The Influence of Organizational Culture to the Polytechnic Education in the Province of East Java-Indonesia on the Organizational Competitiveness and the Teaching Staff Performance: A Conceptual Model

Juliani Dyah Trisnawati
Doctoral Student, Faculty of Economic dan Business, Airlangga University, Indonesia

Anis Eliyana
Faculty of Economic dan Business ,Airlangga University, Indonesia

Abstract
The conceptual paper discusses the influence of organizational culture of polytechnic education in the province of East Java on the competitive advantages and the staff performance. By using literatures support, the expected relationships among organizational culture, competitive advantage and staff performance are discussed, and the hypotheses associated with these variables are developed.

Keywords: organizational culture, competitive advantage, staff performance

1. Introduction
According to the Indonesian Higher Education Act number 12 year 2012, vocational education is an education of applied expertise or skill in the higher education institution such as university, institutes, polytechnics, colleges and community colleges. The vocational education levels ranging from Diploma, Applied Bachelor, Master and Doctoral of Applied Science in the arrangements should comply to the national/ international competency standard with the emphasis on the skills and practices match with job and industry needs.

The single market of ASEAN countries or the ASEAN Economic Community (AEC) in 2015 will allow any country members to sell goods and services easily to other countries throughout Southeast Asia. Therefore, the role of vocational education as a provider of highly skilled experts is increasingly important both for the workforce and the industry by increasing competitiveness through the provision of qualified graduates, punctual, adaptable to the work environment and innovative.

Porter (2006) describes the two basic types of competitiveness, named: the cost advantage and the differentiation advantage. A competitiveness arises when an organization capable to produce a similar product with less cost than the competitors (cost advantage), or it capabilities to deliver different and better products/services than the competitors (differentiation advantage).

A competitiveness occurs when there is a cognitive process in an organisation which shown from the behavior or the believes of the members of an organization. In order to manage the cognitive processes to achieve a competitive advantage, the entire members of the organization have to understand what they are doing in relation to the organizational culture. (Fiol, 1991)

The organization's culture can be broadly defined as the rules and norms that suggest a general solution to the problem and situation faced by members of the organization (Denison, 1990: 32). Organization's culture refers to the value system and common beliefs of the members of the organization (Schein, 1985), symbols and artefacts (Rafaeli and Worline, 2000), or the perception process of the organization of a particular organization (Hofstede, Neuijen, Ohayv, and Sanders, 1990). In an attempt to operationalize the organizational culture Deshpande and Webster (1989: 4) defines that an organizational culture as "a pattern of shared values and beliefs that help individuals to understand the function of the organization and behavior norms."

Organizational culture is a system of shared values believed by members that distinguishes the organization from other organizations (Schein, 1985: 168). This shared values system is a set of key characteristics upheld by the organization. Furthermore, Schein (1985) gives some key characteristics of the organizational culture, namely: (a) observed behavioral regularities, (b) organizational norms, (c) dominant values adopted by organization, (d) organizational philosophy, (e) organizational rules (rules), and (f) the work atmosphere of the organization (organizational climate).

Organizational culture which built from the simultaneous presence of all members of the organization, in this normative act will support the successful management practices, which leads to an equality relationship, satisfaction and good organizational performance (Jarratt, and O'Neill, 2002), while the organization performance is a figure of the achievement level of tasks in an organization, in meeting the goals, objectives, mission, and vision of the organization and also it enables us to get an idea on how far the organization achieves the objectives compared to the goals and targets previously set.

Based on this background, this paper aims to develop a conceptual model of organizational culture
influence on the organization competitiveness and educators performance of higher vocational education in particular polytechnic institutions in East Java-Indonesia. The framing of this conceptual model is important, because in the globalization era of vocational education, it will face with various changes such as the globalization of the labour market supply of skilled and trained workforce through education and training. It is the consequences of migration and the growth of the needs of skilled personnel with a high level of expertise. For graduate’s user (business), the availability of workforce with high skilled education background and with good skill in the field implementation is a key determinant of business competition. (Loveder 2010 and Emir, 2013).

