Comparison Study of the Cross – Organizational Cultural Between Public University Institution and State-Owned Company in Indonesia

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Abstract
One of the proponents of economics power is the success of business, the achievement of targets in workplace. The presence of generation millennials in majority and the increasingly rapid use of technology in Industrial Era 4.0 will have an impact on organizational culture in the workplace. This study aims to examine the cross organizational cultural in both institutions Public University and State-Owned Company to analyze the organizational culture modelling its significant influence on organizational performance. The analysis results of cross organizational culture modelling to provide recommendation for the application of organizational culture in both institutions consist of behavior, leadership value, etc. The conceptual modeling that used in this study consisted of six latent variables related to organizational culture and generation millennials with two mediating variables can significantly influence Organizational Performance. This model is then tested using the Structural Equation Modeling (SEM) method. The results show that on the object of Public University all variables have a significant effect, except for one insignificant variable: Transformational leadership on Organizational Citizenship Behavior. Meanwhile, State-Owned Company all variables have significant influence, except for 3 variables: Transformational leadership on Organizational Citizenship Behavior, as well as Transformational leadership and Organizational citizenship behavior on organizational performance.

Keywords: organizational performance, cross-organizational cultural modelling, organizational culture, structural equation modeling (SEM)

1. Introduction

According to The World Economic Forum 2015, Indonesia is predicted to be ranked 8th in the world economy by 2020. One of the supporters of economic strength is the success of a business, the achievement of targets, vision, and mission in the workplace that will ultimately affect the economic power of the Indonesian State. The newest generation to enter the workplace is the millennial generation (Gen Y), namely the generation of individuals born between 1980 and 2000. They are the millennial generation because of their closeness to the new millennium and grow in a more digital era [1].

The National Population and Family Planning Board (BKKBN) provides millennials with an understanding of the population that is facing the demographic bonus. The Central Bureau of Statistics (BPS) predicts that Indonesia's current demographic bonus will end in 2036. The demographic bonus is the size of the population of productive age working in workplace between the ages of 15 and 64 in a country. The productive age will be dominated by the millennial generation [2].

Millennials will soon become the largest workforce in Indonesia. According to the Central Statistics Agency (BPS) released in 2016, of the total workforce in Indonesia, which reaches more than 160 million people, 17.95% of them are millennials, exactly around 62.5 million people even though there is more X generation with a percentage of 43.03% exactly around 69 million people. Gen Y (millennials) have different expectations, values, attitudes, and behaviors in the workplace [3]. With the phenomenon of the large majority of millennial generations in the world of work, it will have an impact on the organizational culture patterns in companies or agencies in the world of work. It is because the millennial generation prefers a flexible work environment and finds that millennials prefer an organizational culture with few rules or regulations in making a decision [4].

Organizational culture becomes a set of shared values, beliefs, and norms that influence the way employees think, feel, and behave in the workplace [5]. Organizational culture is also closely related to today's technological developments. Today, rapid technological development has brought extraordinary changes to human culture, especially Indonesian culture, one of which is the culture in the workplace [1]. Two types of agencies in Indonesia play a role in the progress of the country, namely Public University and State-Owned company which can be measured through organizational performance. Public University is a state university with legal status and institution under the government, then State-Owned company is a company under the the government. Measuring organizational performance will be related to other variables that can affect organizational performance such as organizational culture, transformational leadership, organizational citizenship behavior, and job satisfaction.

The importance of comparing the two agencies also takes into account that both are types of agencies that are under the responsibility of the ministry and government. The cross-organizational cultural study analysis in the two institutions will become an analysis and evaluation for companies and agencies related to organizational culture and organizational leadership to be able to adopt a good culture and be emulated from other agencies by considering the suitability of existing organizational culture. In addition to this, the agency can improve the factors that can support the improvement of organizational culture, behavior, and employee performance that can improve organizational performance.

