

The Analysis of Communication Climate and Organizational Culture in Improving Regional Development Planner's Performance

(A Case Study on Education and Industrial Training Centre, Ministry of Industry Region I, Medan)

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ABSTRACT---- *One role of Education and Industrial Training Centre (Ministry of Industry Region I Medan) is to improve the quality of human resources in the region. The study questioned how Communication Climate and Organization Culture's affect in improving the performance of Regional Development Planner in Education and Industrial Training Centre (Ministry of Industry Region I, Medan). It is intended to analyze relation between communication climate and organizational culture in improving the performance of Regional Development Planner on Education and Industrial Training Centre (Ministry of Industry Regional I Medan). The sample consists of 267 respondents. The data was analysed by using descriptive and inferential statistic, Statistical Package for the Social Sciences (SPSS version 20) along with AMOS 16 was used to analyse the data. AMOS 16 was used to carry out exploratory and confirmatory factor analyses and the analysis of a structural equation model. The study shows that climate communication and organizational culture play an important role in improving the performance of planners in their practices.*

Keyword---- Communication Climate, Organization Culture, and Planner's Performance

1. INTRODUCTION

Organization and planning are two things related. Planning is a strategy to determine an agenda of short and long term activities in the future to achieve organization's goals. The importance of planning related to several things, (1) Planning will help employees to articulate operations and policies (2) Planning will help to develop sense of collaboration (3) Planning will empower employees to see themselves as central to the success of the organization enterprise. Planning supports the course of the training centre to direct the program in completing vision and mission of the organization especially in improving planner's performance. Education and Industrial Training Centre (Ministry of Industry Regional I Medan) have trained 310 participants in 2009, and 281 participants in 2010 from North of Sumatra, Aceh and Riau Province. Those participants have been demonstrated better atmosphere for retail industries in the region, although not as much as targeted.

Organizational communication processes in Education and Industrial Training Centre (Ministry of Industry Regional I Medan) were not only focused on internal relationships in the organization, but also broader aspects of the organization to create a delicate communication climate. Communication climate in organization is expected to create reliability, decision-making, trustworthiness, openness, encouraging participation, thus creating mutual understanding. As communication climate is well organized to support regional planning process then it can drive to solve social and economy issues, planners will thrive their performance and enterprise flourishes. Organizational culture comprised of the assumptions, values, norms and tangible signs of organization members and their behaviours. Members of an organization soon come to sense the particular culture of an organization [6]. When it's related to planning then it is expected to improve an organization's function through its planners and contribute to the development of organizational

culture. Organizational culture unify mindset and behaviour to function together to maximize performance. The focus of research is on the planners who get ability and skills about regional development planning after attending Education and Industrial Training Centre (Ministry of Industry Regional Education I Medan).

1.1 The meaning of Regional and Spatial Planning

Based on Basic Law No 26/2007 about Spatial Planning regulation; space defines as land, sea, air as a whole where human beings and other resources live, do activity and preserve to survive.

Planning is efforts to select and connect the facts and make assumptions and use to know the future by way of describing and formulating the activities necessary to achieve the desired results. [13]. Region is a geographical integration of space with all its elements related to limits and system which determined based on administrative and functional aspects. Space defines as a place-making activity action and means for implementation which produce, shape, frame a place for what may become in human life. Space defines as key factors in achieving social and economic objectives. There is no activity without space.

1.1.2 Utilization of space

Economists argued that nature has relatively scarce. Regulating the use of space is needed to set in spatial equality. Appropriate utilizations bring about balanced development of the nation state and development of natural resources. Some theorist said that utilizations of environment must be ensured for sustainable development, socially equitable for the general good of the community, contributing to a more human environment and to the protection and development of natural resources in terms of a long lasting benefit. Regulation consist of space planning, space utilization, and controlling of the space utilization to get the most of benefit in sustainable development. The regulations are focused on space for future development, which is based on choice between alternatives, to provide utilisation for the general good of the community efficiently and effectively.

1.2. Regional Development and Human Resources

Regional development is concerned to local government and community-based organization in managing natural resources and building partnership with private sector to create new jobs and stimulate economic activity [4]. Regional development is an act of developing or building a region in order to improve social security [1]. The development is supported by three principles; they are natural resources, human resources, and technology. The development area is the interaction of those principles [10]. In Europe, people emphasis that institutional, social, economic, and ecological as major aspects in regional development. [15]

Human capital formation relates the process of acquiring and increasing the number of persons who have skills, education and experience which are critical for the economic and the political development of a country [7]. Indicators of human capital are:

1. Employment is an investment in human resource development to enlarge employment opportunities in the future.
2. Level of income should be encouraged to engage in having productive activities to get payment and profit which are accelerated from the process of economic development. [17]

There are three terms of human resources [11], as following:

- a. Human resources are people who work in an organization called personnel, labour, work force or employee.
- b. Human resource is human potential as a driving force of an organization to manifest his existence.
- c. Human resources are a potential asset which manifest as capital (non-material).

