

THE INFLUENCE OF ORGANIZATIONAL VALUES TOWARD VISION ACHIEVEMENT: CASE STUDY AT SBM-ITB

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Abstract-A common response to globalization in most institutions is to become a world-class institution. SBM-ITB is one of the institutions that has a vision to be a world-class institution that inspires and develops new leaders with entrepreneurial spirit. One way to achieve the vision is to conduct the values of an organization. This research aims to find out the influence of organizational values toward vision achievement in SBM-ITB. The models of organizational values and vision achievement are based on data from SBM-ITB's website. The independent variable in this research is the organizational values, while the dependent variable is the vision achievement. The data retrieval is done by spreading the questionnaire and then processing it using the multiple linear regression analysis. The multiple linear regression analysis is used to find the relationship between the organizational values and the vision achievement. In data processing, the assumptions to fulfill the requirements of multiple linear regression is also tested. The findings of this research conclude that organizational values variable consisting of trust, excellence, harmony, integrity, and innovativeness simultaneously (together) and significantly influence on the vision achievement for academic, and non-academic employees. This is evidenced by the result of the F-test with significance probability below 0.05. The organizational value individually that has positive and significant influence toward the vision achievement are innovativeness and trust (for academic employees), harmony (for non-academic employees). This is evidenced by the result of the T-test with significance probability below 0.05.

Keywords: organizational values, vision achievement, multiple linear regression

Introduction

Globalization as the global phenomenon nowadays has affected higher education in Indonesia such as other educational systems in the world. A common response to globalization in most institutions is to become a world-class institution.

School of Business and Management in Bandung Institute of Technology (SBM-ITB) is one of the best business schools in Indonesia. This is evidenced by SWA's survey that stated School of Business and Management (SBM-ITB) was crowned as The Best Indonesia Business School. SBM-ITB is one of the institutions that has a vision to be a world-class institution that inspires and develops new leaders with entrepreneurial spirit. To achieve its vision, SBM-ITB's founding members have to make the organizational values those are essential for the organization's identity and also communicate those organizational values for all members. Gibson, et al, (1997) stated, "As the globalization of business continues, companies must be run in a new way. Company vision can be analyzed into goals and values. This leads to outcomes of control and commitment and produces employee and manager behavior that fulfills stakeholder needs."

Hence this research aims to help SBM-ITB in formulating the organizational values those are proper to be improved and maintained in SBM-ITB. The influence coefficients of organizational values toward vision achievement are becoming a standard in giving recommendation organizational values those are supposed to be improved and maintained by SBM-ITB.

Literature Review

Vision, mission, and values of the organization are vital for the company to manage its business. Jesper Kunde (2000) stated, "for the future business, the value behind the product is therefore becoming a more important aspect for gaining a competitive advantage in market competition. Mission and vision will however remain empty words if the company is not united around a set of values the corporate religion. Corporate religion is the set of values that unites the organization around a mission and vision."

Yessie Fransiska Lydiana & Yuni Ros Bangun (2013) stated that "style of instrumental leadership and corporate value have a significant influence toward capitalizing human capital, then the capitalizing human capital have a significant impact toward company performance."

Organizational Systems Framework

Donald T. Tosti and Stephanie F. Jackson (2001-2003) stated that "organizations are dynamic systems and, like all other systems, they function best when their components are designed to work together smoothly and efficiently. Any change we introduce to an organization, then, must be aligned to fit the existing system or must modify the system to accept the change." The model below (figure 1) is a simplified systems outline for recognizing the relationship between organizational components.



Figure 1. Organizational Systems Framework

Mission and Vision

Donald T. Tosti and Stephanie F. Jackson (2001-2003) stated that "mission and vision represent long-term organizational intent. They provide guidance about organizational purposes, expressed in terms of what the organization is in business to do (mission), with a picture of the expected impact of the organization's performance (vision)."