2. Literature review

2.1 Organizational Culture

Organizational culture becomes a set of shared values, beliefs, and norms that influence the way employees think, feel, and behave in the workplace [5]. Organizational culture is a system of habitual values and beliefs in organizations that are structured in a formal system to produce behavioral norms in the organization. Organizational culture is also a system of values, habits, attitudes, norms of behavior, through a learning process that interacts with each other within an organization to become a characteristic of the organization [6]. One type of organizational culture is an organizational culture based on Hofstede's theory which can be representative and valid in analysing how the conditions of organizational culture in an organization, institutions, companies, and so on [7]. Hofstede's organizational culture includes power distance, Uncertainty Avoidance, Individualism and Collectivism, masculinity and femineity, long-term and short-term orientation. These characteristics are obtained in an agency organization that represents the characteristics of organizational members/employees at work.

2.2 Transformational Leadership

Transformational leaders are leaders who provide intellectual stimulation and consideration to members of the organization and have a charismatic nature. Leaders in this theory are individuals who are attentive, direction, and training to their followers. The components of transformational leadership are vision and inspirational communication, supportive leadership, intellectual stimulation, and personal recognition [8].

2.3 Organizational Citizenship Behavior

Organizational Citizenship Behavior is an individual measure of the level of behavior of organizational members that shows the concept of willingness to cooperate (the desire to cooperate) [9]. Organizational Citizenship Behavior (OCB) is a form of individual contribution behavior that exceeds the demands of a role in the workplace and is rewarded for the achievement of given task performance [9].

2.4 Job Satisfaction

The behavior of a person in the organization will also be closely related to the resulting job satisfaction. Job satisfaction is often referred to as work satisfaction [10]. Job satisfaction of an employee comes from mental and physical satisfaction in working both in the work environment and related to the job itself which is indicated by an employee's subjective reaction to the work situation [10].

2.5 Organizational Performance

Organizational performance with management procedures through encouraging employees to work harder to achieve business operating objectives, including financial performance (such as total revenue, and investment returns) and non-financial performance (market share, corporate image, customers) satisfaction, and employee satisfaction) [11]. Organizational performance can be divided into three scales or aspects namely financial performance, service performance, and behavioral performance [11] [12].

2.6 Individual Innovativeness and flexibility

One of the gen Y factors (millennials) associated with individual innovation where a person or an organization can accept new ideas that are correlated with risk-taking and more open to new experiences [13]. This variable has three main indicators, namely Openness to Experience, Flexible, and Technology Savvy [13] [14].

3. Methodology

3.1 Analysis

Lisrel is a statistical method used to study or construct linear models. Lisrel can simultaneously process endogenous and exogenous sets of variables. This research uses LISREL 8.80 software to analyze the measurement and structural models.

3.2 Instrument tools

This study used an online-based survey by distributing questionnaires to respondents in each of the research objects. This questionnaire survey takes about a month. The questionnaire consists of 6 variables (2 exogenous variables and 4 endogenous variables). This variable consists of 47 question indicators. The analysis is also performed on direct and indirect variables or variable mediation. The questionnaire rating scale used was a Likert scale with a score of 1 to 5 ranging from strongly disagreeing to strongly agreeing.

3.3 Participant profiles

Respondents involved in this study were employees of the institution at Public University and State-Owned Company. Each sample will be taken according to the calculation of the minimum requirement for the data collection on the number of indicators used multiplied by 5, as also presented elsewhere [15]. The number of respondents in Public University was 240 people and the State-Owned Company respondents were 242 people, both men, and women.

Respondents were selected by considering involvement in different departments or units to obtain more valid results. Respondents are from the millennial generation with an age range of 20 - 44 years who called the millennial generation the digital generation with the birth year 1976-2000 [16]. The statistics of research participant is shown in Table 1.