Planning and the implementation strategies of the vocational education into new forms such as curriculum development, instructional content and innovative delivery methods must be carried out and implemented by all educators (Mouzakitis, 2010). Likewise, the behavior of the entire vocational staff in the managerial processes including the behavior in organizational management such as staffing, performance appraisal, leaderships, reactions to organizational life, career transition work and quality of life should also be planned in a systematic and structured way. (Greenhaus and Parasuraman, 1986 ). Thus, the productivity performance of the graduates of vocational education, especially in their workplace will increase.(Min and Tsang, 1990).

2. Literature Review
The preparation of conceptual model is based on the relevant literature reviews and in accordance with the existing models in relation to culture, competitiveness and organization performance, especially in the vocational education organization. Table 1 illustrates the development of relevant research related to culture, competitiveness and performance of the organization starting in 1984-2013.

<table>
<thead>
<tr>
<th>Year</th>
<th>Author</th>
<th>Paper</th>
</tr>
</thead>
<tbody>
<tr>
<td>1984</td>
<td>Allaire, Y., Firsrou, M.E.</td>
<td>Theories of organizational culture</td>
</tr>
<tr>
<td>1985</td>
<td>Masland, Andrew T.</td>
<td>Organizational culture in the study of higher education.</td>
</tr>
<tr>
<td>1985</td>
<td>Porter, M.E.</td>
<td>Competitive advantage: creating and sustaining superior performance</td>
</tr>
<tr>
<td>1985</td>
<td>Schein, E. H.</td>
<td>Organizational culture and leadership</td>
</tr>
<tr>
<td>1986</td>
<td>Greenhaus, J.H., Parasuraman, S.</td>
<td>Vocational and organizational behavior</td>
</tr>
<tr>
<td>1986</td>
<td>Barney, J.B.</td>
<td>Organizational culture: can it be a source of sustained</td>
</tr>
<tr>
<td></td>
<td></td>
<td>competitive advantage?</td>
</tr>
<tr>
<td>1988</td>
<td>Meek, V.L.</td>
<td>Organizational culture: origins and weaknesses</td>
</tr>
<tr>
<td>1988</td>
<td>Tierney, W.G.</td>
<td>Organizational culture in higher education: Defining the</td>
</tr>
<tr>
<td></td>
<td></td>
<td>essentials</td>
</tr>
<tr>
<td>1989</td>
<td>Deshpandé, R., &amp; Webster, F. E., Jr.</td>
<td>Organizational Culture and Marketing: Defining the Research</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Agenda</td>
</tr>
<tr>
<td>1990</td>
<td>Denison, D. R.</td>
<td>Corporate culture and organizational effectiveness</td>
</tr>
<tr>
<td>1990</td>
<td>Hackett, E.D.</td>
<td>Science as a vocation in the 1990s: The changing</td>
</tr>
<tr>
<td></td>
<td></td>
<td>organizational culture of academic science</td>
</tr>
<tr>
<td>1990</td>
<td>Hofstede, G., Neuijen, B., Ohayv, D. D., &amp; Sanders, G.,</td>
<td>Measuring organizational cultures: A qualitative and quantitative</td>
</tr>
<tr>
<td></td>
<td></td>
<td>case study across twenty cases</td>
</tr>
<tr>
<td>1990</td>
<td>Min, W.F., Tsang, M.C.</td>
<td>Vocational education and productivity: A case study of the Beijing</td>
</tr>
<tr>
<td></td>
<td></td>
<td>General Auto Industry Company</td>
</tr>
<tr>
<td>1991</td>
<td>Fiol, C.M.</td>
<td>Managing culture as a competitive resource: An identity-based</td>
</tr>
<tr>
<td></td>
<td></td>
<td>view of sustainable competitive advantage</td>
</tr>
<tr>
<td>1992</td>
<td>Gordon, G.G., Di Tomaso, N.</td>
<td>Predicting corporate performance from organizational culture</td>
</tr>
<tr>
<td>1992</td>
<td>Mitchell, J.T., Willower, D.J.</td>
<td>Organizational culture in a good high school</td>
</tr>
<tr>
<td>1993</td>
<td>Smart, J.C., Hamm, R.E.</td>
<td>Organizational culture and effectiveness in two-year colleges</td>
</tr>
<tr>
<td>1998</td>
<td>Deem, R.</td>
<td>'New managerialism and higher education: The management of</td>
</tr>
<tr>
<td></td>
<td></td>
<td>performances and cultures in universities in the United Kingdom</td>
</tr>
<tr>
<td>1999</td>
<td>Giroux, H.A.</td>
<td>Vocationalizing higher education: Schooling and the politics of</td>
</tr>
<tr>
<td></td>
<td></td>
<td>corporate culture</td>
</tr>
<tr>
<td>1999</td>
<td>Mazzarol, T., Soutar, G.N.</td>
<td>Sustainable competitive advantage for educational institutions:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>a suggested model</td>
</tr>
<tr>
<td>2000</td>
<td>Ogbonnaa, E., Harrisa, L.C.</td>
<td>Leadership style, organizational culture and performance:</td>
</tr>
</tbody>
</table>
On the table 1 above describes the development of research relevant to culture, competitiveness and performance on various organizations written by the experts. Since Allaire, and Firsirrutu (1984) wrote the theory of organization, then some researches on the organizational culture in a variety of manufacturing and higher education, including vocational growing quite rapidly. (Masland, 1985; Greenhaus and Parasuraman, 1986; Tierney, 1988; Hackett, 1990; Hofstede, et al., 1990; Mitchell, and Willower, 1992; Giroux, 1999; Craig, 2004). In order to provide an understanding the organizational culture theory, Cameron and Ettington (1988) and Meek (1988) wrote about the basic concepts of how organizational culture is arised, and also described the symbols exists in the organizational culture (Rafaeli, and Worline, 2000), and Meek (1988) in his article discusses on the weaknesses of the organizational culture that must be well understood by an organization. By the way, leadership is an important factor in the formation of a good organizational culture (Schein, 1985; Ogbonna and Harrisa, 2000; Zehir, et al., 2011). Even community leader whose thought followed by society such as Confucius can be used to build a good organizational culture (Lee and Yu, 2001).

