



Evaluating Organizational Culture with the OCAI: Insights from the Competing Values Framework at PT. SGM

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ABSTRACT: This study analyzes the organizational culture of PT. SGM using the Organizational Culture Assessment Instrument (OCAI) based on the Competing Values Framework (CVF). The research employs a quantitative approach, distributing OCAI questionnaires to all employees to evaluate six cultural dimensions: dominant characteristics, organizational leadership, management of employees, organizational glue, strategic emphases, and criteria of success. The findings reveal that PT. SGM's current culture is predominantly clan-oriented, emphasizing a collaborative and supportive environment, with significant hierarchical elements reflecting structure and control. However, employees prefer a shift towards a more competitive market-oriented culture, focusing on achievement and innovation. The study recommends adopting a bottom-up approach to enhance employee participation and innovation, as well as implementing transformational leadership to balance the current culture with desired competitive and innovative traits. This approach aims to align the organization's culture with employee preferences and market demands, fostering a dynamic and innovative work environment for long-term success.

KEYWORDS: Competing Values Framework, Human Capital, Organizational Culture, OCAI, Transformational Leadership.

INTRODUCTION

In the last 10 years, Indonesia have witnessed an exponential growth of its internet users. Since 2013 to 2023 the growth rate is exceeding 200% which made the total count of the internet users in Indonesia is currently at 213 million people [1]. With so many people connected through the internet, businesses saw an opportunity to engage and reach their potential customers through the process of digital marketing. Currently, 53.4% of internet usage in company in Indonesia is spend for the digital marketing activity [2]. This phenomenon signifies the opportunity that the digital marketing agency have in Indonesia.

While there is an open opportunity ahead of the company, many competitors will try to seize the market which will lead to a tight competition. In the landscape of competitiveness, the key to success and thrive is by gaining competitive advantage which one of the sources could be found on the organizational culture [3]. Furthermore, an organization's capability to capture opportunities ahead is impacted by the culture of the organization [4]. In this situation, organizational culture plays an important role in navigating the competitive landscape.

Amidst this phenomenon, PT. SGM exists. SGM was established in 2019 back then in Jakarta. At SGM, although the foundational organization values are clearly defined, there is a significant gap in understanding how these values translate to the culture of organizations. This lack of clarity in organizational culture can lead to a lack of trust, as employees may feel uncertain about what is expected of them. This situation, emphasize the needs of assessment to identify what kind of culture that lived in the company currently, and what are the expectations of the employee regarding the ideal organizational culture based on their version.

The state of misunderstanding surrounding organizational culture at SGM highlights the significance of doing a thorough cultural assessment. In the absence of a comprehensive evaluation, SGM finds it difficult to pinpoint their corporate culture. To guarantee that each employee at SGM is guided by a distinct and cohesive company culture and leaves their perplexity behind, such an assessment is essential. By doing this, SGM will be able to use its corporate culture as a solid base upon which to negotiate the market's fierce rivalry. The author utilizes an instrument called the Organizational Culture evaluation Instrument (OCAI), which is based on the Competing Values Framework (CVF), to conduct an organizational culture evaluation at SGM.

BUSINESS ISSUES

The organizational culture at SGM is pivotal, constantly adapting to new trends and developments. Several challenges have been identified that impact employee performance and goal achievement. These issues were uncovered through interviews with the human resources department, which is tasked with cultivating the company's culture. The key challenges are:



- A. There is a lack of shared beliefs and perceptions regarding the desired company culture among employees.
- B. Frequent misunderstandings and conflicts arise among employees, negatively affecting their performance.
- C. Insufficient synergy and communication often lead to poor project delivery.

LITERATURE REVIEW

Organizational culture comprises the collective beliefs and values that a group has adopted to address internal integration and external adaptation issues. These beliefs, having proved effective, are imparted to new members as the proper way to perceive and respond to these challenges [5]. Organizational culture can be organized into three layers: artifacts, espoused values, and underlying assumptions. Artifacts include visible organizational processes like architecture and behaviors. Espoused values are the organization's stated norms, philosophies, and objectives. Underlying assumptions are the deeply ingrained beliefs resulting from repeated success in implementing certain values, making them resistant to change.

The Competing Values Framework (CVF) is a renowned model for evaluating and classifying organizational efficiency and culture. Developed to facilitate corporate culture assessment and transformation, the CVF divides organizational culture into four types: Clan, Adhocracy, Market, and Hierarchy. Each type emphasizes different values, such as flexibility, stability, internal focus, and external focus [6].

