

Research Article

Human Resource Management Strategy: Organizational Culture on Local Government Agency in using IT Governance System

Muhammad Maulidza

Department of Public Administration, Parahyangan Catholic University

ORCIDMuhammad Maulidza: <https://orcid.org/0009-0004-5601-6826>**Abstract.**

Nowadays, much attention is directed to IT in order to facilitate better human resource management and improve decision-making results with the factors that influence it, such as the cost of using ICT, setting regulations and the implications of reporting standards that are accurate and comprehensive, and the need to deal with increasing rate of change in organizations. IT governance is one of the main concerns of public organizations today, which seek to gain value from their ICT implementation and create a competitive advantage. Within an organization, the habit of using the IT governance system becomes the part of work culture of human resource management itself and is often associated with the organizational culture. Organizational culture as human resource management strategy is one of the various factors that influence IT governance performance in organizations. However, this topic needs a lot of in-depth research, especially in the public sector. In describing the profile of organizational culture, this research uses quantitative methods through OCAI questionnaires and semistructured interviews as a qualitative approach with the total sampling. The results of the research show that the current organizational culture on the selected local government agency during the adoption of IT governance system was dominated by the market culture. Whereas, the preferred organizational culture for the future is the adhocracy culture.

Keywords: organizational culture, organizational culture assessment instrument, IT governance, cultural analysis on IT governance

1. Introduction

1.1. Research Background

According to the ICT Development Index 2017 published by the United Nations International Telecommunication Union, Indonesia is ranked 111th in the use of ICT in the government, operators, development agencies, researchers and others based on measurement of the digital divide and compare ICT governance performance within and across countries.[1] When compared to Singapore and Malaysia, Indonesia still has a lot to develop on ICT's implementation.

Corresponding Author:
Muhammad Maulidza; email:
maulidzamuham-
mad@unpar.ac.id

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Based on Indonesia Presidential Instruction no. 95 of 2018 concerning Electronic-Based Government Systems, it become Indonesia's obligation to implement organizational transformation from traditional government to e-government.[2] By adopting and implementing ICT-based systems, every organization seeks to improve efficiency and effectiveness of organizational performance without sacrificing public values.

Organizational culture itself is a set of shared values that members hold close and that differentiate the organization apart from other organizations.[3] Organizational culture became one of the main factors in improving and maintaining the effectivity of performance employees of the organization. It is also stated by Cameron & Quinn, organizational culture has a significant impact on an organization's long-term effectiveness and efficiency.[4]

In determining how effective and efficient the human resource management of government in using the IT governance system is measured by the theory of organizational culture. In a study on organizational culture analysis on IT governance performance in the Swedish IT department that was started in 2016, Parisa Aasi, Lazar Rusu, and Shengnan Han discovered evidence that organizational culture, as a strategy of human resource management, influences IT governance performance. Also, findings from 2018, Zhiwei Tang, Zepeng Gong, Xiao Han and Xiaoyue Peng found that e-government adoption is more than just a technological issue since it is influenced by organizational culture as human resource management issues and service maturity levels.[5]

With these findings, the purpose of this research is to discuss about the analysis of organizational culture as a method for managing human resources in local government agencies that make use of the IT governance system.

2. THEORITICAL STUDY

2.1. Organizational Culture

Schein defines organizational culture is a pattern of assumptions invented, discovered and developed by a particular group of learning outcomes in order to address the issues and adaptation and internal integration that has worked fairly and legally.[6]

Organizational culture originated from the habit, tradition, and common ways to do a job that mostly comes from what has been done before and the level of success of the efforts that have been made, thus the organizational culture is a common perception that is believed by the member's organization. The more an employee of an organization

that receives core values, approving the ranks level and feel very attached to them, it will make a culture to be strong.

2.2. Organizational Culture Assessment Instrument

Cameron and Quinn created the Organizational Culture Assessment Instrument (OCAI) as a tool for assessing organizational culture. There are six key dimensions of organizational culture are considered to be evaluated:

- a. Dominant characteristics
- b. Organizational leadership
- c. Management of employees
- d. Organizational glue
- e. Strategic emphasis
- f. Criteria of success [7]

The Competing Values Framework, which Quinn and Rohrbaugh originally proposed and uses to diagnose four categories of organizations, provides the basis for OCAI.[8] These four groups are defining the fundamental values by which the organization is identified and assessed. These fundamental values differ from one another in two main aspects:

1) Internal focus and integration vis a vis External focus and differentiation; and 2) Stability and control vis a vis Flexibility and discretion. Clan, adhocracy, market, and hierarchy are the four organizational culture clusters which are named for their most defining feature, respectively.

