

**ANALYSIS ON THE EFFECTIVE LEADERSHIP STYLE AND HUMAN  
RESOURCE MANAGEMENT ROLES IN OPERATIONAL AND COMMERCE  
DIRECTORATE IN PT KERETA API INDONESIA HEAD OFFICE BASED ON  
ORGANIZATIONAL CULTURE ASESMENT INSTRUMENT**

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*Abstract. PT KAI had changed the vision to become the railways services provider that focus to customer services and fulfill the stakeholder expectations. The vision were translated in many programs such as the expansion in asset and business units. Every functional of PT KAI also have their own performance targets to reach the company vision. However, the change in their performances targets should be assured to have the sustainable benefit to the company. Empirical research has produced an impressive array of findings demonstrating the importance of culture to enhancing organizational performance (for reviews, see cameron and ettington, 1988;1990; and trice and beyer, 1993). In this research, the researcher want to analyze the condition of PT KAI in culture perspective. This research could be the refference for PT KAI management to understand the condition of PT KAI culture that currently present and the preffered culture that the employees. With that findings, the researcher could suggest the effective leadership style and human resource management roles for the organizations. The researcher choose commerce and operation directorate as the objects of the research because it was the core function that can support the company growth. The methods which is used in this research is organizational cultural assestment instrument (ocai) which is invented by cameron & quinn (1999). The result of the anaysis would show the tendency of PT KAI's commerce and operation directorate organizational culture. The result shows that both directorates should emphasize the market and adhocracy cultures.*

*Key words: Organization, Corporate, Cilture, OCAI, PT KAI.*

## **Introduction**

In transportation industry, PT KAI held the important role. Remind that Indonesia is a archipelago nation, also have a broad area of land. An effective integrated transportation can support the logistic distribution more efficient. The growth of Indonesian native was reach 249,9 million (2013, concentrated in Java Island at 141 million (2012) and Sumatra Island at 50,37 million (2010), demanding PT KAI to become the transportation mode that can be certifiable by Indonesian people. In the development, PT KAI had a status Perjan under the law, than changed to Perum, and now become PT. Perjan and perum are a legal entity that was a part of government. As a part of government, the budgeting for operating the company came from government budget. The personnel status of Perum and Perjan are Public servant personnel. In 1998, the legal status of company was changed to PT. Naturally, the system and aims of this corporate was also changed. The status of personnel changed to state-owned company employee. This corporate also had a new task, it is generating profit from the operations, and have an independent cashflow every years. This company is no longer funded by the government. To adapt this change It is not an easy step, almost all of PT KAI employee are the public servant minded employee, because they were recruited with public servant employee status. When the legal status was changed to PT, the employee status was

also changed. But, the changing of status did not represent the change of corporate culture. They are not prepared to become state-owned company employee.

In initializing the change in organization, every aspects must be well planned, including the change in organization culture. The failure of most planned organizational change initiative is dramatic. It is well known, for example that as may as three-quarters of reengineering, total quality management (TQM), strategic planning, and downsizing efforts have failed entirely or have created problems serious enough that the survival of the organization was threatened (Cameron, 1997). What is the most interesting for their lack of success. Several studies reported that the most frequently cited reason given for failure was a neglect of the organization's culture. In other words, failure to change the organization's culture doomed the others (Cameron, 2006).

Most organizational scholars and observers now recognize that organizational culture has a powerful effect on the performance and long-term effectiveness of organizations. Empirical research has produced an impressive array of findings demonstrating the importance of culture to enhancing organizational performance (for reviews, see Cameron and Ettington, 1988;1990; and Trice and Beyer, 1993). Kotter and Heskett (1992) interviewed seventy-five highly regarded financial analysts whose job is to closely follow certain industries and corporations. Each analyst compared the performance of twelve highly successful firms to ten lower-performing firms. Although analysts are stereotyped as focusing almost exclusively on hard data, only one of the seventy-five indicated that culture had little or no impact on firm performance. All acknowledged culture as a critical factor in long-term financial success (Cameron, 2006).

