ANALYSIS OF CORPORATE LEADERSHIP CULTURE INTERNALIZATION IN GROUPE DANONE INDONESIA HEAD OFFICE

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Abstract - In this globalization era, business competition will be very tight. By 2015, there will be the AEC (ASEAN Economic Community). ASEAN will become a single market and single production base where there is flow of goods, services, investment and skilled labor is free, as well as freer capital flows among ASEAN countries. Organization with strong culture is very helpful to enhance the performance of the employees that leads to the goal achievement and increases the overall performance of the organization. Danone is one of the world's biggest and most successful food companies. Groupe Danone has leadership culture that must be implemented by all employees. This culture should go along through the behavior of employees. Employee performance affected by the corporate culture, that is why companies need to ensure that the corporate culture embraced by every employee. This research's objective is to know Groupe Danone Indonesia corporate leadership culture condition and design also to analyze the existence condition of corporate leadership culture. Groupe Danone Indonesia has four dimension of corporate leadership culture; Committed, Open, Doer, and Empowered (CODE). From the research by questionnaire, empowered dimension is in very good category. Besides, committed, open, and doer are in acceptable category but still need to be improved.

Keywords: Groupe Danone Indonesia, Organizational Culture, Corporate Culture, AEC.

Introduction

In this globalization era, business competition will be very tight. By 2015, there will be the AEC (ASEAN Economic Community). ASEAN will become a single market and single production base where there is flow of goods, services, investment and skilled labor is free, as well as freer capital flows among ASEAN countries. With the establishment of the single market free, it will be an opportunity for Indonesia to increase its market in the ASEAN region, but also can be a threat form foreign companies that want to take marketplace in Indonesia.

According Siagian (2002) that the employee's performance is influenced by several factors: salary, work environment, organizational culture, leadership and work motivation (motivation), work discipline, job satisfaction, communication and other factors. Strong culture in the organization is very helpful to enhance the performance of the employees that leads to the goal achievement and increases the overall performance of the organization (Deal and Kennedy, 1982).

Groupe Danone has leadership culture that must be implemented by all employees. This culture should go along through the behavior of employees. Facing AEC next year (2015) need to increase company performance, which is in line with employee performance. Employee performance affected by the corporate culture that is why companies need to ensure that the corporate culture embraced by every employee.

The objective from this research is to know Groupe Danone Indonesia corporate leadership culture condition and design also to analyze the existence condition of corporate leadership culture. The assessment result can be data for management to evaluate the internalization of the leadership culture. The recommendation can be input and consideration for Groupe Danone Indonesia management on improving the implementation of corporate culture.

Literature Review

Organizational Culture

Organizational culture is a pattern of basic assumption-invented, discovered, or developed by a given group as it learns to cope with its problems of external adaptation and internal integration-that has worked well enough to be considered valuable and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems (Schein, 1985).

There are two major factors that determine the strength of an organizational culture: sharedness and intensity. Sharedness means to the degree to which the organizational members have the same core values. Intensity is the degree of commitment of the organizational members to the core values.

A Strong organizational culture is shown by employees share core values. The more employees share the values and accept the core values, the stronger the culture is and the more influential it is on behavior.Organizational culture has the potential to enhance organizational performance, employee job satisfaction, and the sense of certainty about problem solving (Kotter, 2012)

Socialization Step of Organizational Culture

1. Selection of entry-level personnel. The first step is the careful selection of entry-level candidates. Using standardized procedures and seeking specific traits that tie to effective performance, trained recruiters interview candidates and attempt to screen out those who personal styles and values do not make a "fit" with the organization's culture.
2. Placement on the job. New personnel are subjected to a carefully orchestrated series of different experiences whose purpose is to cause them to question the organization's norms and values and to decide whether or not they can accept them.
3. Job mastery. Once the initial "cultural shock" is over, the next step is mastery of one's job. This is typically done via extensive and carefully reinforced field experience.
4. Measuring and rewarding performance. The next step of the socialization process consists of meticulous attention to measuring operational results and to rewarding individual performance.