Goals and Values

Goals and values offer clearer direction about where the organization is going, and by what means. They establish how the organization intends to distribute resources to achieve the mission or vision over time (goals), and how it means to behave as it does so (values). Mission, vision, goals and values statements tell people "what we are about," and inform members of the organization in setting priorities and choosing how to act.

Objectives and Practices

Donald T. Tosti and Stephanie F. Jackson (2001-2003) stated that "objectives and practices are the institutionalization of strategies and values. They represent decisions about how to implement those strategies and values: the objectives people set for themselves and the results they expect of their work units; the typical ways they interact with customers and others both within and outside the organization."

Activities and Behaviors

Donald T. Tosti and Stephanie F. Jackson (2001-2003) stated that “activities and behaviors are the execution of intent — the ultimate determinants of organizational performance. These represent what really happens in an organization on a day-to-day basis: the activities people choose to invest their time in, and the way they behave as they perform those activities. Statements of mission and vision, values and strategies are meaningful only insofar as they are translated into action.”

Results

Results are the outcomes an organization produces, as a consequences of the activities and behaviors performed. The way an organization chooses to measure its performance determines its ability to stay on track.

Methodology

In this research, the author used nine steps of process to bring out a good result.



Figure 2. Research Methodology

Problem Identification

To assess existing information and identify the problem that the author is trying to address.

Research Questions

To identify the specific objectives those the author will address.

Research Objectives

To summarize what is to be achieved by the author.

Literature Review

To explain theories those related to the research.

Develop Research Instrument

The author applied indicators of organizational values and vision based on data in SBM-ITB's website. Independent variable (x) represents the organizational values and dependent variable (y) represents the vision. By the end, the author would like to investigate the influence of organizational values (x) toward vision achievement (y) in SBM-ITB.

The author used questionnaire with Likert scale tool as a way of gathering statistical information for a research. In this questionnaire, 6 options of scale used are strongly disagree (1) -- strongly agree (6). The questionnaire contains 32 questions (25 questions of independent variable and 7 questions of dependent variable). The author differentiated questionnaire for academic and non-academic

employees because there are some differences in the implementation of organizational values. The differences are in the statement number 9 & 10 (for excellence), 15 (for harmony), 20 (for integrity), 22 & 24 (for innovativeness).

The author used simple random sampling in this research. Simple random sampling is the basic sampling technique where a group of subjects (a sample) was selected for study from a larger group (a population). It was considered as a fair method because every member was given equal chances to be selected. The sample was taken from SBM-ITB. The author took 77 respondents as a sample, it means the sample is 50% from the population; were acceptable for representing the population (n=154). According to Sekaran (2003), 30% response rate from the population is regarded as acceptable for most research purposes.

Data Collection

Based on the sources, the methods of collecting data in this research were divided into two methods, i.e. primary data and secondary data. Primary data is the data collected directly from the respondent. Generally, the method used was by filling the questionnaires. Secondary data is the data used to support the research about some information related to organizational values and vision in SBM-ITB. Secondary data was collected by searching for the information directly from the related institution (HRD staff and SBM-ITB's website).

Data Processing

The author would process the data after all data collected. The author used IBM statistical software, SPSS 22, where the reliability, validity, normality, heteroscedasticity, multicollinearity, and multiple linear regression were tested. All of them were used to find out the influence of organizational values toward the vision achievement in SBM-ITB. Furthermore, the author used mean to provide a statistical description of SBM-ITB's implementation of organizational values.

Data Analysis

This stage consists of overall data analysis that the author would find out the influence of organizational values toward vision achievement in SBM-ITB. The organizational values that had positive and significant influence toward vision achievement, but the implementation of organizational values was low, therefore the author should give a greater attention to those organizational values.

Conclusion and Recommendation

As the last stage, the author made the conclusion based on data that has been analyzed from the questionnaires and all the obtained information that related to the study according to the existing dimensions. After that, the author would make recommendation and it can be useful for SBM-ITB as further learning. The conclusion and recommendation were the result of this research.