#### *Problem Identification*

In 2009, PT KAI have a new CEO, it was Ignasius Jonan. Under his leadership, PT KAI is aimed to become the customer oriented company. The company vision is to be the best railway service provider that focus to customer service and fulfill the stakeholders expectation. The new vision that brought by Ignasius Jonan was creating the necessity to rapid change in PT KAI. One of the aim of the change is the company productivity. Every part of this company is being forced by the top management to work harder with the higher goals. Every division have the different goals depend on their job descriptions. The different goals required the different way to achieve it. For example, the commerce directorate was pushed by the sales target. Consequently, they should design the product packages that can attract the consumer. They will meet intensely with various customer to offer company products. They demanded to be creative and risk taking. In another hand, operational directorate spend their time with the team in the office to design, monitor and evaluate the train traffic, revise it to form more efficient design. Then, they should obey the rigid procedure to minimize the possibility of train crash or derail. Both commerce and operational employees do the their job repeatedly. In the long term, they are being built their own way to solve the problems, the way they interact each other, and the perception about the things should be. Their working environment was shaping their way of think. They create the common characteristics among the groups. The different departmental designation and functional speciality created different norms and values among their unit. That particular characteristics indicate the existence of subculture under the company culture.

The existence of subculture inside the organization can become either the strength or the weakness for the company. It become the strength when the subculture supporting their performance and productivity, and vice versa. In support of this argument, quantitative analyses find that firms with strong cultures outperform firms with weak cultures (Kotter and Heskett, 1992; Gordon and DiTomaso, 1992; Burt et al., 1994). For example, behavioral theories of the firm suggest that risk taking by managers depends on firm performance relative to aspiration levels (Cyert and March, 1963; Bromiley, 1991); highly variable performance may therefore increase risk-taking behavior. Similarly, highly variable performance may make it more difficult for organizations to buffer themselves successfully from environmental variability in order to facilitate planning and

decision-making (Thompson, 1967) and increase organizational autonomy (Pfeffer and Salancik, 1978). Kotter and Heskett (1992) interviewed seventy-five highly regarded financial analysts whose job is to closely follow certain industries and corporations. Each analyst compared the performance of twelve highly successful firms to ten lower-performing firms. Although analysts are stereotyped as focusing almost exclusively on hard data, only one of seventy-five indicated that culture had little or no impact on the on firm performance. All acknowledged culture as a critical factor on long term financial success (Cameron & Quinn, 2006).

The company should be able to take advantage from the subculture existence to leverage their performance and productivity by managing the culture change. First, it required the company to identify the subculture that currently exist. Then, the preferred culture that employee wants can become the reference for further analysis to predict the pattern of culture change in the next five years. From the data obtained, we can analyze the possible intervention to leverage the performance and productivity of the employee in the perspective of corporate culture. In managing the culture change, the leader characteristics and human resource management interventions have the significant impacts to the effectivity of change. Obiwuru Timothy C argued in his journal (2011) that leadership is one with the most dynamic effects during individual and organizational interaction. In other words, ability of management to execute "collaborated effort" depends on leadership capability. Lee and Chuang (2009), explain that the excellent leader not only inspires subordinates potential to enhance efficiency but also meets their requirements in the process of achieving organizational goals. Equally, the literature on leadership suggests that the ability to understand and work within a culture is a prerequisite to leadership effectiveness (see Hennessey, 1998). Weak organizational cultures are characterized by a high level of cultural entropy – a proportion of energy wasted on non-productive activities by a group of people (Barets, 2008). Weak organizational culture indicates a weak human resource management (HRM) (Lotars Dubkevics & Arturs Barbars, 2010).

The different characteristics of subculture requiring the different leadership style and human resource management roles. Any organizational culture consists of subcultures. Subcultures are relatively independent systems of values, norms and behavioral stereotypes that exist in a cultural context and are not in a sharp conflict with it (Zepa, 1997). When an organization is dominated by the hierarchy culture, for example, we have found that the most effective managers – those rated as most successful by their subordinates, peers, and superiors and those who tend to move up quickly in the organization- demonstrate a matching leadership style. That is, they are good at organizing, controlling, monitoring, administering, coordinating, and maintaining efficiency. When an organization is dominated by the market culture, the managers rated as most tend to be hard-driving, whip-cracking, backside-kicking competitors. They are good at directing, producing result, negotiating, and motivating others (Cameron & Quinn, 2006).

