

## **THE ROLES OF ORGANIZATIONAL CULTURE OF THE AK COFFEE AS START-UP BUSINESS TOWARD CONSUMERS' SATISFACTION**

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### **ABSTRACT**

*The purpose of this research is to describe the roles of the organizational culture of the AK Coffees start-up business from the explanation of the company's vision and mission, and the explanation of the company's employees on the implementation of SOP to meet consumers' satisfaction. The research uses a qualitative method. Data collection methods used in this research are the interview, observation, and documentation. The research result suggests that by analyzing organizational culture of the AK Coffee, there are several aspects to be found – aspects of organizational culture that affect the employees' performance and have an impact on consumers' satisfaction as well. In order to establish a strong organizational culture, this research emphasizes the importance of analyzing the cultural aspects embedded in the company through the viewpoint of the employees.*

**Keywords:** role of organizational culture, customer satisfaction, start-up business

### **INTRODUCTION**

GAPMMI, an Indonesian acronym for Association of Indonesian Food & Beverages, has been projecting the increased and continuous growth of food & beverage industry in Indonesia in each year. Food & beverage are humans primary needs to survive. The population of Indonesians continuous to grow year after year. Based on the data of Statistics Indonesia, it has been projected that the population of Indonesia is growing each year until 2035.

The Chairman of Association of Indonesian Cafes and Restaurants (APKRINDO) states that the turnovers of cafes and businesses industry in Indonesia increased 30% during 2011 to 2014. In recent days, café has not merely a place of having food and beverage, yet also become a part of today's society lifestyle as a place to relax and socialize (Apkrindo, 2014).

*AK Coffee* engages in food & beverage business. *AK Coffee* offers several coffee products such as *signature coffee*, *hazelnut coffee*, *coffee latte*, and *mocca latte*, which are served in both hot and cold. *AK Coffee's* coffee products are the blend of Arabica and Robusta coffee powder, which is then processed, based on the recipes of the house. Besides coffee products, *AK Coffee* also offers non-coffee products, which are *signature chocolate*, *hazelnut chocolate*, *chocolate latte*, *hazelnut latte*, *cookies & cream*, and *red velvet*.

*AK Coffee* performs personal selling as type of start-up business by participating in various exhibitions in Surabaya and Sidoarjo, aiming to introduce *AK Coffee* to the society. Additionally, *AK Coffee* aims to participate in exhibitions to gather information on the company's sales, consumers' responses and feedbacks for the company, and performances of *AK Coffee*'s human resources.

Crowd café guests and long queues have become the challenges faced by *AK Coffee*. Problems, since these conditions affect the performance of baristas of the house *AK Coffee*. The declined performance of *AK Coffee*'s baristas has been caused by the ignorance of standard operating procedure created and required by *AK Coffee* when preparing the order. Some consumers of *AK Coffee* who have put their direct complaints are even regular consumers who complain about the declined and inconsistent quality of their ordered products, since the products taste differently from their previously ordered product. The condition that the baristas ignore their SOP can negatively affect other employees' performance and create negative work habit of the employees, hence negatively affect the company's working atmosphere.

These negative work habits occur within the *AK Coffee* company can negatively affect the product quality and service quality of *AK Coffee* for its consumers. If the qualities of product and service offered to the consumers are not in accordance with the SOP, the consumers will not be satisfied and hence will perceive the company negatively.

Pratiwi (2012) explains that each company must have an organizational culture that is perfectly tailored to the vision and mission of the company. Organizational culture can shape the employees' performances as it creates the motivation of employees to give their best performances in making the benefits of each opportunity given and provided by the company. Values that are shared to the employees together will make them comfortable in working. Cultural organizations can establish the employees' performance. Their motivation will be created they will be committed and loyal to the company, work harder than before, improve their performance and work satisfaction, and will maintain their company's competitive advantages.

## **LITERATURE REVIEW**

### **Culture**

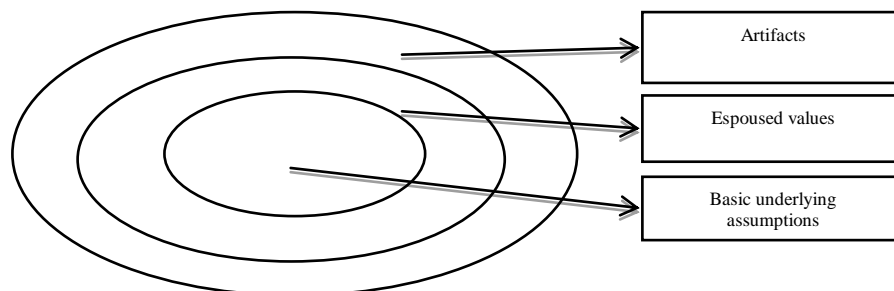
Schein in Nawawi (2015) defines culture as a pattern of shared basic assumption that are created, found, or developed by certain group or community as a learning atmosphere to cope with their external and internal challenges. Later, this culture will be inherited to and preserved by the next generation or new members as the correct ways of perceiving, thinking, and feeling to those challenges.

