

The Influence of Organisational Culture on the Institutional Strengthening through a Resource-Based View

Abstract:

This study aims to conduct research that principally emphasises the influence of organisational culture on institutional strengthening through the application of a resource-based view. There are a great number of organisational behaviour experts who confirm that the fit level of the person and organisation is based on several factors, such as the work environment. Literature explains that organisational culture is associated with shared values, practices, and behaviours that contribute to the organisation's psychological and social environment. Organisational culture also fosters the development and improvement of adaptability and flexibility among organisation members in order to respond more efficiently and effectively to changing situations, which is critical for institutional strengthening. The organisation is helped to ensure that any individual who is attached to the organisation is aware of the objective and/or goal, policy management, as well as the expectations of the organisation, and eventually, effective and efficient communication is perceived as one of the critical factors for institutional strengthening.

Keywords: organisational culture, flexibility, efficient communication, institutional strengthening

INTRODUCTION

There are a great number of organisational behaviour experts who confirm that the fit level of the person and organisation is based on several factors, such as the work environment. According to the literature, altering the work environments has led to a greater independence of workers and a re-definition of a re-definition of the psychological contract (Akbar et al., 2024; Haeruddin, 2017; Hajiali et al., 2022; Tambe et al., 2019). As a result, such alteration then eventually adjusts both psychological contract and human resource management implementation (Haeruddin et al., 2023; Natsir et al., 2021; Wallace et al., 1999), and to be more specific, on the organisational culture, which has been recognised as a vital factor of organisational behaviour, particularly on how well an individual "fits" inside a particular organisation (Assoratgoon & Kantabutra, 2023; Ouchi & Wilkins, 1985; Silverthorne, 2004). Moreover, while organisational culture tends to be associated with the behaviour of individuals within organisations, a relationship that is related to the organised human behaviour within a group is defined as an institution (Paais & Pattiruhu, 2020). To be more specific, the term institutional strengthening is related to the growing process of the institution's capability to effectively implement the institution's functions, especially in

terms of the organisation's development and sustainability in general and organisational culture in particular (Jacobs, 1998; Natsir et al., 2021; Tresnasari & Zulganef, 2023). Furthermore, although there is a plentiful finding of organisational culture and institutional strengthening within the literature of organisational studies, nevertheless, there is a gap found in the literature, primarily the role of organisational culture on institutional strengthening. As such, this study aims to conduct research that principally emphasises the influence of organisational culture on institutional strengthening through the application of a resource-based view.

MATERIAL AND METHOD

Literature explains that organisational culture is associated with shared values, practices, and behaviours that contribute to the organisation's psychological and social environment (Davies et al., 2000; Griffin et al., 2023; Robbins et al., 2013). Additionally, organisational culture is also formed through several factors, e.g., the styles of leadership and personalities of the founders, the executive team, the staff's mindset, and the dynamics within groups and divisions (Akbar et al., 2024; Mustafa et al., 2023; Mustafa et al., 2018; Sun, 2018). There are particular categories of organisational culture, namely: (1) clan culture, which focuses on team collaboration; (2) adhocracy culture, which lets persons inspire the organisation to deal with risks and to share notions; (3) market culture, which emphasises the revenue of the organisation; and (4) hierarchy culture, which highlights the paths of the organisation member's career (Gaál et al., 2010; Lund, 2003).

Subsequently, based on the study of Tresnasari and Zulganef (2023), institutional strengthening is defined as a multidimensional concept that involves a number of standpoints such as leadership, financial management, strategic management, as well as organisational behaviour and culture. Others (Jacobs, 1998; Serge Kubanza & Simatele, 2020) denote that institutional strengthening encompasses the identification process of an organization's problems, such as network difficulties, legislation and policy implementation, etc. Furthermore, there are several key components of institutional strengthening, which are: (1) capacity building, which encompasses the improvement of an individual or a team's managerial as well as technical competences; (2) strengthening governance, which covers the improvement of the decision-making process, especially its transparency and accountability processes and results; and (3)

institutional development, which covers the reinforcement of the organisation's works(Jacobs, 1998; Liu et al., 2020; Serge Kubanza & Simatele, 2020; Tresnasari & Zulganef, 2023).

Moreover, in order to provide a conceptual basis to recognise the relationship between organisational culture and institutional strengthening, this study proposes a conceptual framework with the application of the fundamental concept of the resource-based view, or RBV(Barney et al., 2011; Lockett et al., 2009; Olavarrieta & Ellinger, 1997). The RBV refers to a theory of strategic management that focuses on the importance of internal resources and capabilities in accomplishing an organisation's target(Kruesi & Bazelmans, 2023). This view also explains that the internal resources and capabilities of an organisation are seen as the keystones of competitive advantage. Additionally, the key components of RBV are: (a) internal focus, which underlines the importance of focusing on the internal resources and capabilities rather than external factors of the organisation; (b) resource inimitability, which suggests that the resources of the organization should be inimitable; in other words, such resources should not be easy to imitate by the competitors; and (c) resource valuability, which recommends that the resources of the organisation should be valuable, or such resources should be worthwhile in building and designing a competitive advantage(Barney et al., 2011; Kruesi & Bazelmans, 2023; Lockett et al., 2009).