The researcher intends to prove the existence of subculture inside PT KAI. This research seeks the different characteristic between operational and commerce directorates in PT KAI. Thus, the differences culture characteristics should be managed properly. The leadership style and human resource management roles can be adjusted to improve their performance and productivity.

#### *Research Questions*

- What are the organization dominant culture characteristics that exist in each directorates?
- What are the organization dominant culture characteristics that preferred by the employee in each directorates?
- How far the gap between current culture and the employee preferred culture in each directorates?
- What leadership style that most effective in supporting organization culture?
- What the appropriate role does Human Resources Management in the preferred culture?

- What the result of comparison between commerce and operation directorate culture characteristics?

## Literature review

### *Organization culture*

The reason organizational culture was ignored as an important factor in accounting for organizational performance is that it encompasses the taken-for-granted values, underlying assumptions, expectations, collective memories, and definitions present in an organization. It represents 'how things are around here'. It reflects the prevailing ideology that people carry inside their heads. It conveys a sense of identity to employees, provides unwritten and often unspoken guidelines for how to get along in the organization. Unfortunately, people are unaware of their culture until it is challenged, until they experienced a new culture, or until it is made overt and explicit through, for example, a framework or model. This is why culture was ignored for so long by managers and scholars. It is undetectable most of the time (Kim S. Cameron, 2006). An organization's culture is reflected by what is valued, the dominant leadership styles, the language and symbols, and the procedures and routines, and the definitions of success that make an organization unique (Kim S. Cameron, 2006).

### Organization subculture

Shared assumptions that create subculture most often form around the functional units of the organization. They are often based in a similarity of educational background in the members, a shared task, and/or similarity of organizational experience, what we end up calling "stove pipes" or "silos." We all know that getting cross-functional project teams to work well together is difficult because the members bring functional cultures into the project and, as a consequence, have difficulty communicating with each other, reaching consensus, and implementing decisions in an effective manner. The difficulties of communication across these boundaries arise not only from the fact that the functional groups have different goals but also from the more fundamental issue that the very meaning of the words they use will differ. The word "marketing" means product development to the engineer, studying customers through market research to the product manager, merchandising to the salesman, and constant change in design to the manufacturing manager (Dougherty, 1990). When they try to work together, they often attribute disagreement to personalities and fail to notice the deeper shared assumptions that color how each function thinks.

### OCAI

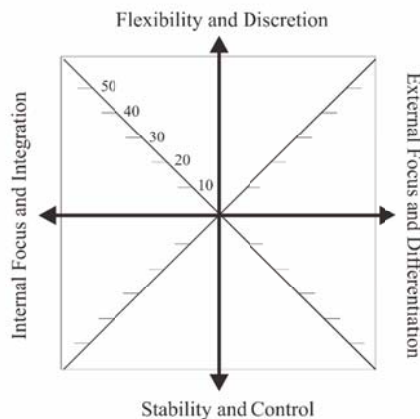
OCAI method can be used for analyzing organizational culture. However, OCAI may not cover all of the cultural aspects in a specific result. But, the researcher considers that this method is critically important strategy in an organization's repertoire for changing culture and improving performance. Cameron and Quinn in their work (2006) admit that OCAI framework or method represents the one best or the one right way to diagnose and change organizational culture. Doing so would be similar to claiming that one best way to design an organization, that one best leadership style exists, that one best method for measuring organizations, or that one best set of dimensions accounts for organizational success. None of these claims, of course, is reasonable. Other authors have proposed approaches to measuring organizational culture. Other frameworks have been proposed in the literature. A variety of underlying dimensions of culture have been put forward. Some authors have even denied that assessment and change of organizational culture are possible (Fitzgerald, 1988, is one). Although we review a sampling of alternative approaches, our intent is not to provide an extensive review of the culture literature in this book. We have done so elsewhere (see Cameron and Ettington, 1988; Beyer and Cameron, 1997). Instead, we are advocating here an approach that has several important advantages to managers and change agents interested in diagnosing and changing culture as well as to scholars interested in investigating organizational culture using quantitative methods. This approach to diagnosing and changing organizational culture offers six advantages:

1. It is practical: it captures key dimensions of culture that have been found to make a difference in organizations' success.
2. It is timely: the process of diagnosing and creating a strategy for change can be accomplished in a reasonable amount of time.
3. It is involving: the steps in the process can include every member of the organization, but they especially involve all who have a responsibility to establish direction, reinforce values, and guide fundamental change.
4. It is both quantitative and qualitative: the process relies on qualitative measurement of key cultural dimensions as well as qualitative methods including stories, incidents, and symbols that represent the unmeasurable ambience of the organization.
5. It is manageable: the process of diagnosis and change can be undertaken and implemented by a team within the organization—usually the management team. Outside diagnosticians, culture experts, or change consultants are not required for successful implementation.
6. It is valid: the framework on which the process is built not only makes sense to people as they consider their own organization but it is also supported by an extensive empirical literature and underlying dimensions that have a verified scholarly foundation.

In brief, the competing values framework has been found to have a high degree of congruence with well-known and well-accepted categorical schemes that organize the way people think, their values and assumptions, and the ways they process information.

#### *Development of the competing values framework*

One dimension differentiates effectiveness criteria that emphasize flexibility, discretion, and dynamism from criteria that emphasize stability, order, and control. The second dimension differentiates effectiveness criteria that emphasize an internal orientation, integration, and unity from criteria that emphasize an external orientation, differentiation, and rivalry. Together these two dimensions form four quadrants, each representing a distinct set of organizational effectiveness indicators.



#### *The hierarchy culture*

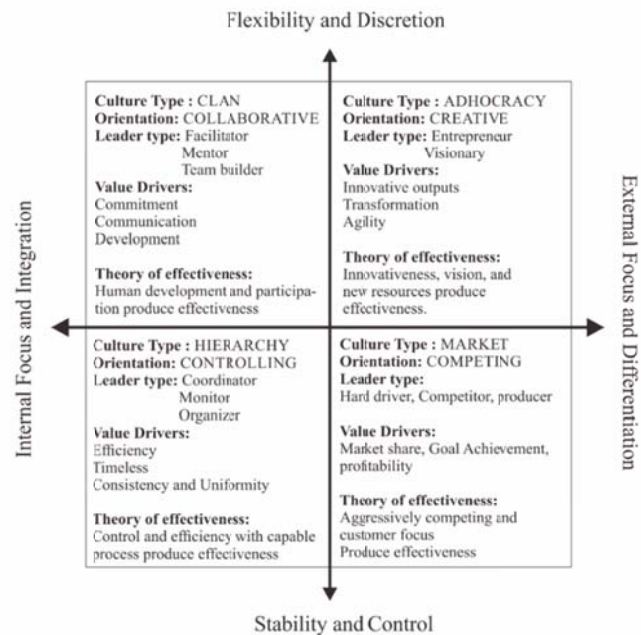
The earliest approach to organizing in the modern era was based on the work of a German sociologist, Max Weber, who studied government organizations in Europe during the early 1900s. The major challenge faced by organizations at the turn of the twentieth century was to efficiently produce goods and services for an increasingly complex society. To accomplish this, Weber (1947) proposed seven characteristics that have become known as the classical attributes of bureaucracy: rules, specialization, meritocracy, hierarchy, separate ownership, impersonality, and accountability. These characteristics were highly effective in accomplishing their purpose. Market culture, which is a fundamentally different set of assumptions than the hierarchy and was based largely on the work of Oliver Williamson (1975), Bill Ouchi (1981), and their colleagues. These organizational scholars identified an alternative set of activities that they argued served as the foundation of organizational effectiveness. The most important of these was transaction costs.