Planning is a management tool or element in the effort to mobilize and direct the organization and other parts. Planning area is between physical planning and economic planning. Planning physical (physical planning) is planning physical structure of a region (area), land use, communications, utilities, and so on. Regional development which emphasizes in economic and social development efforts to gain social security gradually, a sustainable development in terms of based resources. Coordination between economic developments with space utilization programs is an ideal attempt to accommodate the interests of users and stakeholders. Spatial planning and development planning is an absolute action in order to develop a region. Efficiency and productivity presented itself to this integration. This integration creates the production of goods and services (GOP), employment, and income increased. And also expand trade and industry network thus creating dynamic regional communities through economic and social development.

1.4 Role of planners in Regional Development Planning

There are several related aspects in rural development, namely: (a) a physical-biological environment, (b) the economic and management, (c) socio-cultural and institutional, (d) each political principal that represent overall tetrahedral construction, and (e) spatial aspects as its central. A planner must have long term planning in development of the region by considering Human Resources factors (f) Natural Resources and Infrastructure. In addition, a planner should be able to make planning steps, based on aspects and characteristics of specific regions. An area of professional development planners should also have a creative, innovative, and challenging spirit.

2. ORGANIZATION MANAGEMENT

Management can be defined as people who work together to determine and achieve objectives of the organization by carrying out the functions of planning, organizing, staffing, directing, leading, and controlling.

2.1 The meaning of Organizations

Organization is an activity or process which relates people, tasks and resources in certain relationship. Organizational communication: (1) Communication is the lifeblood in the body of an organization, (2) Communication supports people in the organization are held together as one, (3) Communication enhances human relationship which occasion increased morale and productivity, (4) Communication creates a delicate network

Organizational Culture and Communication Climate, Organizations must understand that their employees' satisfaction will help in encouraging a positive organizational culture. For example, job satisfaction has been strongly correlated to life satisfaction and to job performance; it has been negatively correlated to absenteeism and turnover. [2]

"Citizenship behaviors are thought to improve an organization's functioning through its social machinery and contribute to the development of organizational culture". Research has shown that, "the level of employees' organizational citizenship behaviors is positively associated with organizational performance and culture". [6]

Organizational culture is a set of important assumptions of a habit whether written or unwritten adopted by its members and used as a reference in achieving the organizations objectives. [18]. Factors of organizational culture are very broad and complex, depending on the type of organization. Organizational culture's factors consist of: (1) Fellowship which means making self equal, counterpart, analogous and not different with others that brings harmony in interaction in all members of the organization, (2) Openness which is defined as the tolerance and opens themselves to others, in order to establish a relationship to communicate and interact with each other, willing to accept advice and input from others. An effective and efficient organization always regarded organization as an open management in applying a transparent bureaucracy and link an organization's internal and external systems environment "[16]. With an openness system within the organization, will enhance participation and self actuality for each of its members, keeping the mandate entrusted to it so partly responsible for the achievement of organizational goals, (3) Professionalism, according to Kamus Besar Bahasa Indonesia, is derived from the word 'profession' based on certain expertise (skills, vocational, etc.). Professionalism means high quality of work expected from a person who is trained to do a job well. [5]

Communication climate is applied to different situations with the stated purpose of a resemblance. Some of the reasons for the importance of climate communication are: [12]

- 1) To link the organizational context with the concepts, feelings and expectations of the people in an organization.
- 2) Explain organization behaviour.
- 3) Having a better understanding for which they share responsibility to ensure successful implementation of communicated intentions.
- 4) Communication Climate plays a role in maintaining the integrity and development of people in organization.
- 5) Bridging practices of human resource management and productivity.

2.3 Regional Planning Planner's Performance

Performance is an employee's performance both in quantity and quality of his or her work. Performance can be either individual or group work performance [3]. Organizational performance is the result of complex interactions and aggregation performance of a number of individuals within the organization.