The Organizational Culture Assessment Instrument (OCAI), created by Cameron and Quinn, is a psychometric tool based on the CVF. It helps organizations assess their current and desired cultures through a brief questionnaire. The OCAI evaluates six dimensions of organizational culture: dominant characteristics, organizational leadership, employee management, organizational glue, strategic emphases, and criteria of success [7].

Numerous studies underscore the OCAI's effectiveness in assessing and understanding organizational culture, emphasizing its role in determining organizational fit and guiding cultural transformation. Jung et al. (2009) reviewed 70 instruments for exploring organizational culture, including the OCAI, noting its utility in providing valuable insights into organizational dynamics [8].

METHODOLOGY

This study utilizes a quantitative research design, which systematically investigates numerical data by measuring or counting attributes. Quantitative research involves data collection methods such as questionnaires and data analysis techniques like graphs and statistics to quantify attitudes, opinions, behaviors, and other variables, allowing for the generalization of results from a larger sample population [9][10][11].

Primary data will be gathered directly from participants using the Organizational Culture Assessment Instrument (OCAI) questionnaire. The OCAI will evaluate the current and desired organizational cultures by asking respondents to rate various aspects of their organization's culture. This instrument will help in identifying the six dimensions that define the company's existing and preferred cultures.

The OCAI questionnaire covers six dimensions of organizational culture: dominant characteristics, organizational leadership, employee management, organizational glue, strategic emphases, and criteria of success. Respondents will rate each dimension to provide a detailed view of both the current and desired cultural states. The data analysis will use the OCAI scoring framework, involving arithmetic calculations. Scores for each of the six OCAI categories will be averaged to generate an overall score for each dimension. This scoring will help quantify the gaps between the current and preferred cultures, offering insights into areas needing cultural alignment.

RESULT AND DISCUSSIONS

A. Dominant Characteristics

Dominant Characteristic Calculation with OCAI Framework

	Dominant Characteristic			
	Clan	Adhocracy	Market	Hierarchy
Now	29.00	23.67	24.67	22.67
Preffered	26.67	23.83	26.50	23.00
Diff	-2.33	0.17	1.83	0.33



The Organizational Culture Assessment Instrument (OCAI) data reveals that SGM' current culture is primarily characterized by Clan culture, scoring 29.00. This suggests a culture of friendliness, collaboration, and a family-like atmosphere, emphasizing teamwork, employee involvement, and a sense of community. Employees experience strong loyalty and mutual trust, with mentorship being highly valued, fostering strong relationships and a supportive environment.

In addition to Clan culture, the scores for Market culture are 24.67, Adhocracy culture is 23.67, and Hierarchy culture is 22.67. The presence of Market culture indicates a significant focus on performance and outcomes, with an underlying drive for competitiveness and target achievement. Adhocracy culture shows a level of creativity and risk-taking, suggesting a vibrant atmosphere that encourages innovation and entrepreneurship. Hierarchy culture reflects an organized and controlled approach to operations, ensuring consistency and efficiency in procedures.

Employee responses suggest a preference for slight changes in the organizational dynamics. The preferred scores show a minor decrease in Clan culture to 26.67, indicating that while the collaborative elements are still valued, employees may seek more balance with other cultural aspects. The preferred Adhocracy culture score is 23.83, showing that employees are generally satisfied with the current level of innovation and wish to maintain it.

The most significant difference is the preference for a stronger Market culture, with a preferred score of 26.50. This highlights a greater desire among employees to focus on achievement, competitiveness, and goal orientation, suggesting they believe a more results-driven approach could enhance the organization's performance. The preferred Hierarchy culture score of 23.00 indicates a slight desire for more structure and formalization in procedures. Overall, while employees at SGM value a collaborative atmosphere, they also seek to enhance competitiveness and results orientation, aiming to balance internal cohesion with external performance. This shift is intended to maintain a family-like environment while improving the organization's ability to achieve targets and market success, making SGM more competitive and efficient in the dynamic digital marketing landscape.

B. Organizational Leadership

Organizational Leadership Calculation with OCAI Framework

	Organizational Leadership			
	Clan	Adhocracy	Market	Hierarchy
Now	26.27	21.90	22.03	29.80
Preferred	26.30	25.70	25.10	22.90
Diff	0.03	3.80	3.07	-6.90

The analysis of the Organizational Culture Assessment Instrument (OCAI) data shows that the current leadership at SGM is mainly characterized by Hierarchy culture, with a score of 29.80. This signifies that the leadership style emphasizes formal procedures, control, and structure. Leaders prioritize stability, predictability, and efficiency, promoting a top-down management approach that ensures uniformity and order through strict adherence to regulations and policies. Alongside this hierarchical approach, Clan culture is also significant, scoring 26.27, indicating that leaders value teamwork, mentoring, and nurturing, creating a supportive environment.