Cameron and Quinn classify organizational culture on four types of culture:

1. Clan

People are really open and welcoming there, sharing a lot about themselves like a family member. Leaders, or the top of the organization, are viewed as mentors and possibly even parents. Tradition and loyalty act as the group's glue bonding factors. There is a great of commitment. The organization should focus the long-term advantages of developing human resources and places a high value on morale and teamwork. Success is characterized in terms of sensitivity and compassion for people. The culture supports cooperation, involvement, and agreement.[10]

2. Adhocracy

A dynamic, innovative, and creative workplace. Leaders are viewed as risk-takers and innovators. A dedication to innovation and experimentation for staying on the cutting

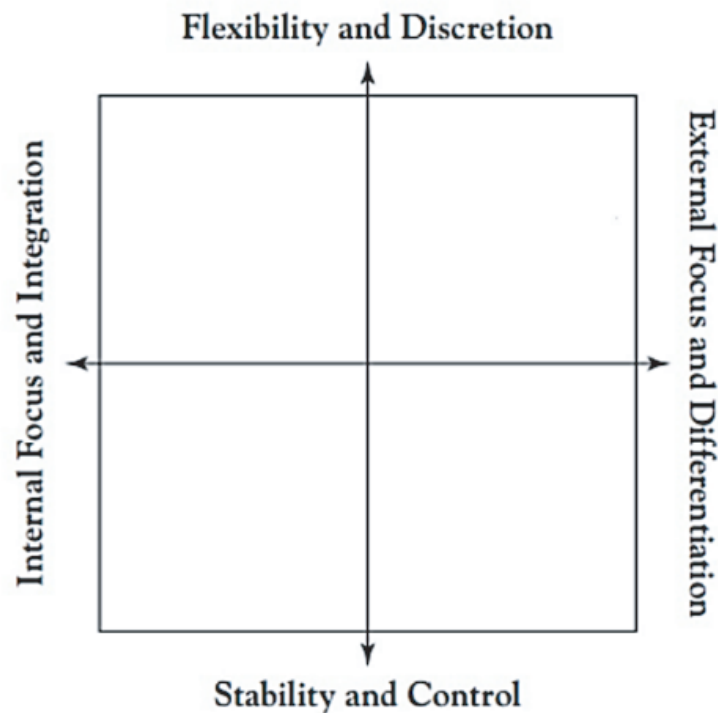


Figure 1: The Competing Values Framework [9].

edge serves as the organization's glue. The organization's long-term priorities include resource acquisition and growth. Gaining unique and innovative goods or services is success. Being a product or service leader is essential. The organization promotes independence and self-initiative in individuals.[11]

3. Market

An organization that prioritizes results. Getting the work done is the main priority. Individuals are competitive and focused on their goals. The organization is led by individuals who are high achievers, producers, and competitors. They are known for being tough and demanding. The glue that holds the organization together is an obsession with winning, and reputation and success are common concerns. The achievement of quantifiable goals and targets is the long-term focus, along with competitive actions. Market share and penetration are used to define success. Market competition and market leadership are vital. The organizational culture emphasizes intense rivalry.[12]

4. Hierarchy

A highly formalized and structured workplace. Procedures control what people do. The leaders take great interest in their expertise as efficient coordinators and organizers. The preservation of organizational efficiency comes first. Formal rules, policies and regulations keep the organization in place. Primary considerations include long-term