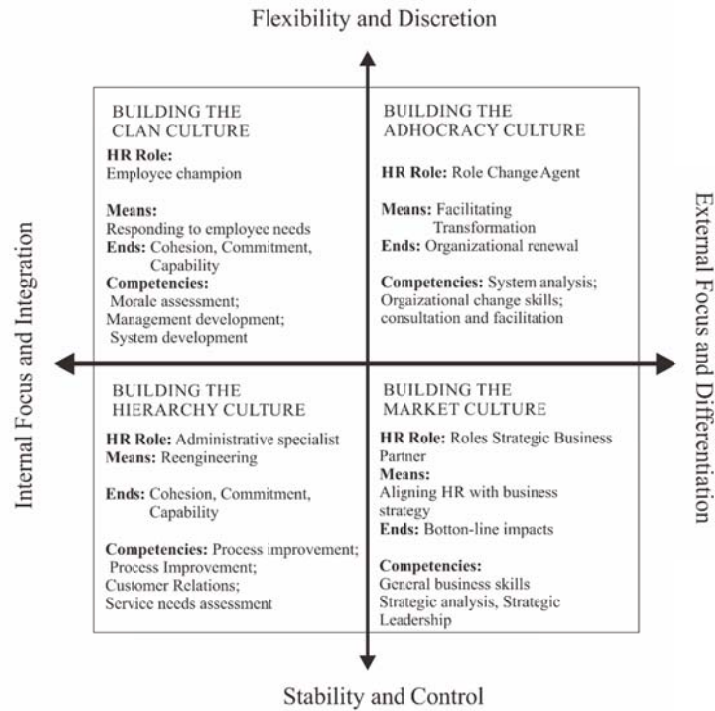
*Clan culture*

A third ideal form of organization is repeated by the upper left quadrant (in figure). It is called a clan because of its similarity to a family-type organization. Some basic assumptions in a clan culture are that the environment can best be managed through teamwork and employee development, customers are the best thought of as partners, the organization is in the business of developing a humane work environment, and the major task of management is to empower employees and facilitate their participation, commitment, and loyalty.

*Adhocracy culture*

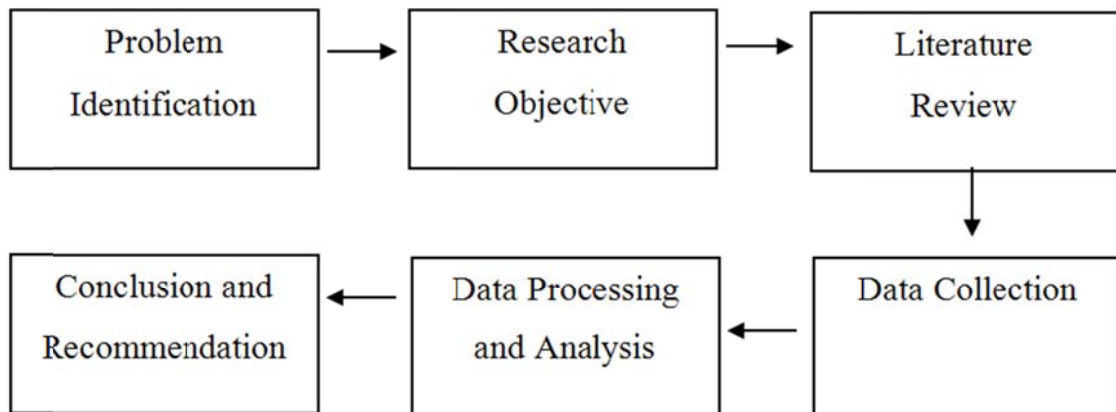
The root of the word adhocracy is ad hoc-implying something temporary, specialized, and dynamic. Most of people have served on an ad hoc task force or committee, which disbands as soon as its task completed. Adhocracies are similarly temporary.





**Methodology**

Research Methodology



*Problem identification*

Describe the underlying problem that necessary to solve with the research

*Research Objective*

The existing problem need to be solved. The researcher choose specifically which problem that wanted to solve. The research is success when the objectives of the research were reach.

*Literature Review*

The researcher seek the suitable method that can solve the problems. This phase is also could become the anticipation for the problems that usually happened. The researcher seek for the similiar research.

*Data Collection (questionnaire and interview)*

The collection of the data. The researcher should interact with the objects of the research to take the data to be analyzed.