5. Adherence to important values. The next step involves careful adherence to the company's most important values. Identification with these values helps employees reconcile personal sacrifices brought about by their membership in the organization.
6. Reinforcing the stories and folklore. The next step involves reinforcing organizational folklore. This entails keeping alive stories that validate the organization's culture and way of doing things.
7. Recognition and promotion. The final step is the recognition and promotion of individuals who have done their jobs well and who can serve as role models to new people in the organization. By pointing out these people as winners, the organization encourages others to follow their example.

Danone Corporate Leadership Culture

Statement of the culture: "Danone leaders are committed to an ambitious future, open, to learn and share with others, doers who deliver results fast, through empowering and developing people."

COMMITTED to build an ambitious future, means inspire and "be" the vision; commit to breakthrough results.

OPEN to learn and share with each other, means listen with empathy and talk straight; connect inside and outside.

DOER to deliver results sharp and fast, means take responsibility and risk to show the way forward; act with speed, agility and pragmatism.

EMPOWERED to energize and develop people, means engage and align teams; coach and harness diverse talents.

Methodology

Data of this research are in two categories, primary data and secondary data. Primary data are very important to complete this research. Researchers obtain primary data by spreading questionnaires to the employees. Questionnaires are in online form. The questionnaire posted in Groupe Danone Indonesia mailing list by HR analyst staff, so the employee can read it and fill it online. While the secondary data obtained by conducting a study of the literature references relevant to the issues to be studied, the company notes, Internet, company website, and journals that discuss the variables in this study.

The questionnaire has 28 questions that associated four dimension of Groupe Danone Indonesia corporate leadership culture. First dimension, committed, consists of two variables and six operational variables. The operational variables are committing to breakthrough possibilities and being accountable. The operational variables are showing different perspective, future minds, unprecedented actions, coordinate in teams, and job clarity. Second dimension, open, consists of two variables and seven operational variables. the variables are listening generously and talking straight. the operational variables are listen to others, respect, empathy, integrity, honest, open communication, and giving feedback.

Third dimension, doer, consists of two variables and seven operational variables. The variables are being responsible and overcoming breakdown. The operational variables are responsible, initiative, proactive, willing to take risks, move on, problem solver, and never give up. Fourth dimension, empowered, consists of two variables and five operational variables. The variables are engaging people and leading as coach. The operational variables are knowing others, appreciating others, strong relationships, supportive, andhelping others.

The samples in this study conducted with the type of Stratified Random Sampling. In this research, stratified random sampling the strata will be looking by the job level of the company. The total of sample is 78 from 350 total employees of Groupe Danone Indonesia in head office.