When the organization culture is well grown and well developed, then the organizations will apparent increase its competitiveness and its performance. Some researchers have discussed the influence of organizational culture and competitiveness as conducted by Barney (1986) and Fiol (1991), with the result indicates that there is a positive relationship between organizational culture and the increment of competitiveness. While other researchers such as Denison, (1990); Gordon, and Di Tomas (1992); Smart and Hamm (1993);
Deem (1998); Jarratt and O'Neill (2002), Lee and Yu (2004); Henri (2006); Beugelsdijk, et al. (2009); Tidora, et al. (2012); Jacobs, et al., (2013); Yesil and Kayab (2013), states that a good organizational culture will produce excellent organizational performance. In addition, good organizational culture will create job satisfaction for its employees (Lund, 2003). Furthermore, organizational culture and job satisfaction will increase the creation of individual organizations innovation. (Obendhain and Johnson, 2004; Acar and Acar, 2012; Chen, et al., 2009).

Several other researchers also discuss competitiveness relationship with organizational performance as practiced by Li, et al. (2006) and Majeed (2011) which states that there is a positive relationship between competitiveness with improving organizational performance. Other studies such as Rose, et al. (2010) added a variable of organizational culture in the relationship between the competitiveness and the organization performance.

Based on Table 1, it can be concluded that there is a correlation of organizational culture with competitiveness and performance of the organization. However, the existing research does not addresses yet the relationship between the organizational culture and competitiveness with the performance of teaching staff in the polytechnic institutions, particularly in the developing countries. This is the novelty of this research.

2.1. Organizational Culture

For a higher education organization like the polytechnic, a strong organizational culture has been supported by its leadership both at the institutions level and at the courses (or program study) level. This support is for the achievement an effective organizational performance (Zehir, et al., 2012), by using good governance which lead to the creation of equal or collegial relationships between academicians and professionals as well as the satisfaction of all stakeholders (Jarratt and O'Neill, 2002).

