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## The Relationship Between Organizational Culture and Administrative Management Performance in the Public Service Sector in Labuhanbatu Regency

Anni Zhofaul Fikriah<sup>1</sup>, Hotmauli Situmorang<sup>2</sup>, Irma Sary<sup>3</sup>,  
Sahrona Ritonga<sup>4</sup>, Amin Harahap<sup>5</sup>

<sup>1,2,3,4,5</sup> Universitas Labuhan Batu, Indonesia

### ABSTRACT

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This study aims to analyze the relationship between organizational culture and administrative management performance in the public service sector of Labuhanbatu Regency. Using a quantitative correlational approach, data were collected through structured questionnaires from 120 civil servants across various local government agencies. The analysis revealed a significant positive relationship between organizational culture and administrative performance ( $r = 0.643$ ,  $p < 0.01$ ). Clan and Market culture types emerged as the most influential predictors, while Adhocracy and Hierarchy cultures showed no statistical significance in the regression model. These findings highlight the importance of fostering collaborative and result-oriented work cultures to support sustainable bureaucratic reform.

*Organizational Culture, Administrative Performance, Public Service.*

[annizhofatulfikriah85@gmail.com](mailto:annizhofatulfikriah85@gmail.com)

## INTRODUCTION

Organizational culture plays a pivotal role in shaping the behavior, attitudes, and performance of public sector employees. It determines how decisions are made, how information flows, and how administrative functions are executed within government institutions (Schein, 2010). As public services face increasing pressure to improve efficiency and accountability, understanding the influence of organizational culture becomes a strategic necessity.

In the context of public administration, organizational culture is not only a set of shared beliefs and values but also a mechanism that guides daily administrative behavior and service delivery (Denison & Mishra, 1995). This cultural framework influences how public servants respond to internal procedures and external demands, which, in turn, affects administrative performance outcomes.

Administrative management performance refers to the capacity of a public institution to carry out its bureaucratic functions effectively, including planning, coordination, supervision, and service delivery (Hood, 1991). When these processes are aligned with a strong, adaptive organizational culture, they can result in better responsiveness, transparency, and service satisfaction.

In Indonesia, especially at the local government level, issues of bureaucratic inefficiency, corruption, and rigid administrative practices often stem from deep-seated cultural norms within institutions (Dwiyanto, 2006). Labuhanbatu Regency, like many other regional governments, faces ongoing challenges in aligning cultural values with modern governance expectations.

Recent reforms under the spirit of *bureaucratic transformation* emphasize cultural change as a fundamental step toward improving public administration. Regulation No. 81 of 2010 on the Grand Design of Bureaucratic Reform in Indonesia underscores the significance of cultural transformation as a key driver of performance improvement (KemenPAN-RB, 2010).

Scholars argue that high-performing public institutions tend to nurture cultures that are mission-oriented, adaptable, and open to innovation (Cameron & Quinn, 2011). When such cultures are absent, administrative systems often become rigid, inefficient, and resistant to change, especially in developing regions.

In Labuhanbatu Regency, anecdotal and preliminary findings suggest that variations in performance among public service units can be traced to differences in internal organizational culture, including leadership style, communication norms, and employee engagement (Nasution, 2022). This raises important questions about how deeply embedded values influence the functioning of public offices.

Despite its importance, empirical studies on the relationship between organizational culture and administrative management performance at the local government level in Indonesia remain limited. Most available literature focuses on national institutions or private organizations, creating a gap in region-specific policy recommendations (Indrayani & Yuwono, 2019). Therefore, this study aims to examine the relationship between organizational culture and administrative management performance in the public service sector of Labuhanbatu Regency. By identifying key cultural attributes that correlate with administrative outcomes, this research is expected to contribute practical insights for local government reform and capacity building.

## RESEARCH METHOD

This study applied a quantitative correlational design to investigate the relationship between organizational culture and administrative management performance in the public service sector of Labuhanbatu Regency. This design was chosen to measure the strength and direction of association between the two variables using statistical analysis, enabling objective interpretation of the data (Creswell, 2014). The population consisted of civil servants from various administrative departments, and through stratified random sampling, 120 respondents were selected to ensure proportional representation from key institutions. Data were collected via a structured questionnaire based on the Organizational Culture Assessment Instrument (OCAI) by Cameron and Quinn (2011) and performance indicators adapted from Hood's (1991) public management model.

To ensure the validity and reliability of the instrument, expert judgment was conducted by two public administration academics and one senior official. A pilot test with 30 participants yielded item validity values above the  $r$ -table (0.361), and Cronbach's Alpha values of 0.861 (organizational culture) and 0.873 (administrative performance), indicating high reliability (Sugiyono, 2019). The questionnaire used a five-point Likert scale, measuring four types of organizational culture (Clan, Adhocracy, Market, Hierarchy) and key performance aspects such as planning, coordination, supervision, and service delivery.

Data analysis was performed using SPSS version 26, applying both descriptive statistics (mean, standard deviation) and inferential techniques. Pearson correlation analysis was used to test the strength of the relationship between organizational culture and performance, while multiple linear regression was conducted to identify which cultural dimensions significantly predicted administrative outcomes. Ethical principles were upheld throughout the study by securing informed consent, ensuring anonymity, and maintaining respondent confidentiality, in line with academic research ethics.