3. METHODOLOGY

The population in this study is public servants who had followed education and training at Education and Industrial Training Centre (Ministry of Industry Regional I Medan) as shown in Table 1 and 2. In this study the measurement variable (performance of training participants) is measured by an ordinal scale and Cochran formula to determine the sample size for continuous data, with the following formula:

$$n_o = \frac{(t)^2 \cdot (S)^2}{(d)^2}$$

According to Morga, research in general have social margin error of categorical data was 5% and for continuing data was 3%, so that acceptable margin of error in this research was $5 \times 3\% = 0.15$. [9]

Therefore, Cochran standards for sample measurement as follows:

$$n_o = \frac{(1,96)^2 \cdot (1,25)^2}{(0,15)^2}$$
$$= 266.77$$

Furthermore, the sample drawn from the population by using proportional stratified random sampling because population of the research are participants who had attended industrial training and were trained to be regional planners. Variables and indicators are shown in Table 3.

4. RESULT AND DISCUSSION

Suitability variable test conducted if size of C R must be greater than 1.96 (> 1.96) or the significance value less than 0.05 so the dimensions and indicator of CR smaller than 1.96 or if significance value is greater than 0.05 then it was not included in models. As for factor analysis or lambda (χ) must be greater than 0.21 (> 0.21) respectively. Therefore, an indicator variable has a factor analysis smaller than 0.21 then it was not included in subsequent testing. All variables were positive in measuring communication climate variables. The strongest variable associated to communication climate variable is openness in downward communication due to getting information easily which related to their duties. The size of the factor loading in coordination of the information obtained is 1.11.

Listening to upward communication (listening to the suggestions; receive reports, information from subordinates) has a substantial loading 0.73. Paying attention on high-performance, supporting employees in the work factor loading is 0.70. Honesty in peer interaction and subordinates communication, transparent communication to subordinate factor loading is 0.53. Validity and credibility of information delivered by superiors and good communication on the subject of work at all levels of employees factor loading is 0.32, this condition shows that openness in downward and upward communication, attention to high job performance are things that need attention because main factor loading is high, so it can be stated that there is a strong relation between communications climate in organizations and performance planners at Education and Industrial Training Centre (Ministry of Industry Region I Medan).

4.1 CFA Variable Organizational Culture

Hypothesis test CFA variable showed organizational culture and overall model that consist of unified action organizational culture which consequently bring together mutual understanding, associated work behaviour, mutual agreement in goals implementation. It plays an important role in defining and implementing vision, mission and programs like affirmation to implement vision and mission of the organization, agree to carry out the work program, teamwork as a priority. Maintaining a solid teamwork by avoiding conflict in units of organization and put a premium on integrity, contribute in overcoming complexities and minimize personal and environmental barriers.

The results testing of organizational culture variables in first stage were satisfactory for evaluation criteria GFI already meet the standard requirement. But according to the procedure, the process of modification indices need to be done in order to obtain a better model than previous ones. After modifications as recommended by the system then it is no longer provide for modification. Therefore, the model is considered good and appropriate. The next step, it can be tested by looking GFI construct variables which result test of the measurement model variables are latent variables of organizational cultures which bring together mutual understanding, associated work behaviour, affirmation to implement vision and mission of the organization.

4.2 CFA Variable Performance of Planner

The hypothesis of CFA variables testing in planning performance to the model as a whole is comprised of: Education, training, work experience. CR value must be greater 1.96 or less significance than 0.05. If dimensions and indicators of CR are smaller than significance value of 1.96 or greater than 0.05 not included in the model. Factor loading must be higher than 0.21 (> 0.21) respectively, or it is not processed for the next testing. The strongest variable in planner's performance is education with a factor loading 0.883, training with factor loading 0.391, and work experience with a factor loading 1.00. Variables y1, y2 and y3 are the main indicators because their analysis factors are similar. Planner's performance to the model as a whole is consisted of: Education, training, work experience. Therefore, communication climate and organizational culture influence planner's performance.

4.3 Hypothesis Testing

If $P > 0.05$ then H_0 is accepted (not significant). If $P < 0.05$ then H_0 is rejected (significant) [14]. Path analysis is used to test the causal relationship between two or more variables and to compare the direct and non direct relationships.

The interpretation can be explained as follows:

1. Communication Climate related positively and significantly to planner's performance with $p = 0.002$ ($p < 0.05$ with regression weight= 0.58 or a positive path coefficient (0.58) and significant $t = 0.002$ ($0.002 < 0.005$). Communication Climate empirically tested and related to Planner's Performance.
2. Organizational Culture (xz) related positively and significantly to planner's performance with $p = 0.0000$ ($p < 0.05$), and regression weight= 0.41, or path coefficient is positive (0.41) and significant $t = 0.0000$ ($0.000 < 0.0005$). Organizational Culture empirically tested and related to Planner's Performance.

Hypotheses of the research are tested and the result is accepted and supported by empirical data

H_1 : Communication climate has a positive influence on planner's performance.

H_2 : Organizational culture has a positive influence on planner's performance.