Table 1. Statistics of research participant

Variable	Category	Number		Percentage (%)	
		Public University	State-Owned Company	Public University	State-Owned Company
Age	20 – 25 years old	13	24	5%	10%
	26 - 30 years old	81	167	34%	69%
	31 - 35 years old	59	35	25%	14%
	36 - 40 years old	62	16	26%	7%
	41 - 44 years old	25	0	10%	0%
Gender	Female	113	61	47%	25%
	Male	127	181	53%	75%
Employee Status	Permanent Employee	225	240	94%	99%
	Contract Employee	15	2	6%	1%
Type Of Position	Functional Position / Education Staff	121	210	50%	87%
	Basic Management Position / Lecturers	98	10	41%	4%
	Middle Management Position / Department Head / Secretary	7	1	3%	0%
	Supervisor / Head of Division	14	21	6%	9%
Working Period	1-5 years	94	178	39%	74%
	5-10 years	67	48	28%	20%
	>10 years	79	16	33%	7%

4. Result and Discussion

4.1 Validity and reliability

The validity test aims to know the level of accuracy achieved by indicators in measuring a concept. The validity indicator can be said to be good if it meets the predetermined criteria, namely the value of t≥1.96 and SLF≥0.30. Meanwhile, reliability testing is used to determine the consistency of measurement of the variables composing indicators. In this study, the reliability test used the Construct Reliability (CR) criterion ≥ 0.60, which means that the indicator has met these requirements. The validity and reliability indicators of the proposed model is shown in Table 2.

Table 2. Validity and reliability indicators of the proposed model

Variable	Indicator	Error variance		T-value		SLF	
		Public University	State-Owned Company	Public University	State-Owned Company	Public University	State-Owned Company
Transformational Leadership (TL)	TL1	0.3	0.31	15.06	11.4	0.81	0.67
	TL2	0.22	0.24	16.82	15	0.87	0.81
	TL3	0.41	0.45	14.17	12	0.78	0.69
	TL4	0.22	0.25	16.94	15.6	0.87	0.83
	TL5	0.26	0.28	15.65	14.1	0.83	0.78
	TL6	0.3	0.4	14.63	11.9	0.79	0.69

	TL7	0.35	0.48	13.68	12.4	0.76	0.71
	TL8	0.31	0.5	14.48	11.4	0.79	0.67
Organizational Culture (OC)	OC1	0.32	0.4	12.69	9.98	0.72	0.6
	OC2	0.35	0.41	12.45	9.57	0.71	0.58
	OC3	0.37	0.33	10.87	10.8	0.64	0.64
	OC4	0.28	0.25	13.45	12.9	0.75	0.73
	OC5	0.33	0.26	10.97	12.3	0.64	0.71
	OC6	0.46	0.36	11.69	9.04	0.68	0.55
	OC7	0.4	0.48	13.46	10.3	0.75	0.61
	OC9	0.33	0.36	7.35	8.5	0.46	0.52
	OC10	0.29	0.39	11.42	11.5	0.66	0.67
	OC11	0.31	0.42	14.77	11.7	0.8	0.68
	OC12	0.24	0.3	14.6	12.3	0.79	0.71
	OC13	0.3	0.31	14.93	12.1	0.8	0.7
	OC14	0.3	0.45	12.36	10.9	0.7	0.64
Organizational Citizenship Behavior (OCB)	OCB1	0.25	0.43	10.17	9.7	0.64	0.61
	OCB2	0.29	0.28	10.68	11.5	0.67	0.7
	OCB3	0.31	0.51	10.2	7.64	0.64	0.5
	OCB4	0.2	0.31	11.28	11	0.7	0.68
	OCB7	0.69	0.7	5.26	5.95	0.36	0.4
	OCB8	0.28	0.27	10.46	8.74	0.66	0.56
Job Satisfaction (JS)	JS1	0.4	0.45	9.13	10.3	0.56	0.62
	JS2	0.55	0.44	6.18	10.9	0.4	0.65
	JS3	0.31	0.51	15.71	10.1	0.84	0.61
	JS4	0.19	0.31	17.36	13.5	0.89	0.76
	JS5	0.33	0.38	11.65	8.98	0.68	0.55
	JS6	0.35	0.34	9.35	9.25	0.57	0.57
	JS7	0.54	0.5	10.84	10.4	0.64	0.62
	JS8	0.52	0.64	10.89	10.5	0.65	0.63
Organizational Performance (OP)	OP1	0.23	0.34	15.31	12.7	0.82	0.72
	OP2	0.24	0.24	14.31	14.6	0.79	0.8
	OP3	0.23	0.19	14.38	15.4	0.79	0.82
	OP4	0.16	0.13	16.5	17.2	0.86	0.88
	OP5	0.26	0.25	14.29	14.5	0.79	0.79
	OP6	0.2	0.21	14.95	14.4	0.81	0.79
Individual Innovativeness and flexibility (IF)	IF1	0.2	0.22	14.71	12.1	0.85	0.77
	IF2	0.51	0.43	9.11	7.95	0.58	0.53
	IF3	0.29	0.21	11.17	11.4	0.68	0.73