Data Processing and Analysis

The total number of spread questionnaires in data collecting period is 88, with the number of return 77 questionnaires. Table 1 shows reliability for each of organizational values and vision. A questionnaire can be decided reliable if someone's answer of the question is consistent or stable in all time. George, D. & Mallery, P. (2003) stated that if the Cronbach's Alpha coefficient ≥ 0.7 that means the data reliability is acceptable.

Table 1. Result of Reliability Test

Reliability		Cronbach's Alpha Based on Standardized Items
Organizational Values	Trust	0.775
	Excellence	0.743
	Harmony	0.846
	Integrity	0.708
	Innovativeness	0.839
Vision		0.827

A questionnaire can be decided as valid if the question can reveal something that will be measured by that questionnaire. To test whether each questions is valid or not, compare each item's value on Correlated Item-Total Correlation column with r-table = 0.2242 (df = 75; / ? ???; 2-tailed). All the item's value in Correlated Item-Total Correlation is bigger than 0.2242, it means that all statements are valid. Normality test has the purpose to see if the sample data come from population that is normally distributed. If the significance probability is bigger than 0.05, then the data distribution adequate normality assumption and if it is smaller than 0.05, then it can be interpreted that the distribution is not normal. Based on Table 2, it is stated that the significance probability is 0.2 (bigger than 0.05), thus it can be concluded that the tested data is normally distributed.

Table 2. Output of Normality Test
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		77
Normal Parameters ^{a,b}		
	Mean	.0000000
	Std. Deviation	.46182873
Most Extreme Differences		
	Absolute	.061
	Positive	.056
	Negative	-.061
Test Statistic		.061
Asymp. Sig. (2-tailed)		.200 ^{c,d}

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

d. This is a lower bound of the true significance.

Heteroscedasticity tests (Glesjer Test) whether there is error in the terms of classic assumption on the regression model or not, while in the regression model, no heteroscedasticity has to be adequate. Table 3 shows all the variables have the significance probability (Sig.) > 0.05 then heteroscedasticity symptom does not occur.

Table 3. Output of Heteroscedasticity

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.882	.275		3.210	.002
T	-.093	.057	-.257	-1.649	.104
E	.041	.059	.123	.698	.487
H	-.061	.067	-.195	-.912	.365
I	-.026	.061	-.059	-.423	.674
IO	.022	.059	.063	.370	.712

a. Dependent Variable: RES2

Based on table 4, it can be concluded that there is no multicollinearity problem in all five variables in the regression model used in this research model (there is no perfect or certain relation between 1 or more independent variables in the model). It is because the VIF values of the whole independent variables are below 10 and the tolerance values of the whole independent variables are above 0.10.

Table 4. Output of Multicollinearity

Model	Coefficients ^a						
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	1.996	.496		4.024	.000		
T	.215	.102	.244	2.108	.039	.512	1.954
E	.090	.106	.111	.852	.397	.401	2.492
H	.029	.120	.039	.244	.808	.273	3.667
I	.007	.110	.007	.064	.949	.631	1.585
IO	.366	.107	.432	3.432	.001	.433	2.311

a. Dependent Variable: V

For academic employees, the adjusted R square is 0.531 that means 53.1% dependent variable (vision achievement) can be explained by all 5 independent variables (organizational values). And the rest, (100% - 53.1% = 46.9%) is explained by causes out of the model context. For non-academic employees, the adjusted R square is 0.651 that means 65.1% dependent variable (vision achievement) can be explained by all 5 independent variables (organizational values). And the rest, (100% - 65.1% = 34.9%) is explained by causes out of the model context.

The organizational values variable consisting of trust, excellence, harmony, integrity, and innovativeness simultaneously (together) and significantly influence on the vision achievement for academic, and non-academic employees. This is evidenced by the result of the F-test with significance probability below 0.05.