Various literatures whose conducted empirical studies of organizational culture and performance shows that the good organizational culture support to the achievement of business performance both financially and non-financially. (Jarratt and O'Neill, 2002; Tidora, et al., 2012). Furthermore, Yesil and Kayab (2013), examined the role of organizational culture on the company's financial performance which indicates a positive effect. However, the potential differences of the organizational culture also affect the performance of the organization (Beugelsdijk, et al., 2009), as research conducted by Jacobs, et al., (2013), found that the variation organizational culture from time to time will affect the performance of the organization. Studies conducted in the hospital proved that different cultural relationship affects the performance in the management of the hospital. While this research will identify the influence of organizational culture to the performance of the education staff in the higher education organization of polytechnic in East Java - Indonesia. Moreover, it will also be identified whether the differences in the organizational culture among polytechnic institutions will affect the performance of educators.

Organizational culture variables used in the preparation of the conceptual model, namely: (a) the observed rules of conduct (observed behavioral regularities), (b) organizational norms (c) dominant values espoused by organization, (d) organizational philosophy, (e) regulatory organization (rules), (f) and the working atmosphere of the organization. (Schein, 1985)

2.2. Competitiveness

Acar and Acar (2013), states that the competitive superiority of an organization appears in the superiority of the economic performance compared with competitors. Innovation (one aspect of differentiation advantage) is one of the most important measures to be able to distinguish products or services as a whole demonstrated superior business performance results. The study reveals the importance of organizational culture in order to enable innovative effect has a positive impact to the business performance. Furthermore, research conducted by Li, et al., (2006) showed that there is an effective relationship in improving competitive advantage and organizational performance since the competition occurs between the supply chain organizations. In addition, a competitive superiority has a positive impact on organizational performance.

Rose, et al., (2010) understand the relationship between internal resources, competitive advantage and organizational performance. This finding may contribute to the expansion of Resources Value Based of the organization's resources to achieve a competitive advantage and improve organizational performance. Finally, the study of Barney (1986) and Majeed (2011), shows the result that there is a positive relationship between the competence of a company and the performance of a company, which also indicates that almost in every organization there is a good relationship between the company's competitive advantage and its performance.

Competitive advantage is when an organization capable to maintain its position over its competitors (Porter, 1983), which is the organization's ability to differentiate itself from its competitors. Empirical study literatures have consistently identified that price or cost, quality, delivery time, and flexibility as important competitiveness. In addition, recent studies have included time-based competition as an important competitive priority. Fiol (1991).

The competitive variables then will be used in the polytechnic higher educational organizations for
research variable based on various documents such as assessment documents for accreditation Studies Program Polytechnic published by the National Accreditation Board of Higher Education (2011), trace users graduates, include: the education cost, graduates quality, graduates absorption, learning innovation, and the first salary of the graduates when they got jobs.

2.3. The Performance of Educators
The aims of polytechnic higher education institution is to improve the quality and productivity of graduates, while the long-term goal is to improve the sustainability of the organization in the management, finance and student. Some previous studies have measured the performance of the organization by using financial criteria, sales growth, market share growth, and overall competitive position. Along with the previous research, then the similar item that has the same meaning would be adopted to measure the performance of educators in the polytechnic higher education organization.

In the assessment documents for accreditation of Study Program Polytechnic published by the National Accreditation Board of Higher Education – Republic of Indonesia (2011) are identified several performance measures related to educators such as:

- In the learning area, such as: students satisfaction either in the learning process and supervision, learning innovation, etc.
- In the research area, such as: the number of scientific articles/ scientific work/ artwork/ books produced by the permanent lecturers whose expertise in accordance with the study program, the amount of study program’s lecturers product acquired intellectual property (patents), the number of scientific publications in national/ international journals, etc.
- Community Service Division, such as: the number of service activities/ community service in accordance with study program scientific fields, etc.
- Institutions Development Division, such as: internal and external awards obtained by the lecturers, actively involved in the management of scientific communities or professional associations, etc.