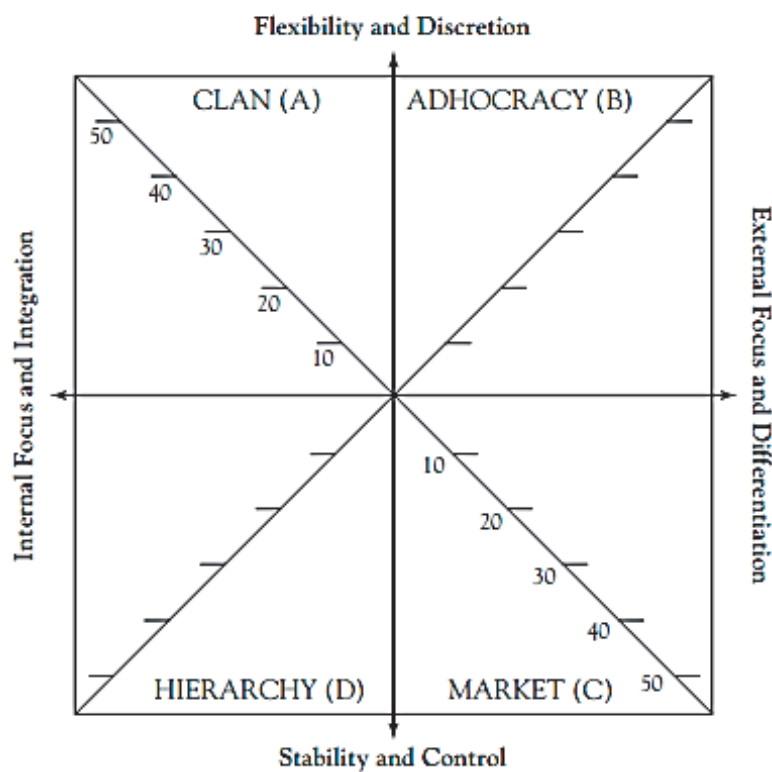
performance, stability, and smooth, effective operations. Consistent delivery, convenient scheduling, and affordable costs are key success factors. Predictable working conditions and stable employment are important concerns for management of employees.^[13]

The Clan Culture

An organization that focuses on internal maintenance with flexibility, concern for people, and sensitivity to customers.

The Adhocracy Culture

An organization that focuses on external positioning with a high degree of flexibility and individuality.



The Hierarchy Culture

An organization that focuses on internal maintenance with a need for stability and control.

The Market Culture

An organization that focuses on external positioning with a need for stability and control.

Figure 2: The Competing Values Framework with Types of Organizational Culture^[14].

2.3. Research Model

The OCAI dimensions are used to study the organizational culture. The six dimensions—dominant characteristics, leadership style, employee management, organizational glue, strategic emphases, and success criteria—are displayed in the first rectangle from the

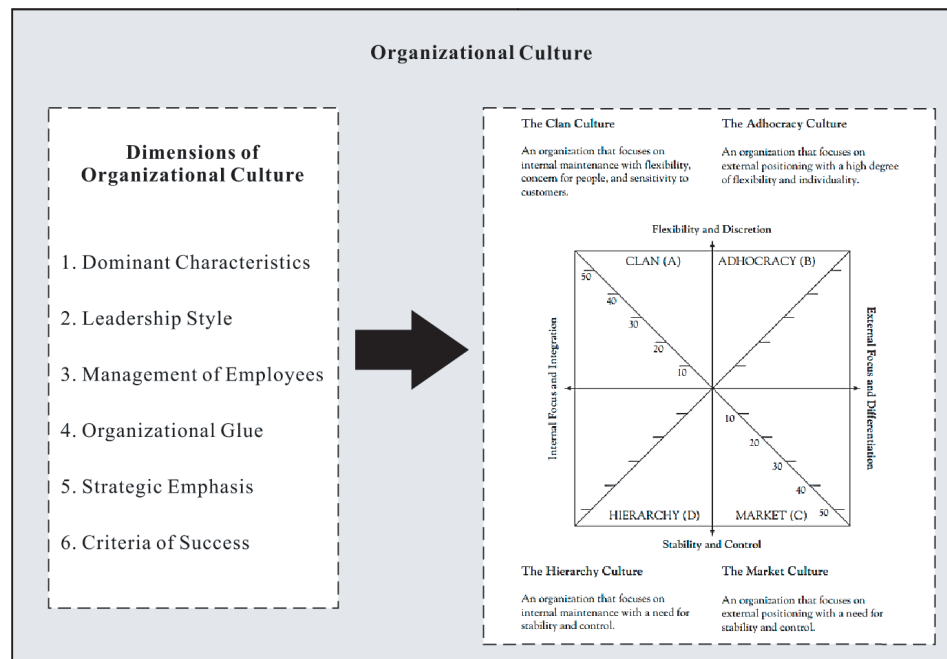


Figure 3: The Research Conceptual Framework.

left side. The organization can be categorized as one of the four cultural types of clans, adhocracy, hierarchy, or market using these six dimensions.