Sample calculation

Commerce Directoate:	Operation directorate
Population size : 116	Population size on : 38
$n = N / (1 + N e^2)$	$n = N / (1 + N e^2)$
$n = 116 / (1 + 116 (0.05)^2)$	$n = 38 / (1 + 38 (0.05)^2)$
$n = 116 / 1,29$	$n = 38 / 1,095$
$n = 89,9 \sim 90$	$n = 34,7 \sim 35$
SAMPLE SIZE : 90	SAMPLE SIZE : 35

(source : PT KAI database, 2014)

The researcher use slovin formula to defining the sampe size:

Confidence level: 90%

A WORKSHEET FOR SCORING THE OCAI

SCORING

No.	Now				Total	Preffered				Total
	A	B	C	D		A	B	C	D	
1										
2										
3										
4										
5										
6										

		Now				Total	Preffered				Total
		Total					Total				
		A	B	C	D		A	B	C	D	
Dominant characteristic	1										
Leadership style	2										
Management of employee	3										
Organizational glue	4										
Strategy emphasizing	5										
Criteria for success	6										
Total											
Average											

Conclusion and Recommendations

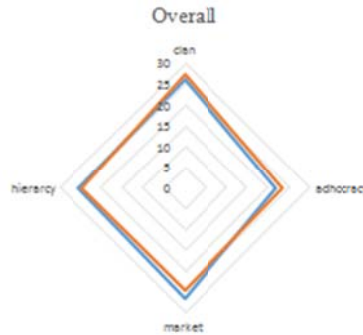
The last step of the research, researcher will arrange a conclusion from the analysis as well as some reccommedations to give improvement in the long-term. The recommendation will focus on leadership style and human resource management roles.



**Data Summary**

Overall

Commerce Directorate

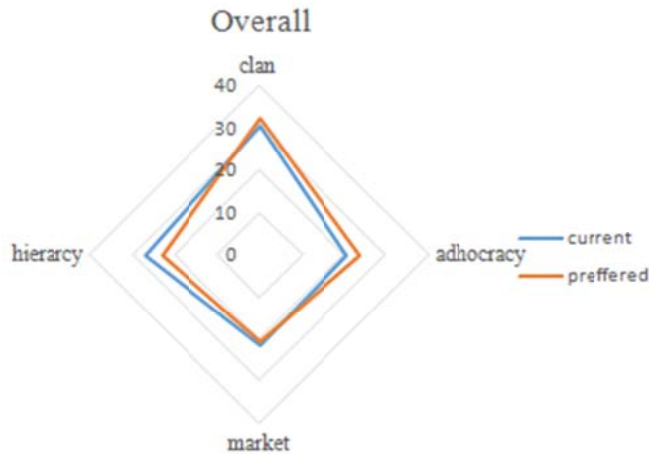


1	all dimension	now	preferred	difference
	clan - average of all A responses	26,12	27,28	-1,1621
	Adhocracy - average of all B responses	21,79	23,46	-1,67176
	Market - Average of all C responses	26,44	24,571	1,86544
	Hierarchy - Average of all D responses	25,66	24,689	0,96845

Referred to the graphic above, the researcher can conclude that there were no significant values difference among all culture categories both in the current and preferred conditions. However there were several categories that should be noticed. In overall, the graphic showed us that the current condition of commerce directorate culture are slightly dominated by market and clan culture as it got the very close score for the current condition with 26.44 for market and 26.12 for clan culture. The third is hierarchy culture. It got the point of 21.79. The lower point was Adhocracy culture, as it got 25.66 point.

While in the employees preferred culture, clan culture got the highest score of 27.28, followed by hierarchy culture with 24.689 point. In the third position, market culture had got 24,571 point. The last was adhocracy culture, it got 23,46 point. The highest discrepancies between the current and preferred condition was indicate in market culture (1.86544). They felt sufficient in the present of market and hierarchy cultures as they valued it with the lower point in the current condition. Market type of culture had the higher point in the current condition. the employees preferred to have more adhocracy and clan cultures. The discrepancies are higher in adhocracy culture (-1.67176) than in clan culture (-1.1621). Cameron and Quinn stick to the principle that urgent action is required if the difference is higher than 10 points. In the preferred condition, the researcher did not found any categories that had difference more that 10 point. The It means there were no urgent action to initiate the change.

Operation Directorate



1	all dimension	now	preffered	difference
	clan - average of all A responses	30,443	32,30808	-1,86537
	Adhocracy - average of all B responses	20,847	24,03752	-3,19008
	Market - Average of all C responses	21,767	20,71505	1,051981
	Hierarchy - Average of all D responses	26,943	22,93929	4,003524

The dominant culture is the type that scored highest, in this case clan culture (30,443): a very pleasant place to work where people share a lot of themselves and commitment is high. Followed by hierarchy culture (26,943): structure, procedures, efficiency and predictability. Third is market culture (21,767): result-oriented, production, goals and targets and competition. The adhocracy culture is present as well (20,847): a dynamic, entrepreneurial, and creative place to work.