Those variables of teaching staff’s performances will be used as variables to find the relationship among organizational cultures.

3. Conceptual Framework Model

![Conceptual Model Framework](image)

Figure 1. Conceptual Model Framework

Figure 1 illustrates the conceptual model framework of the cultural influence of the polytechnic higher education organization, competitiveness and performance of educators that will be developed in this study. There are 6 characteristics (Schein, 1985) of the organization culture, namely: the observed behavior rules, norms, dominant values espoused, philosophy, rules, and work atmosphere. Competitiveness and performance of educators is a concept that has been operationalized in the existing literature (Li, et al., 2006, Rose, et al., 2010, Majeed, 2011, BAN-PT, 2011). Furthermore, by using the associated supporting literature, the relationships influence organizational culture, competitiveness and educator performance will be provided with education-related developed propositions.

3.1. Discussion
The organizational culture variables such as the observed behavior rules of the entire academic community, the norms set by the polytechnic senate, the dominant values espoused that belong to the academic community, philosophy of finishing the job, regulations followed by all academic communities, working atmosphere in the polytechnic higher education organization with collegiality and professional nature, are stated in the statutes of
the polytechnic respectively. Based on the observations and interviews conducted in the polytechnic institutions in East Java, the organization is still rarely measuring the organization's culture. This become interesting to study in order to contribute to the measurement of organizational culture.

According to assessment documents for accreditation Studies Program Polytechnic published by the National Accreditation Board of Higher Education (2011), the performance of teaching staff include: learning area, research area, community service area, and the institutional development field. The field of teaching and learning include teaching load, performance of learning process, and evaluation. While the research area includes the number of research, published articles and the number of patent or intellectual property rights obtained, and in the community service includes the number of community service performed. While the development of institutions include the involvement in the committee in the polytechnic, members of the public profession/science, and structural officials.

The competitiveness variables include the education cost, graduates quality, graduates absorption, learning innovation, and the graduates first salary when they got jobs. This competitiveness variable will distinguish the excellence of one polytechnic to other polytechnic. Therefore, the proposed conceptual model (Figure 1), will provide several propositions, such as:

- Proposition 1 (P1): The organizational culture has a relationship with the educators performance.
- Proposition 2 (P2): The organizational culture has a relationship with the organization's competitiveness.
- Proposition 3 (P3): The organization competitiveness has a relationship with the educators performance.

Based on the results of several studies that have been discussed above, strengthens the proposition of a concept built in figure 1, namely that there is relationship between the organization culture with the organization competitiveness and performance. However, there are differences with the previous studies in the individual performance factors and context of polytechnic as a higher education organization in East Java-Indonesia. This becomes the novelty of this study which is a conceptual model of the organizational culture influence on the competitiveness and performance of educators in the polytechnic as a higher education in East Java-Indonesia.

4. Summary
The preparation of this conceptual model of this study is: first, to find out that the quality culture factor with a variable in it would have been associated with the competitiveness factors of the polytechnic as a higher education organization. Both of these factors will help in comparing between polytechnics in the developing countries in the future. Moreover, the dynamics of polytechnic higher education organization in Indonesia may lead to the development of unique values in the organizational culture which distinguishes among one polytechnic with the other polytechnic. Secondly, the influence of organizational culture to the organizational performance will also be studied in empirical studies. In some cases of the previous research, the elements of culture that distinguishes the organization from one another indicates that there is an influence of organizational culture to the organization performance or individual performance. Finally, this study also want to figure out whether there is an influence of competitiveness with the performance of teaching staff in the polytechnic higher education organization. Thus, this research will improve mutual understanding of the cultural influences on the competitiveness and performance of teaching staff at the polytechnic.

References
Craig, C.M., (2004), Higher Education Culture and Organizational Change in the 21st Century, Community College Enterprise , Vol. 10, No. 1
Denison, D. R., (1990), Corporate Culture and Organizational Effectiveness, Wiley, New York


Rose, R., Abdullah , H., Ismad, A.I., (2010), A Review on the Relationship between Organizational Resources,