3. Methods

3.1. Research Methods

Using quantitative methods as emphasized on objective measurements and numerical analysis of the data collected through questionnaires. The quantitative research focused on numerical data collection and generalization using a sample of the population.[15] It is used as a form of a method for testing objective theories through the examination of the relationships among variables that are measured on instruments to obtain numerical data and examined using statistical procedures.[16]

Based on the dimension of the purposes, the type of research that researcher used is descriptive research. According to Leedy and Ormrod:

“The descriptive research approach is a basic research method that examines the situation, as it exists in its current state. Descriptive research involves identification of attributes of a particular phenomenon based on an observational basis, or the exploration of correlation between two or more phenomena”.[17]

On the other hand, data collected is obtained from questionnaire and semi-structured interview of survey research with qualitative approach. In survey research, the researcher makes use of questionnaires to simplify the questions to be answered and to consider the samples to be analysed; this is integrated into the multi-methods triangulation necessary for developing richer data analysis.[18][19] The technique of selecting a sample of nonprobability sampling is total sampling, because the population is relatively small and easily to reach, which is all members of the population used as a sample.

This research provided use of the Organizational Culture Assessment Instrument (OCAI) questionnaire to describe the organizational culture profile. The questionnaire was designed based on the type of organizational culture include clan culture, adhocracy culture, market culture, and hierarchy culture. And then, the cultural attributes/dimensions include: dominant characteristics, organizational leadership, management of employees, organizational glue, strategic emphasis, and criteria of success. Instead of using a 5- or 7-point Likert scale for ratings, the OCAI uses a 100-point scale.[20] The research instrument in describing the profile of organizational culture that is using questionnaires from OCAI which consists of two parts: the questions for the current, and questions for the future. This questionnaire consists of six groups. Each group has four questions: A, B, C, D. Each of these questions were scored and the total score of each group must total 100.

4. RESULTS AND DISCUSSION

4.1. The Results of Organizational Culture

The data collected by distributing questionnaires to 72 employees who works at the selected local government agency, consisting of 13 Secretariat Division, 21 Procurement and Mutation Division, 16 Career Development Division, 10 Welfare and Discipline Division, and 12 Management of Staffing Information Systems Division. Here is presented the results of the calculation of the frequency distribution and percentage of index organizational culture at the selected local government agency.

From the OCAI results above, obtained that the current dominant organizational culture is Market at 30.95, followed by Hierarchy at 25.74, then Adhocracy at 21.69, and the last is Clan at 21.62. Meanwhile, the organizational culture that is expected in the future is Adhocracy at 31.13, followed by Market at 22.73, then Clan at 25.43, and the last is Hierarchy at 20.71.

| Dimension | Current | Future |
|--------------|------------|------------|
| Clan | 21.62 | 25.43 |
| Adhocracy | 21.69 | 31.13 |
| Market | 30.95 | 22.73 |
| Hierarchy | 25.74 | 20.71 |
| Total | 100 | 100 |

Figure 4: OCAI Score.