**Data Analysis**

*Strenght*

*Commerce*

However, As the commerce directorate, their main achievement is to win the market in mass transportation industry. Nowadays, PT. Kereta Api Indonesia play the role of the only one railway service provider in Indonesia. But, in the mass transportation industry, PT KAI had the serious rivalry among it's industry, such as low cost carrier airlines, buses and trucks, ships and minibus travel agencies. To win the competition PT KAI should capable to compete with the competitors with grab the larger market share in the industry. The commerce directorate is the part of the company that ultimately responsible to achieve it. To support that mission, the researcher recommend that PT KAI should strenghten their market and adhocrachy cultures. Consequently, as the market and adhocracy cultures emerged, the clan and hierarchy cultures should be reduced. Because, clan culture is the opposite of market culture. And hierarchy culture is the opposite of adhocracy culture. It could be the obstacle for the effort of emerging the market culture.

*Operation*

The survey indicate that the most strong culture in this directorate was clan culture. It should become PT KAI concern considering that high score in clan culture indicated operation directorate had the strong bond between each members. However, As the operation directorate, their main duty are to make sure the accurate time in trains arrivals and departures and the safety in train operation. In order to accomplish that goals, the planning and implementation should be well organized. Clan culture is important for this directorate because it's emphasize on planning. But the

company should also noticed that, this condition may lead to employees miss orientation. The employees could be more loyal to their group interests rather than company interests. To anticipate it, the researcher suggested PT KAI to reduce the clan culture dominancy.

The hierarchy culture also necessary, as it was emphasize the predictability and control. But, Beside the hierarchy, operation as a part of PT KAI should have market culture tendency. It reffered to the company vision to become the customer oriented company. Many problems faced by PT KAI consider that the operation directorate is the core competency of PT KAI. To solve the strategic and daily routine problems, adhocracy culture also important. the adhocracy culture idicates creativity and flexibility. It emphasized the innovation and agility. However, the survey shown that the employees want to reduce its' hierarchy culture and improve the adhocracy culture. In conclusion, operation directorate should reduce the clan culture. Then, it also should maintain the existense of hierarchy culture. Finally, the market culture and adhocracy cultures should be improved.

#### Leadership style

##### *Commerce directorate*

The result of the analysis shown that PT KAI should develop the market and adhocracy cultures. However, the leadership style in market culture is the leader that have the roles of hard driver, competitor, and producer. In another hand, the adhocracy culture typical successful leader is play the roles of entrepreneur, iinovator and visionary.

##### *Operation Directorate*

Operation directorate had clan culture dominancy. But, The result of the analysis shown that PT KAI should develop the market and adhocracy cultures. However, the leadership style in market culture is the leader that have the roles of hard driver, competitor, and producer. In another hand, the adhocracy culture typical successful leader is play the roles of entrepreneur, iinovator and visionary.

#### Human Resource management roles

##### *Commerce Directorate*

the result of analysis shown that commerce directorate should improve the adhocrachy and market culture. The typical human resource management roles that can support the development od dhocracy and market culture are:

##### **Building The Adhocracy culture**

HR Role: Change agent

Means: Facilitating trasformation

Ends: Organizational renewal

Competencies: Systems analysis; organizational change skills; Consultation and facilitation.

##### **Building The Market Culture**

HR Role: Strategic business partner

Means: Aligning HR with business strategy

Ends: Botton-line impacts

Competencies: General business skills; strategic analysis; strategic leadership.

##### OPERATION DIRECTORATE

Commerce directorate had clan culture dominancy. The result of the anaysis, concluded that operation directorate should improve the market as well as adhocracy cultures.