All of the result from online questionnaires automatically in Microsoft Excel form. The result is recap in Microsoft Excel. The Answer from respondent profile have their own codes so it's easier to process in SPSS software. Respondents answered each statement with score 1-5, so each statement have its value. After all the statement have their own value from 78 respondents, the average score from each variables calculated. After that, based on dimensions the average score also calculated. The result will convert in to histogram. With histogram the result is more easier in analysis process. The result will show the actual condition of the corporate culture.
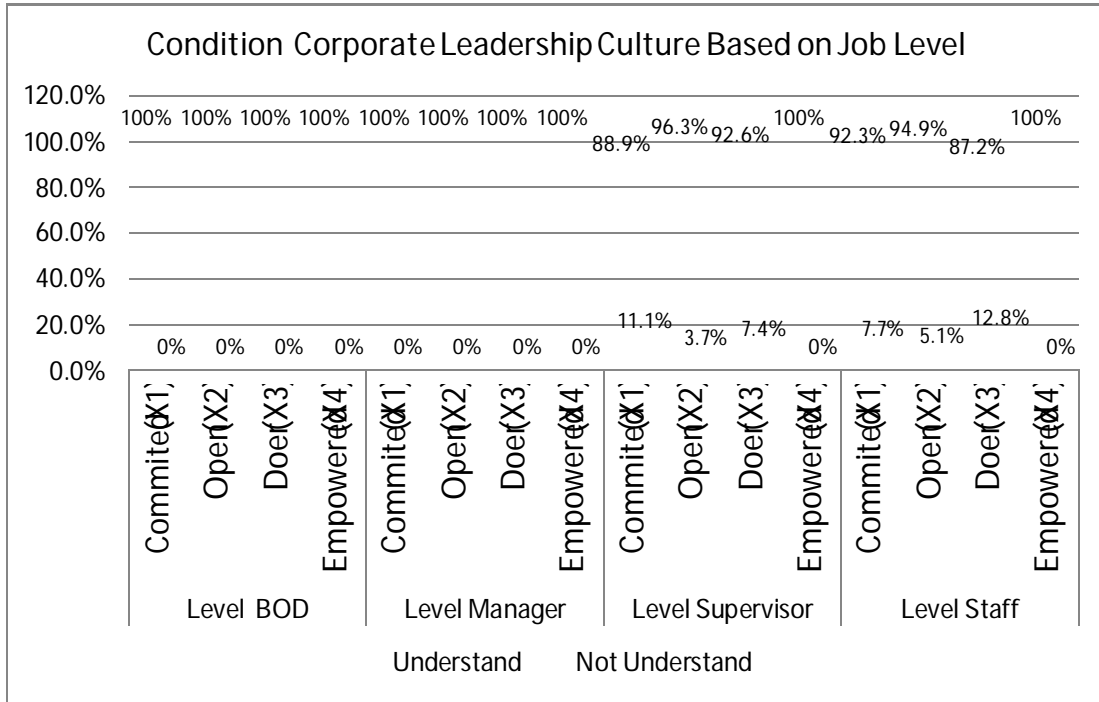
Cross-tabulation between job level and each dimension used SPSS. The recap of the data in Microsoft Excel have the average score for each dimension. Each of the respondents that separated in four categories of job level also have their own average score. The average score from each respondents will be cross-tabulation with the average score of each dimension in SPSS. If the average score of each respondent less than the average score of dimension it will categorized as not understand. If the average score of each respondent more than the average score of dimension it will categorized as understand. The result will show in percent frequencies form. It will show the percentage of each job level understand or not understand to the corporate leadership culture dimension.

Data Processing & Analysis

After the questionnaires fill by the respondents, the data is processed in Microsoft Excel and SPSS. The recap of the data is process to assess and to know the condition of corporate leadership culture.

From four corporate leadership culture, the average score committed (X1) is 3.94, the average score of open (X2) is 3.86, the average score of doer (X3) is 3.83 and the average score of empowered (X4) of 4.17. It can be concluded that the highest average score is empowered dimension (X4). From the score it can justify the dimension of empowered is very good. While, the lowest average score is doer. But, the average score of doer is no has significant gap with the others two dimension and the grading is in the same categories. doer, open, and committed are acceptable, but need still need to be improved.

Based on job level, BOD and manager level 100% they're understand and implemented all of the corporate leadership culture. Besides, there are still a few percent of supervisor and staff level that not understand. The concern for internalization in the future can use this result to develop program for employees.

Condition Corporate Leadership Culture Based on Job Level

	Commited (X1)	Open (X2)	Doer (X3)	Empowered (X4)
Level BOD Understand	100%	100%	100%	100%
Level BOD Not Understand	0%	0%	0%	0%
Level Manager Understand	88.9%	96.3%	92.6%	100%
Level Manager Not Understand	11.1%	3.7%	7.4%	0%
Level Supervisor Understand	100%	92.3%	94.9%	87.2%
Level Supervisor Not Understand	0%	7.7%	5.1%	12.8%
Level Staff Understand	100%			

Analysis

Based on the result of the questionnaire in overall Groupe Danone Indonesia corporate leadership culture are in good condition. Three of four dimensions in acceptable categories and one are in very good categories. Compare each dimension, empowered is the dimension most understood and implemented well by employees. Besides, employees weakness of understood are in dimension doer.