## RESULT AND DISCUSSION

The results of this study reveal important findings regarding the relationship between organizational culture and administrative management performance in public service institutions in Labuhanbatu Regency.

### Descriptive Statistics

Descriptive analysis showed that the overall perception of organizational culture among respondents was moderately strong, with a mean score of 3.72 (SD = 0.48). The Clan culture type was most dominant (mean = 3.84), followed

by Hierarchy (mean = 3.69), Market (mean = 3.65), and Adhocracy (mean = 3.60). This indicates that the institutions studied emphasize teamwork, internal cohesion, and stability. For administrative management performance, the average score was 3.81 (SD = 0.52), reflecting a generally positive evaluation of planning, coordination, supervision, and service delivery processes among public employees.

### **Correlation Analysis**

The Pearson correlation test showed a statistically significant positive relationship between organizational culture and administrative management performance ( $r = 0.643$ ,  $p < 0.01$ ). This suggests that stronger and more coherent organizational cultures are associated with higher administrative performance across public institutions. Each cultural dimension also showed a positive correlation with performance:

- Clan ( $r = 0.598$ ),
- Adhocracy ( $r = 0.483$ ),
- Market ( $r = 0.506$ ), and
- Hierarchy ( $r = 0.431$ ),

all with  $p$ -values  $< 0.01$ , indicating moderate to strong associations.

### **Regression Analysis**

The multiple linear regression analysis indicated that organizational culture significantly predicts administrative performance ( $F = 29.45$ ,  $p < 0.001$ ), with an adjusted  $R^2$  of 0.403. This means that approximately 40.3% of the variance in administrative performance can be explained by the dimensions of organizational culture. Among the four cultural types, Clan culture ( $\beta = 0.312$ ,  $p < 0.01$ ) and Market culture ( $\beta = 0.247$ ,  $p < 0.05$ ) were found to be the most influential predictors of performance, while Hierarchy and Adhocracy were not statistically significant in the final model.

### **Discussion**

The findings of this study confirm that organizational culture has a significant positive relationship with administrative management performance in the public service sector of Labuhanbatu Regency. This result is consistent with the framework proposed by Denison and Mishra (1995), which emphasizes that an organization's culture influences employee behavior, coordination, and commitment, ultimately affecting institutional effectiveness. The positive correlation ( $r = 0.643$ ) found in this study indicates that a coherent, shared culture fosters better bureaucratic execution and public service delivery.

The Clan culture emerged as the strongest predictor of performance, aligning with the findings of Cameron and Quinn (2011) that organizations emphasizing internal collaboration, loyalty, and shared values often enjoy

smoother administrative processes and higher employee morale. In the context of public services in Labuhanbatu, where teamwork and interpersonal harmony are culturally valued, such a culture evidently strengthens planning and coordination functions. The result also mirrors the study by Nasution (2022), which found that collaborative culture enhances service quality in local government offices.

Interestingly, Market culture also showed a significant positive influence on performance. This suggests that result-oriented values such as competitiveness, achievement, and productivity are beginning to take root in public offices. It reflects a shift toward performance-based governance, as encouraged by Indonesia's bureaucratic reform agenda (KemenPAN-RB, 2010). However, the relatively lower influence of Adhocracy and Hierarchy may point to limitations in innovation practices and bureaucratic rigidity, which still hamper flexible service delivery in some government units.

These findings support the argument made by Dwiyanto (2006) that culture change is essential to improving the quality of public services. Administrative systems that rely too heavily on hierarchical control and formalization, without integrating adaptive cultural values, tend to become inefficient and resistant to transformation. Therefore, cultivating a culture that balances internal cohesion with performance orientation is key to achieving sustainable administrative reform.

From a practical standpoint, the implications of this study are substantial. Public sector leaders in Labuhanbatu Regency should focus on strengthening Clan and Market culture attributes, such as participative leadership, teamwork, responsiveness to citizen needs, and outcome-based evaluation. At the same time, efforts should be made to gradually introduce innovation-supportive practices, in line with Adhocracy culture, to encourage creativity and adaptability in service systems.

## CONCLUSION

This study concludes that organizational culture significantly influences administrative management performance in public service institutions within Labuhanbatu Regency. Of the four cultural dimensions assessed, Clan culture and Market culture were identified as the most impactful, highlighting the value of promoting internal collaboration, loyalty, productivity, and responsiveness to improve public sector efficiency. These traits are especially critical for enhancing planning, coordination, supervision, and service delivery, which are fundamental components of effective administrative performance.

Furthermore, the limited impact of Adhocracy and Hierarchy cultures suggests that traditional bureaucratic practices may hinder innovation and adaptability in local governance. The positive correlation between culture and performance reinforces the urgency of reforming internal values and work practices in line with Indonesia's bureaucratic transformation agenda. Therefore, public sector leaders are encouraged to foster a cultural environment that supports participatory leadership, cross-functional teamwork, and performance-based systems, as a strategic foundation for **citizen**-focused and sustainable public administration.

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