Based on the test results, the indicators used in the study are said to be valid and reliable because they have met the above criteria. This means that the indicators have a good level of accuracy and consistency in explaining the variables used.

4.2 Structural Model

This test uses the Goodness of fit (GOF) criteria. There are several GOF criteria with each standard value that must be met in the structural model. The Goodness of fit is shown in Table 3 below:

Table 3. Goodness of fit

No	Goodness of Fit Index	Cut off Value	Value Public University	Value State-Owned Company	Match Level
Absolute Fit Indices					
1	GFI	0,8 ≤GFI≤0,9	0,67	0,68	Poor Fit
2	AGFI	0,8 ≤AGFI≤0,9	0,64	0,65	Poor Fit
3	RMR	≤0,10	0,066	0,068	Good Fit
4	RMSEA	<0,08	0,089	0,086	Marginal Fit
Incremental fit indices					
5	CFI	≥0,90	0,96	0,95	Good Fit
6	IFI	≥0,90	0,96	0,95	Good Fit
7	NFI	≥0,90	0,95	0,92	Good Fit
8	RFI	≥0,90	0,94	0,92	Good Fit
Parsimony fit indices					
9	PNFI	0,60-0,90	0,89	0,87	Good Fit
10	PGFI	0,50-1,00	0,61	0,61	Good Fit

Based on the results of the table above, there are 2 indicators that are still not fit, namely GFI and AGFI. GFI and AGFI are absolute fit criteria that take into account the weighted proportion of the variance in a sample covariance matrix. GFI and AGFI values have the same function, the GFI value in the feasibility test such as the coefficient of determination or the goodness of the regression results. Even though it shows poor fit results in absolute fit, it can be considered from other criteria such as RMR, RMSEA, etc, for model fit measures. In addition, there are 7 indicators that are good fit results on absolute fit indices, incremental fit indices, and parsimony fit indices then 1 indicator marginal fit on absolute fit indices so that overall it can be concluded that the indicators have met the good fit criteria in the structural model.

4.3 Structural Model Analysis

This study uses LISREL 8.80 as a method to determine the relationship path between latent variables that have been proposed in the model. The following are the results of the relationship model between variables on the study of cross-organizational cultural model.

The results of the comparison in terms of cross-organizational cultural in the two objects of observation resulted in a significant variable influence both organizational culture as an exogenous variable and endogenous variable. So that, the role of organizational culture in the two objects of observation is very important and needs to be considered for the organization, especially its effect on job satisfaction, behavior, and also the organizational culture which is strongly influenced by the attitudes of the millennial generation at work.