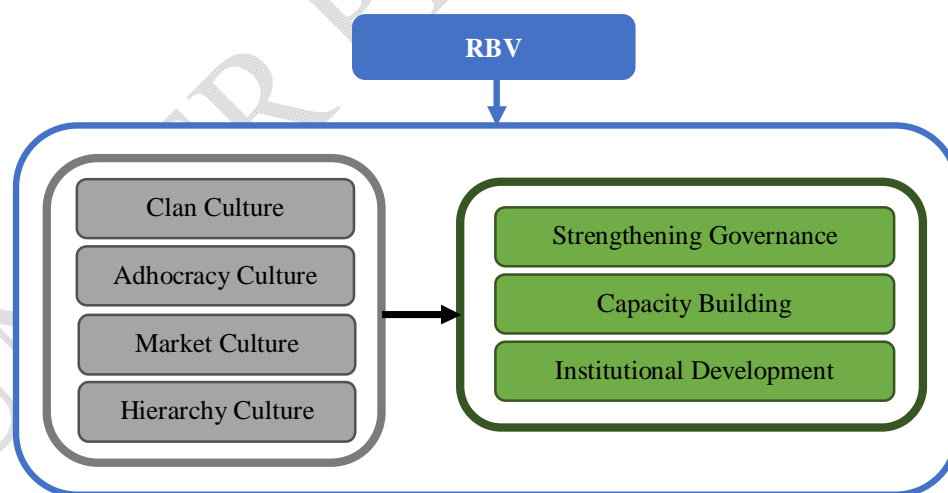


Figure 1. Conceptual Framework (Data Generated, 2024)

RESULTS AND DISCUSSION

Through the application of RVB, this study finds that organisational culture plays a crucial role in institutional strengthening. This could be seen in the study of Martinez et al. (2023), which confirms that the organisational culture influences the institution's function as well as its response to rapid changes and challenges. In other words, the improvement of the institution's capacity to perform its function effectively and efficiently is affected by organisational culture. In addition, based on the study of Žalėnienė and Pereira (2021), through clan and adhocracy culture, an organisation can potentially increase its shared values and beliefs about capacity building and institutional development. The reason is that shared values and beliefs are seen as the guidelines for all organisations' members in creating a sense of unity both inside and outside the organisation that may lead the organisation to more efficient and effective institutional functioning. Subsequently, the study of Gaál et al. (2010) denotes that through the application of market and hierarchy culture, there will be a great positive result in communication channels inside organisations, particularly in strengthening governance and capacity building. With clear communication, the organisation is helped to ensure that any individual who is attached to the organisation is aware of the objective and/or goal, policy management, as well as the expectations of the organization. Eventually, effective and efficient communication will be perceived as one of the critical factors for institutional strengthening. Additionally, through the application of the four key components of organisational culture, the study of Tresnasari and Zulganef (2023) suggests that organisational culture helps the creation of collaboration and teamwork, which later nurtures an appreciation of shared responsibility and collective ownership among the organisation's members. As a result, through the creation of more effective and efficient collaboration and teamwork, organisations are assisted to produce supportive key factors in increasing their institutional strengthening, especially more effective problem-solving and decision-making for better capacity building, institutional development, and strengthening the governance of the organisation.

Furthermore, organisational culture also fosters the development and improvement of adaptability and flexibility among organisation members in order to respond more efficiently and effectively to changing situations, which is critical for institutional strengthening (Akbar et al., 2023; Jacobs, 1998; Serge Kubanza & Simatele, 2020; Tresnasari & Zulganef, 2023). In the context of employee engagement and motivation, clan culture also leads the organisation to higher levels of job satisfaction and productivity (Akbar et al., 2024; Lou et al., 2019; Paais &

Pattiruhu, 2020). In return, improved job satisfaction and productivity levels later contribute to the overall effectiveness of the institution. To be more specific, the levels of innovation and continuous improvement inside the organisation potentially increase and help the organisation stay ahead in adapting to the change. Subsequently, in the context of leadership, through the improvement of capacity building, the four key components of organisational culture support a leader of an organisation to personify the values and principles of the institution, and clan, adhocracy, and hierarchy culture later empower such a leader to set a more effective and efficient tone for the rest of the organization (Akbar et al., 2024; Jensen et al., 2020; Martinez et al., 2023; Paais & Pattiruhu, 2020; Silverthorne, 2004). Through a more efficient and effective organisational culture and leadership improvement, the accountability and transparency of the organisation will also be boosted. As a result of good management of accountability and transparency in organisational culture, there will be more effective decision-making and a stronger sense of institutional integrity (Haeruddin et al., 2022; Haeruddin et al., 2023; Mustafa et al., 2023; Mustafa et al., 2018).

CONCLUSION

This study finds, through the application of RBV, that organisational culture plays a significant role in the institutional strengthening of organizations. Clan, adhocracy, market, and hierarchy culture affect the institutional strengthening of organisations, especially the organisation's strengthening of governance, capacity building, and institutional development. For instance, the organisation is seen to have a great chance of increasing its shared values and beliefs about capacity building and institutional development due to the creation of a sense of unity both inside and outside the organization. Likewise, within the context of communication, organisation culture also plays a vital role in ensuring organisation members are aware of the most important element of every organisation, which is clear communication. The organisation is helped to ensure that any individual who is attached to the organisation is aware of the objective and/or goal, policy management, as well as the expectations of the organisation, and eventually, effective and efficient communication is perceived as one of the critical factors for institutional strengthening. And eventually, there will be good and more effective and efficient collaboration and teamwork, as well as a sense of shared responsibility and collective ownership, an increasing

level of job satisfaction among members, and the accountability and transparency of leadership as well as organisational culture inside the organisation.

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- 1.
- 2.
- 3.

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