Dimension	Value
Empowered (X4)	4.17
Doer (X3)	3.83
Open (X2)	3.86
Commited (X1)	3.94
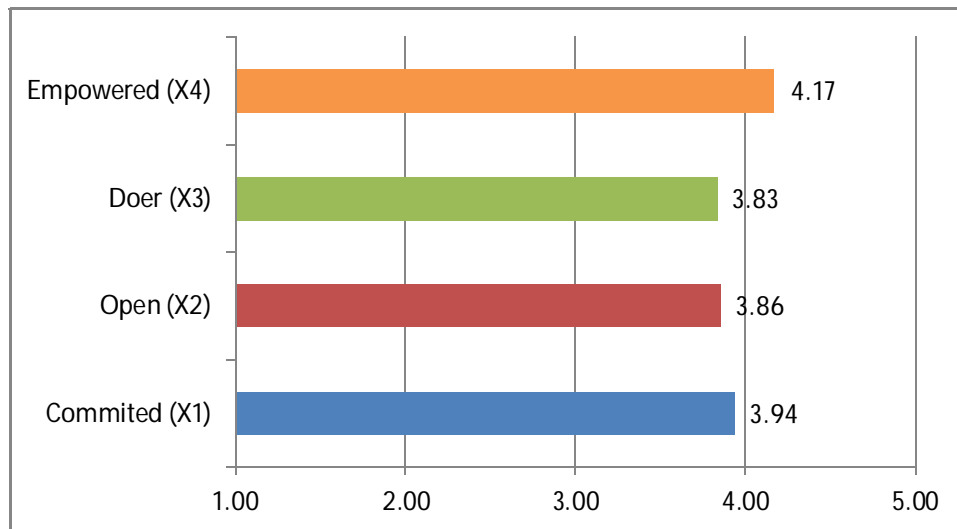
Doer and committed culture has correlation and related with motivation. In the theory of socialization step there are measuring and rewarding performance. The step of the socialization process consists of meticulous attention to measuring operational results and to rewarding individual performance. With rewarding method, employees can be more motivated. Besides, training programs also have important role of the internalization of the corporate leadership culture. Training program has to evaluate, so it can be more effective to internalize the corporate leadership culture.

In the other side, open dimension also need to be improved. This dimension related with the relationship between employees. The management can maximized it with familiarizing event between employees. There are more needed bounding activities outside work hour; it can make the relationship between employees more good. Because the tendency of people tries to open to others is when they know well and close to them. In the training programs it can be also add some bounding activities, so from the start they will familiar with others.

Based on job level, there is still problem to improve the understanding of the corporate leadership culture in supervisor and staff level. Board of director and manager level should being the role model for supervisor and staff. Rewarding method and recognition can be implemented in the supervisor and staff level.

In fact, AEC will be held in 2015. Facing this situation, extra effort will be needed, because not only the company from Indonesia who will be a competitor but also companies from outside. Improve the performance of the company is a very important thing to be done. Strengthening the internalization of the corporate culture is crucial and important things to do. After knowing the condition of the current corporate culture, management must quickly set up and design for the development of Danone corporate leadership culture.

Conclusions & Recommendations

Conclusions

1. Empowered dimension is in very good category with score 4.17 and the variables are engaging people and leading as coach. Besides, committed with score 3.94, open with score 3.86, and doer with score 3.83 are in acceptable category but still need to be improved. This also shows doer dimension is the weakest level of understood and implemented with variables being responsible and overcoming breakdown.

2. BOD and manager level 100% understood and implemented the corporate leadership culture. Besides, in supervisor and staff level there are still number of employees not understood and implemented the corporate leadership culture. In the future, supervisor and staff level are the priority in internalization program of the corporate leadership culture.

Recommendations

1. There are three dimensions still need to be improved; committed, open, and doer. Doer and committed culture has correlation and related with

motivation. With rewarding method, employees can be more motivated. In the other side, open dimension also need to be improved. This dimension related with the relationship between employees. The management can maximized it with familiarizing event between employees.

2. The corporate culture itself can influences many factors such as employee performance, employee engagement, motivation, etc. The entire factors are very important to the company's performance. So, researcher for further research may be able to find or prove the correlation between the corporate culture and the previously mentioned factors.

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