From the survey results regarding organizational culture based on the Hofstede dimension, the comparison of the two organizations (Public University and State-Owned Company) is strong in the organizational culture dimensions of Collectivism, Masculinity, Low Power Distance, High Uncertainty Avoidance, and Long-term Orientation. However, for the collectivism dimension, there is a significant difference, which is 4.44% higher for the State-Owned Company. It means that a culture of teamwork and interdependence among team members is very prominent in the organization. So that it has a good impact on other variables. In this study, researchers

also measured organizational culture against other variables. The specific difference between the two objects of observation is that they have different results in structural tests and hypothesis decisions. For Public University, the hypothesis is not significant for H4: Transformational leadership has a positive effect on Organizational Citizenship Behavior, while State-Owned Company is not significant for H4, H6, and H8Path relationships of the proposed model is shown in Figure 1 below:
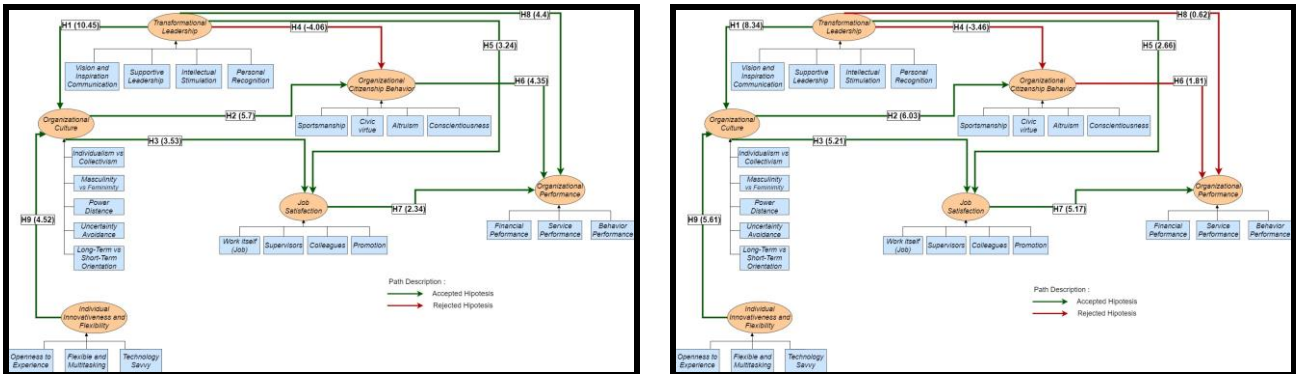

Figure 1. Path relationships of the proposed model Public University and State-Owned Company

The result of the hypothesis that is rejected in this study is the H4 hypothesis at a public university and state-owned company giving the same results that the hypothesis is rejected. Another significant difference, in the structural results of State-Owned Company, which does not significantly affect the variables of Transformational leadership and organizational citizenship behavior on organizational performance. This is because organizational performance in a State-Owned Company is not only influenced by these two factors but also many other factors that affect organizational performance, then the number of male respondents and the age of millennials who are more than public university respondents may also affect the results.

The result shows that the aspect of leadership or whoever leads the organization cannot fully affect the performance of the organization, one of which is that the dominant organization and staff from the millennial generation are more adaptive and able to work without waiting for orders.

Based on the results of the research survey on organizational performance at Public Universities and State-Owned Companies which is seen from 3 indicators, namely financial performance, service performance, and behavioral performance in the two objects of observation, the results are equally good which results in a Likert scale 4 mode preference which means that respondents have acknowledged that the organization where they work has achieved fairly good organizational performance.

5. Conclusion

This research was conducted to develop a comparative model of organizational culture variables associated with other variables within the scope of an organization on organizational performance by involving the behavior of millennials in this study. From the results of the comparative study of the two objects, Public University and State-Owned Company provide different significance models, where the differences are found in the Organizational Citizenship Behavior and transformational leadership hypotheses related to organizational performance. This is due to the influence of State-Owned performance caused by other factors such as individual competence, job satisfaction, individual and team work productivity. So with this insignificant result, it is necessary to improve these variables, such as increasing hard work behavior at work, work productivity, and increasing leadership abilities for subordinates through knowledge transfer. Even so, this variable remains an important variable in an organization because these variables have a significant influence on other variables. An analysis of other variables about organizational studies is needed to show more comprehensive results for an organization or agency.

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