Despite the dominance of hierarchical culture, Market culture and Adhocracy culture are less prominent, scoring 22.03 and 21.90 respectively. This suggests that while there is some focus on competitiveness and innovation, these traits are not the main characteristics of leadership at SGM. The overall leadership style is controlled and structured, focusing on efficiency and stability, while also fostering a collaborative atmosphere through mentoring and teamwork.

Employees at SGM have expressed a desire for a notable shift in leadership style. The preferred scores indicate a strong desire for an increase in Adhocracy culture to 25.70, suggesting that employees want leaders to be more entrepreneurial, innovative, and willing to take risks. There is also a preference for an increase in Market culture to 25.10, reflecting a wish for leadership to be more results-oriented and competitive, focusing on achieving targets and driving performance. Interestingly, the preference for Clan culture remains almost unchanged at 26.30, indicating that employees still value a nurturing and supportive leadership style. However, there is a significant desired decrease in Hierarchy culture to 22.90, suggesting that employees want less emphasis on control and formal procedures in leadership.



In conclusion, employees at SGM are seeking a shift towards a more innovative and entrepreneurial leadership style. They desire leaders who are willing to take risks and drive creativity, as indicated by the significant increase in the preferred Adhocracy culture. Additionally, there is a clear preference for a more competitive and results-oriented leadership approach, focusing on achieving targets and driving performance. While the nurturing and supportive aspects of leadership remain valued, employees also want a reduction in the emphasis on control and formal procedures, reflecting a desire for a more flexible, dynamic, and agile leadership style.

C. Management of Employees

Management of Employees Calculation with OCAI Framework

	Management of Employees			
	Clan	Adhocracy	Market	Hierarchy
Now	28.67	21.83	21.33	28.17
Preffered	27.67	24.50	22.17	25.67
Diff	-1.00	2.67	0.83	-2.50

The analysis of the Organizational Culture Assessment Instrument (OCAI) data shows that the current management of employees at SGM is primarily characterized by Clan culture, scoring 28.67. This suggests that the management style emphasizes cooperation, consensus, and participation. Managers focus on creating a familial environment where employees feel valued and involved in decision-making processes. This approach highlights the importance of teamwork, employee development, and a positive work atmosphere. Alongside Clan culture, Hierarchy culture also scores significantly at 28.17, indicating that formal procedures, control, and structure are prioritized in employee management.

While Clan and Hierarchy cultures dominate, Adhocracy culture (21.83) and Market culture (21.33) are less prominent. This suggests that although innovation and competitiveness are valued, these traits are not the main characteristics of management at SGM. The current management style is thus a blend of nurturing and structured approaches, ensuring that operations are efficient and predictable while maintaining a supportive and inclusive environment for employees.

Employee feedback indicates a desire for change in how employees are managed. The preferred scores show an increase in Adhocracy culture to 24.50, suggesting that employees want management to be more creative and willing to take risks. Additionally, there is a slight increase in the preferred Market culture score to 22.17, indicating a wish for management to focus more on results and competitiveness. Interestingly, the preferred Clan culture score decreases to 27.67, suggesting that while the collaborative and supportive aspects are still valued, employees seek a better balance with other cultural dimensions. There is also a significant decrease in the preferred Hierarchy culture score to 25.67, indicating a desire for fewer formal management procedures and less control.

In conclusion, employees at SGM are looking for a shift towards a more innovative and flexible management style. They desire management that encourages creativity, risk-taking, and entrepreneurial thinking, reflecting a stronger preference for Adhocracy culture. There is also a preference for increased competitiveness and results orientation, suggesting that management should focus more on achieving targets and driving performance. While the supportive and collaborative aspects of the current management style remain valued, employees prefer a reduction in the emphasis on control and formal procedures, aiming for a more dynamic, agile, and balanced approach to managing employees that fosters both innovation and performance.