The organizational value individually that has positive and significant influence toward the vision achievement are innovativeness and trust (for academic employees), harmony (for non-academic employees). This is evidenced by the result of the T-test with significance probability below 0.05. Based on the previous assumption tests it is concluded that all model assumption has fulfilled the criteria thus can be statistically relied on. Therefore the multiple linear regression model is in the formula of:

$$Y = 0.387 X_1 + 0.232 X_2 - 0.223 X_3 - 0.107 X_4 + 0.556 X_5 \text{ (for academic)}$$

$$Y = 0.130 X_1 - 0.103 X_2 + 0.572 X_3 + 0.232 X_4 + 0.128 X_5 \text{ (for non-academic)}$$

Y = vision achievement (dependent variable)

X₁ = trust (independent variable)

X₂ = excellence (independent variable)

X₃ = harmony (independent variable)

X₄ = integrity (independent variable)

X₅ = innovativeness (independent variable)

Table 3. Mean and Alpha of Organizational Values

Organizational Values	Academic			Non-Academic		
	Mean	Alpha	Sig.	Mean	Alpha	Sig.
Trust	4.073	0.387	0.01	4.714	0.13	0.49
Excellence	4.167	0.232	0.10	4.781	-0.103	0.65
Harmony	4.044	-0.223	0.21	4.758	0.572	0.02
Integrity	4.609	-0.107	0.41	4.738	0.232	0.13
Innovativeness	4.222	0.556	0.00	4.669	0.128	0.49

The author used mean to provide a statistical description of SBM-ITB's organizational values implementation. Based on table 3, at the result for academic employees, the author focused on organizational values those have positive and significant influence toward vision achievement in SBM-ITB, those are innovativeness and trust. This is evidenced by the result of the T-test with significance probability below 0.05.

From the questionnaire result, a routine research indicator with "di sini hampir semua kami rutin melakukan penelitian" statement occupied the lowest place of innovativeness (3.4889 out of 6). It means that the academic employees were not doing research routinely.

For trust dimension, a transparent award indicator with "di sini hampir semua kami yang berkinerja baik akan mendapatkan penghargaan secara transparan" statement occupied the lowest place (3.6222 out of 6). It means that academic employees rarely got a transparent award although they had already performed well.

At the result for non-academic employees, the author focused on organizational value that has positive and significant influence toward vision achievement in SBM-ITB, that is harmony. This is evidenced by the result of the T-test with significance probability below 0.05.

From the questionnaire result, an actively participate indicator with "di sini hampir semua kami selalu berpartisipasi aktif dalam setiap kegiatan organisasi" statement occupied the lowest place of harmony (4.2813 out of 6). It means that the non-academic employees rarely participated in the organization's activities.

Conclusion and Recommendation

Conclusion

Academic

In this research, out of five organizational values, only two variables give significant influence to improve vision achievement. The two variables are innovativeness and trust. However, since the value of its R square is 0.531, it means that there was 53.1% of variability in vision achievement could be explained by independent variables. There were other variables outside organizational values that contribute to the improvement of vision achievement.

Non-academic

In this research, out of five organizational values, only one variable give significant influence to improve vision achievement. The variable is harmony. However, since the value of its R square is 0.651, it means that there was 65.1% of variability in vision achievement could be explained by independent variables. There were other variables outside organizational values that contribute to the improvement of vision achievement.

Recommendation

To improve and maintain the implementation of organizational values, the top management should make socialization's programs about SBM-ITB's organizational values for all employees. The

programs of socialization should be implemented from now because socializing the organizational values needs a long time (not instant). Furthermore, the role of the leaders is also important. The employees usually follow their leaders. The leader's life will be rooted strongly in an organization. So, the leaders should be role models to improve the organizational values implementation. Moreover, the author also suggests to use the indicators of organizational values in improving and maintaining the implementation of organizational values.

Things those might be developed for further research are; find out the cognitive factors which cause the negative influence when the implementation of organization values is very high; find out the cognitive factors which cause the academic employees who have worked more than 5 years occupied the lowest organizational values implementation.

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