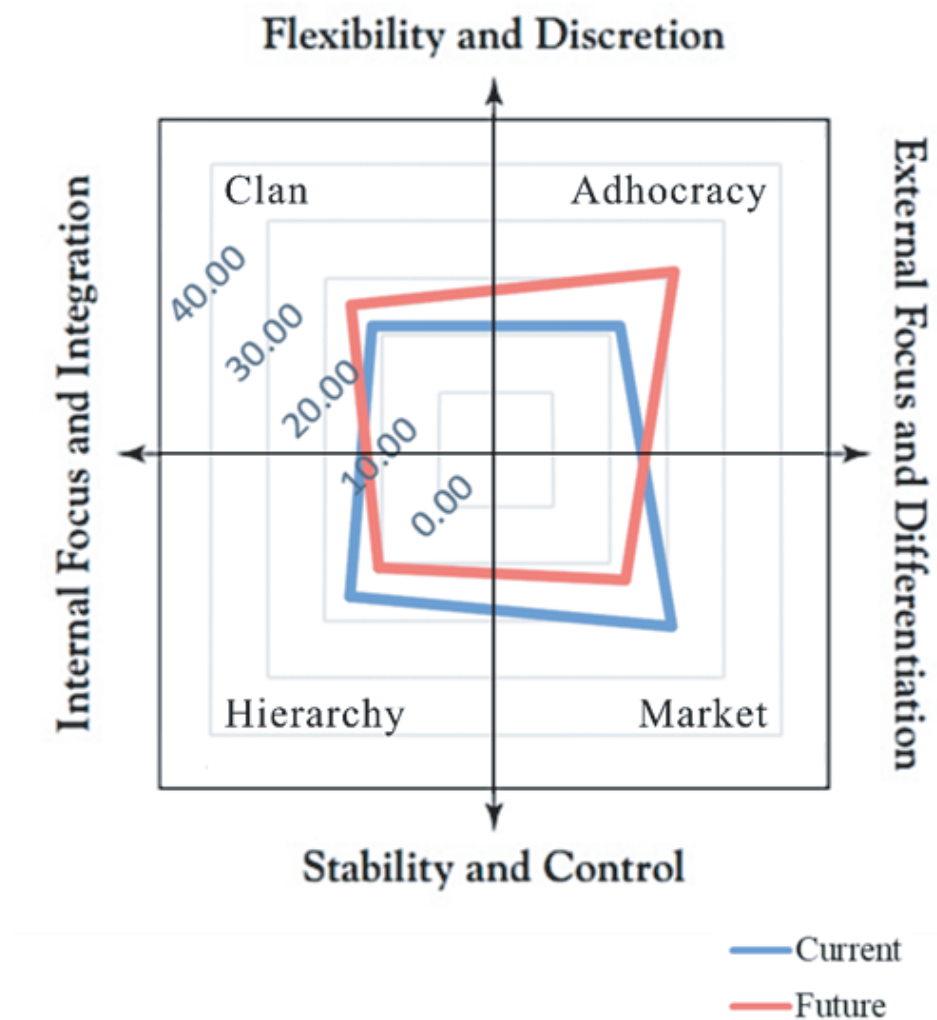


Figure 5: Organizational Culture on the Selected Local Government Agency. Based on Organizational Culture Assessment Instrument.

From the above statement, it can be concluded that the local government agency implementing the IT governance system has a market culture. In harmony with the statement of Kim S. Cameron and Robert E. Quinn, the major concern is getting the job done and people are competitive and goal-oriented.[21] A competitive organization that emphasizes results and achieving goals derives from the Market culture, which is defined by stability and an external focus. The organization operates similarly to a market that is centered on interactions with outside communities, such as "suppliers, customers, licensees, unions, and regulators." [22] The Market culture emphasizes an external focus on stability and a competitive drive to achieve goals. Rather than achieving stability and control through rules and specialized roles as in a Hierarchy culture, the Market culture derives it through the competitive and economic motivation to achieve goals. Due to competition within the external environment, organizations operating in the Market culture need to engage in competition to grow and expand. The local government agency's adoption of an IT governance system is likely driven by a persistent need to boost efficiency and ensure results, which aligns with the values of the Market culture.

In addition, the results of the OCAI instrument indicate that the employees as respondents expected/preferred the future organizational culture to be adhocracy. With the significant difference between the current culture with the expected culture, the organization should be encouraged to take swift action to change the market culture into the adhocracy culture which they preferred. In the adhocracy culture, the employees have a view on the organization to increase emphasis on uniqueness, freedom and creativity. Employees have desire on IT governance system to be able to bring them towards innovation and development. The adhocracy culture leads to external focus and differentiation as well as the flexibility and discretion.