D. Organization Glue

Organization Glue Calculation with OCAI Framework

	Organization Glue			
	Clan	Adhocracy	Market	Hierarchy
Now	27.67	22.67	24.00	25.67
Preffered	27.17	24.00	25.00	23.83
Diff	-0.50	1.33	1.00	-1.83



The Organizational Culture Assessment Instrument (OCAI) results show that the current organizational glue at SGM is predominantly characterized by Clan culture, with a score of 27.67. This indicates that loyalty, mutual trust, and a strong sense of belonging are the primary elements that hold the organization together. Employees demonstrate a high level of commitment to one another, creating a familial bond and a supportive, peaceful work environment. Additionally, Hierarchy culture is also significant, scoring 25.67, which suggests that formal rules and procedures play a crucial role in maintaining organizational stability and coherence.

While Clan and Hierarchy cultures are prominent, Market culture (24.00) and Adhocracy culture (22.67) are less so. This implies that while accomplishment and creativity contribute to organizational cohesiveness, they are not the main drivers. The current organizational glue at SGM is thus a blend of loyalty, mutual trust, and formal rules, ensuring smooth operations and clear expectations.

Employee preferences indicate a desire for some changes in the organizational glue. The preferred scores show an increase in Adhocracy culture to 24.00, suggesting that employees want more emphasis on innovation, development, and being at the cutting edge. Additionally, there is a preference for an increase in Market culture to 25.00, indicating a desire for a greater focus on achieving goals and performance. Interestingly, there is a slight decrease in the preferred Clan culture to 27.17, suggesting that while collaborative and trust-based relationships are still valued, employees seek a more balanced approach. The desired decrease in Hierarchy culture to 23.83 indicates that employees want less reliance on formal rules and policies to maintain organizational cohesion.

In conclusion, employees at SGM expect the organizational glue to shift towards a more innovative and goal-oriented approach while maintaining the strong collaborative elements of the Clan culture. They desire a culture that emphasizes involvement in development and innovation, reflecting a stronger preference for Adhocracy culture. Employees also seek an increase in goal achievement and performance orientation, indicating a wish for Market culture to play a more significant role in the organization's cohesiveness. While maintaining collaborative and trust-based relationships is still important, employees prefer a reduction in the emphasis on formal rules and policies, aiming for a more dynamic and flexible organizational glue that fosters both innovation and performance.

E. Strategic Emphases

Strategic Emphases Calculation with OCAI Framework

	Strategic Emphases			
	Clan	Adhocracy	Market	Hierarchy
Now	24.67	24.17	25.50	25.67
Preferred	25.17	25.00	25.17	24.67
Diff	0.50	0.83	-0.33	-1.00

The current strategic emphases at SGM exhibit a balance across all four cultural types, with a slight inclination towards Market and Hierarchy cultures. The scores are as follows: Clan culture (24.67), Adhocracy culture (24.17), Market culture (25.50), and Hierarchy culture (25.67). This indicates that the organization values maintaining a structured, efficient, and stable environment while also striving for competitiveness and goal achievement. The Clan culture reflects a focus on human development, trust, and employee involvement, whereas the Adhocracy culture signifies an emphasis on innovation and development.

Overall, the current strategic emphases at SGM reflect a balance among the four cultures, with a slight preference for Market and Hierarchy cultures. The organization prioritizes a structured, efficient, and stable environment to ensure smooth and predictable operations. Simultaneously, there is a strong focus on competitiveness and goal achievement, driving the organization to outperform competitors and achieve high levels of market success. The emphasis on Clan culture fosters human development, trust, and employee involvement, creating a supportive and inclusive work environment, while the focus on Adhocracy culture ensures that the organization remains agile and responsive to new opportunities.

Employees at SGM have expressed a desire for minor changes to the strategic emphases. They prefer a slight increase in Adhocracy culture to 25.00, indicating a wish to focus more on innovation, development, and exploring new opportunities. Additionally, employees want a slight increase in Clan culture to 25.17, showing that human development, trust, and participation



remain important strategic emphases. Conversely, they prefer a slight decrease in Market and Hierarchy cultures to 25.17 and 24.67, respectively, suggesting a need to slightly reduce the emphasis on formal structures, goal achievement, and competitiveness in favor of a more balanced approach.

In conclusion, employees at SGM expect the strategic emphasis to shift slightly towards greater innovation and human development. They desire an increase in Adhocracy culture, emphasizing creativity, risk-taking, and exploring new opportunities. Additionally, they prefer to maintain the supportive and collaborative aspects of Clan culture, with a slight increase in its importance. While competitiveness and goal achievement remain crucial, employees prefer a slight reduction in the emphasis on Market culture, aiming for a more balanced approach. There is also a desire to lessen the reliance on formal structures and control, reflecting a preference for a more flexible and dynamic strategic approach that fosters both innovation and human development while maintaining a focus on achieving goals.