H_3 : Communication climate and Organizational culture influence planner's performance

Correlation Analysis

The correlation between communication climate and organizational culture influence on planner's performance is tested. The analysis showed that communication climate 58% influence planner's performance and organizational culture 41% influence planner's performance. Communication climate and organizational culture 84.6% influence Planner's performance. The other 15.4% factor loading also influences Planner's performance. It proved that between communication climate and organizational culture has significant positive correlation with regional development planner's performance. Factors of leadership, responsibility and commitment to work are motivation factors that support communication climate in organization. Communication climate is created in coordination of receiving, disposition and distribute instruction along with policy form. Empirically, coefficient $r = 0,461$ or 41% showed significant positive correlation between organizational culture and Planner's performance.

5. CONCLUSION

Relation between communication climate and organizational culture in improving planner's performance can be derived as follows: (1) organizational communication climate affects planner's performance = 58%. (2) Organizational culture affects planner's performance= 41%. (3) Communication culture and organization culture affects planner's performance = 84.6%. (4) Contributions of communication climate to performance are to support each other and give encouragement. (5) After following the Education and Industrial Training Centre (Ministry of Industry Region I Medan) affected 84.6% planner's performance also communication climate and organization culture. Contribution of other factors is 15.4% (social interaction, commitment, job responsibilities and leadership). Outcome of the performance is determined by climate and culture of the organization.

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Table 1: Participants in Training and Education

No.	Description	Number of Graduates	Percentage
1	Industrial System 2009	310	52.46
2	Industrial System 2010	281	47.54
Total		591	100.00

Source: *Industrial Training and Education Regional I of the Ministry of Industry, Medan, 2010* [8]

Table 2: Population

No.	Description	Number of Graduates	Percentage
1	Head of Division	80	13.54
2	Administrator	308	52.12
3	Supervisor	203	34.35
Total		591	100.00

Source: *Industrial Training and Education Regional I of the Ministry of Industry, Medan, 2010*

Table 3: Details on Variables with Indicators Questionnaire Item Numbers

Theoretical Variables	Dimension	Indicators	No. of Items
Organizational Communication Climate	1. Reliability (X _{1.1})	- Openness in downward.	X _{1.1.1}
		- Validity in superior's information	X _{1.1.2}
		- Credibility of information delivered by	

(X ₁)		superiors	X _{1.1.2}	
		- Good communication on the subject of work at all levels of employees	X _{1.1.4}	
	2. Decision-making (X _{1.2})		- All levels of employees are asked to consult about work problems	X _{1.2.1}
			- All levels of employees are given a chance to communicate with their superiors	X _{1.2.2}
			- All levels of employees are given a chance to consult with their superiors	X _{1.2.3}
	3.Trustworthiness (X _{1.3})		- Honesty in peer interaction	X _{1.3.1}
			- Subordinates communication.	X _{1.3.2}
			- Transparent communication to subordinates.	X _{1.3.3}
	4. Encouraging participation (X _{1.4})		- Easy access to get information related to their jobs	X _{1.4.1}
			- Information for coordination.	X _{1.4.2}
	5. Listening to communication to superiors (X _{1.5})		- Listening to the suggestions.	X _{1.5.1}
			- Receive reports	X _{1.5.2}
			- Information from subordinates.	X _{1.5.3}
	6. Attentions to high job performance (X _{1.5}).		- Attention to employees so that they work maximally.	X _{1.6.1}
			- Supporting employees in their jobs.	X _{1.6.2}
Organizational culture of civil servant (X ₂)	1. Bring together mutual understanding (X _{2.1})	- associated work behaviour.	X _{2.1.1}	
		- Being cooperative.	X _{2.1.2}	
	2. Associated work behaviour (X _{2.3}).	- Associated actions in jobs.	X _{2.1.3}	
		- Mutual agreement in goals implementation	X _{2.1.4}	
	3. Affirmation to implement vision and mission of the organization (X _{2.2})	- Agree to carry out the work program	X _{2.1.5}	
		- teamwork as a priority	X _{2.1.6}	
		- Eliminating dispute among work units.	X _{2.1.7}	
		- Maintaining a solid teamwork by avoiding conflict in units of organization and put a premium on integrity.	X _{2.1.8}	
		- Contribute in overcoming complexities.	X _{2.1.9}	
		- Minimize personal and environmental barriers	X _{2.1.10}	
Planners' Performance (Y)	1. Education (Y ₁)	1. Innovation	Y _{1.1}	
	2. Training (Y ₂)	2. Giving viewpoints	Y _{2.2}	
	3. Work experience (Y ₃)	3. Strategy	Y _{3.3}	
		4. Motivation	Y _{4.4}	

Stages in using SEM