#### The similiarity between the company and OCAI definition

PT KAI have already had the several values that created by the top management. The researcher try to adapt the existing company values to the OCAI framework that have been used in this research. The similiarity that the researcher found might not have the reliable theory. But, the researcher only

seek the similiarity of letters and words in the definitions. However, the phrase that used in definitions could be justified with the logical explanations.

	company	OCAI
integrity	we are the part of PT KAI act consequently with the values of organization policies and company ethics. Own the understanding and willingness for adapting with its' ethics and policies and act consistently although it was difficult to make.	
professionalism	we are the part of PT KAI have the ability and mastery in the field of knowledge that related to the jobs, capable to mastery for use, develop, share the knowledge that related with the jobs to the others.	market culture: Goal achievement (value driver), strategic business partner (HR Role). With market culture development, the difficult goals were set. In order to accomplish the goals, the employees could improve their knowledge that related to accomplishing the goals.
safety	we are the part of PT KAI have the trait of no compromise and consistent in operate or create systems or work process that have low potential risk toward the accidents and keep the company assets from the possibility of loss.	hierarchy culture: procedure set what people do. Keeping the orgaization functioning smoothly is most crucial. The long-term goals are stability and result, paired with efficient and smooth execution of tasks. Smooth planning and low costs define success. the personnel management has to guarantee work and predictability.
innovation	we are the part of PT KAI always growing the new ideas, do the act of continous repair and create the conducive environment for interact with the result that give the added value for stakeholders.	adhocracy culture: this is a dynamic and creative working environment. Employees take risks. Leaders are seen as innovators and risk takers. The availability of new products or services is seen as success.
service excellent	we are the part of PT KAI will give the best service that appropriate with the satisfied quality standard and meet the customer expectation or exceed the customer expectation with fulfill the 6 A main aspects: Ability, Attitude, Appearance, Attention, Action, and Accountability.	market culture: quality improvement strategy are measuring client preferences, improving productivity, creating external partnerships, enhancing competitiveness, involving customers and suppliers.

Comparison with stated values of the company

	equality	commerce	operation
professionalism	market	++	++
safety	hierarchy		++
integrity	N/A		
innovation	adhocracy	++	++
service excellence	market	++	++

(+) means should be improved.

Conclusions and Recommendations

Conclusions

1. There were several indications for the existence of subculture difference.
2. The current dominant organization cultures of commerce directorate were market culture, clan and hierarchy culture.
3. The current dominant organization culture of operation directorate was clan culture.
4. The dominant culture type that preferred by employees in commerce directorate was clan culture. It also influenced by hierarchy and market culture.
5. The dominant culture type that preferred by employees in operation directorate was clan culture. It also influenced by adhocracy culture.
6. There were no significant gaps between current and preferred culture in both directorates as that were no points that had more than 10 different.

Recommendations

Recommendation for Commerce and Operation directorates

1. Commerce directorate should develop the existence of market culture to support their performance in the transportation market.
2. Commerce directorate should reduce the clan culture existence to improve the professionalism through market culture.
3. Commerce directorate should reduce the hierarchy culture to improve the creativity and innovation.
4. Operation directorate should develop the existence of market culture as the company vision is to become customer oriented company.
5. Operation directorate should develop the adhocracy culture to emerge the creativity and innovation in winning the transportation market.
6. Operation directorate should reduce the clan culture to loose the bond of inner circle in operation.
7. Both directorates are require the same penetration; market and adhocracy cultures.
8. The researcher suggested that change initiations could start from the change in human resource management roles and leadership style.
9. Human resource management roles that can support the development of market and adhocracy cultures are strategic business partner and chang agent.
10. Leadership style that can support the development of adhocracy culture are innovator, entrepreneur, visionary leaders.
11. Leadership style that can support the development of market culture are hard driver, competitor and producer leaders.

### Recommendation for Further Research

1. The research of OCAI could be conducted in another directorates such as finance and safety and security directorate. It will be more comprehensive if the research is conducted in a whole part of the company. But, the researcher would have the sufficient resources, such as time and team members.
2. Referred to the Cameron & Quinn (2006), OCAI result could be extended to further research in order to understand the skills of the leader that required to change the cultures using management skills assessment instrument (MSAI) method.
3. The research about PT KAI culture could be conducted using ethnographic approach to dig more deeper about the employees behaviour. The ethnographic is the form of qualitative research that could become the reference of the company remembering that the researched conducted the research with quantitative method. The combination of qualitative and quantitative research will made PT KAI more accurate in which the intervention should be taken.

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