F. Criteria of Success

Criteria of Success Calculation with OCAI Framework

	Criteria of Success			
	Clan	Adhocracy	Market	Hierarchy
Now	27.50	20.50	22.17	29.83
Preffered	25.17	22.00	26.67	26.17
Diff	-2.33	1.50	4.50	-3.67

The analysis of the Organizational Culture Assessment Instrument (OCAI) data shows that the current criteria for success at SGM are heavily influenced by Hierarchy culture, scoring 29.83. This suggests that the organization measures success through efficiency, control, and the smooth execution of tasks. There is a strong emphasis on maintaining stability, predictability, and adherence to established procedures. Additionally, Clan culture is significant, scoring 27.50, indicating that success is also measured by employee commitment, teamwork, and human resource development.

Market culture (22.17) and Adhocracy culture (20.50) are less prominent in the current criteria of success. While innovation and competition are recognized as important, they are not the primary focus. The organization primarily values efficiency, control, and smooth operations, alongside developing human resources and fostering teamwork. This blend ensures consistent and reliable performance, with internal cohesion and operational efficiency being the main drivers of success.

Employees at SGM have expressed a desire for significant changes in the criteria for success. They prefer a substantial increase in Market culture to 26.67, indicating a desire for success to be defined more by competitiveness, market leadership, and achieving ambitious targets. There is also a preference for an increase in Adhocracy culture to 22.00, showing a desire for greater emphasis on innovation, individuality, and new product development. Conversely, there is a notable decrease in the preferred values for Hierarchy culture to 26.17 and Clan culture to 25.17, suggesting that employees want less emphasis on control, efficiency, and human development as the primary measures of success.

In conclusion, employees at SGM expect the criteria for success to shift towards a more competitive and innovative approach. They desire a significant increase in the emphasis on market leadership, goal achievement, and competitiveness, suggesting that success should be defined by outperforming competitors and achieving ambitious targets. There is also a preference for greater emphasis on innovation, uniqueness, and new product development. While efficiency, control, and human development remain important, employees prefer a reduced focus on these areas, aiming for a more dynamic and results-oriented definition of success that balances traditional values with the need for competitiveness and innovation in the evolving digital landscape.

G. Overall Dimensions

Overall Dimensions Calculation with OCAI Framework

	All Dimensions			
	Clan	Adhocracy	Market	Hierarchy
Now	27.29	22.46	23.28	26.97
Preffered	26.36	24.17	25.10	24.37
Diff	-0.94	1.72	1.82	-2.59



The overall cultural profile of SGM, as indicated by responses across all dimensions, leans slightly towards hierarchical and clan-oriented values. The scores are as follows: Clan culture (27.29), Adhocracy culture (22.46), Market culture (23.28), and Hierarchy culture (26.97). These scores show that the organization places significant emphasis on formal procedures and stability (Hierarchy) as well as on human development, trust, and teamwork (Clan). The presence of Market culture suggests a moderate focus on competitiveness and goal achievement, while Adhocracy culture highlights a moderate emphasis on innovation and flexibility.

This cultural profile signifies that SGM prioritizes maintaining a structured and efficient environment with strong formal procedures and stability. Concurrently, there is a notable focus on fostering human development, trust, and teamwork, creating a supportive and inclusive work environment. Although competitiveness and goal achievement are moderately emphasized, innovation and flexibility also play integral roles in the current culture.

Employees at SGM express a desire for changes in the company's overall cultural profile. According to the preferred scores, employees would like to see an increase in Adhocracy culture to 24.17, indicating a stronger focus on innovation, risk-taking, and exploring new opportunities. There is also a preference for increasing Market culture to 25.10, suggesting a greater emphasis on achievement, competitiveness, and market leadership. Conversely, there is a preference for a decrease in Clan culture to 26.36 and in Hierarchy culture to 24.37, indicating that while human development, trust, and stability remain important, employees see the need to reduce their emphasis in favor of a more dynamic, competitive, and innovative approach.

Therefore, employees at SGM expect the overall culture to shift towards a more innovative, competitive, and dynamic profile. They desire greater emphasis on flexibility, risk-taking, and the exploration of new opportunities, reflecting a stronger Adhocracy culture. Additionally, there is a preference for an increased focus on competitiveness, achievement, and market leadership, indicating a stronger Market culture. While human development, trust, and stability remain important, employees prefer a reduced focus on these areas, aiming for a more agile and results-oriented organizational culture that balances traditional values with the need for competitiveness and innovation in the evolving digital landscape.

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