommendation**

Innovative behavior of employees can be improved by increasing the clan culture and the market culture, while the hierarchy culture should be reduced because it negatively affects the innovative behavior of employees.

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