According to the table above, the cultural congruency between dimensions is dominated by the Market. In the expected culture, we can see that they were desire to create a better congruence of the six dimensions of culture where the four dimensions of a culture dominated by Adhocracy. The post-research explained that the success organization often has a congruent culture. They had less internal conflicts and contradictions. When a culture is out of congruent, it frequently raises awareness of the need for change. It will require a lot of time and debate, it leads to a difference in the values, objectives and strategies. Sometimes with no occurrence of congruence specifically occurs between departments or people who are different.[23]

| Organizational Culture Dimension | The Current State | | The Expected State | |
|----------------------------------|-------------------|----------------------|--------------------|----------------------|
| | Average | The Dominant Culture | Average | The Dominant Culture |
| Dominant Characteristics | 34.31 | Market | 35.49 | Adhocracy |
| Organizational Leadership | 32.29 | Market | 34.24 | Adhocracy |
| Management of Employees | 35.90 | Market | 34.44 | Adhocracy |
| Organizational Glue | 35.42 | Market | 33.89 | Clan |
| Strategic Emphasis | 31.11 | Hierarchy | 32.01 | Clan |
| Criteria of Success | 32.71 | Hierarchy | 35.35 | Adhocracy |

Figure 6: The Congruency Between Organizational Culture Dimensions.

5. CONCLUSION

Based on the data analysis, investigation findings, and discussion presented in earlier chapters, came a several of conclusions of this research. It can be concluded that the market culture, which values differentiation, stability, and control, was prevalent in the organizational culture of the selected local government agency during the adoption stage of the IT governance system. Due to a market-driven culture, this local government agency’s IT governance structure has become very competitive and results-driven, with a focus on completing tasks efficiently and accurately. For their employees, the leaders evolved into producers, drivers, and rivals. Development and rewards become a tool for achieving goals and targets, with the high demands of employees’ performance. Reputation and success bind the organization to be more solid. The long-term attention of the organization for the future benefits of IT governance system is the measurable employee performance achievement.

Following the adoption of an IT governance system, the organizational culture that all employees of the chosen local government agency expected has a tendency to desire an adhocracy culture. Employees expect a dynamic, entrepreneurial, and creative workplace in the future once this local government agency has finished implementing its IT governance system. Employees become feel challenged by taking risks for their flexible development. Employees want the IT governance system to influence their leaders to become more innovative with regulations, work environment and ICT. Employees expect the implementation of IT governance system in the organization to bind a commitment to do experimentation and innovation. The aim for an adhocracy culture foresees that

the long-term focus will be on the development and addition of new resources for the chosen local government agency through the IT governance system.


This research aimed to advise the head of this local government agency to reach agreements with its employees on their desired culture in order to optimize the organization's future use of IT governance tools. The director of the organization should then create a strategic plan outlining all changes that ought to be made or avoided. should encourage the heads of the organization to pay greater attention to guiding the future of their organization, especially while implementing it, by analyzing the organization's core values to determine how much emphasis is placed on adhocracy values.

In take from the results of research that shows the trend of changing the culture of market into adhocracy culture, this local government agency can make changes with the following initiations and actions: (1) The local government agency should use an IT governance system to develop a dynamic workplace where there are no restrictions to employees coming up with new, innovative ideas, so everyone both superiors and subordinates in the organization can work creative and innovative. Dynamic workplace can be defined as workplace where everyone can be willing to take risks to develop their work skills or abilities; (2) The head of the local government agency should become more techno-savvy and innovative oriented. In this scenario, the head of organization ought to be more concerned and attentive to each employee's views regarding how their work relates to the advancement of technology, sensitive development of the IT governance system, and give confidence to employees to making them able to take risks in developing themselves; (3) To improve their use of IT governance tools, the local government agency should prioritize the development of a management approach that promotes employee initiative, which could involve educating employees on bureaucratic procedures and employee affairs related to the implementation of ICT, for one of example is utilization of IT governance system, to improve initiative and creative thinking among employees in both work and workplace; (4) Utilization of an ICT governance system by this local government agency should build a high commitment to the growth and development which driven by innovation and invention. The strategic plan's planned initiatives relating to both the IT governance system and other ICT tools should be carried out for an indeterminate period as long as technology keeps advancing; (5) The local government agency which is influenced by ICT development should be required to give employees more freedom in order to take an active role in the development of the organization by contributing their ideas to the IT governance system; (6) The local government agency should be more sensitive to the technological development and

needs of IT governance system utilization which is become a trendsetter in government bureaucracy for all regional organization of every governmental area or level.

It is expected that the transformation of organizational culture into adhocracy culture will improve IT governance performance of this local government agency to become better, more effective and efficient as a better human resource development management strategy.

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