### **Organization**

Nawawi (2015) explains that organization is an entity, place, subsystem, or a process describing activities that will be, are being, or have been done by some people joining a same social institution who share collective goal.

### **Organizational Culture**

Robbins in Badeni (2014) reveals that organizational culture refers to a system of shared meanings held by members of organization, as a system that defines the boundary between one organization and others. In addition, Kast and James in Nawawi (2015) add that organizational culture is inseparable part of organizational internal environment, since the numbers of culture diversity or variations in an organization are as much as the numbers of individuals of members of the organization itself.



**Figure 1. Levels of Organizational Culture**

Source: Schein in Ariwibowo (2013)

Figure 1 shows that organizational culture of a company has been shaped into three levels. A company through its vision statement creates basic underlying assumptions, which later develop as espoused values of the company that are reflected in the company environment and create artifacts or visible aspects that shape the types of organizational culture.

### **Types of Organizational Culture**

Quinn and Cameron in Bukhori (2014) identify four types of organizational culture based on the emphasis on strategies of organizational culture. The types are explained furthermore:

1. **Clan Culture**  
This type of organizational culture adopts a pleasant and family-like working environment as its characteristic. The leadership style in this type of organizational culture can be described as mentoring, nurturing as parent to the employees, and facilitating. This organization is held together by loyalty and tradition.
2. **Adhocracy Culture**  
This type of organizational culture is characterized as having a dynamic and entrepreneurial work environment. The leadership style in this culture can be described as entrepreneurial and visionary, innovative, and risk-taking. This organization is held together by commitment to opportunities to do experiences and innovations of products and services continuously in order to anticipate future needs.
3. **Market Culture**  
This organizational culture is characterized as a work environment that is oriented to productivity and competitiveness. The leadership style in this culture can be described as emphasizing, result-oriented, strong will, hardworking, highly active, and have consumers who are choosy and are interested in values. These characteristics have therefore placed the company into a business that requires it

to always increase its competitive position. This organization is glued together by an objective to win a competition in the marketplace.

4. Hierarchy Culture

A formalized and structured work environment characterizes this type of organizational culture. This culture strongly emphasizes on well-established and neat structures within the organization. All working process is arranged permanently and systematically. The leadership style in this culture can be described as a well-managed and administrative coordination. The company stability is a very important matter, and the company organization is glued together by formal rules and policies.

### **Characteristics of Organizational Culture**

Robbins in Badeni (2014) lists seven primary characteristics of organizational culture as follows:

1. Innovation and risk taking
2. Attention to detail
3. Productivity oriented
4. Individual oriented
5. Team oriented
6. Aggressiveness
7. Stability

### **Consumer Satisfaction**

Hasan (2014) explains that satisfaction or dissatisfaction is a term used to compare the consumers' feelings after consuming the purchased products or services, with the consumers' expectation for the products or services before they purchase them. If the products or services meet or even surpass their expectation, the consumers will be satisfied. On the contrary, if the products or services do not meet their expectation, they will be very disappointed and dissatisfied.

### **Measurement of Consumer Satisfaction**

According to Tjiptono and Diana (2015), several methods can be used in measuring consumer satisfaction. Among others, are:

1. Complaints and suggestion system
2. Ghost/mystery shopping
3. Survey on consumer satisfaction

## **RESEARCH METHODS**

### **Research Approach**

This research studies one of the companies in the business of food & beverages, which is the *AK Coffee*. This research is a qualitative by nature. Sugiyono (2014) explains that qualitative research method is interpretive method since this research has more to do with the interpretation of the data gathered from the research process.

### **Sources of Data**

Data for this research are gathered by using two data collection methods, namely primary data collection method and secondary data collection method. Sources for primary or internal data for this research are company internal data and feedback from the informants during interviews. Sources for secondary or external data are outside the *AK Coffee*, which are documentations of

data explained in previously related researches, theoretical background, and data from Statistics Indonesia.

### **Technique of Data Collection**

Techniques used in collecting the data needed for this research are the following:

1. Interview. Kuncoro (2009) explains that interview is a technique of collecting data between two people, who are the researcher and the respondent. By using this technique, the respondent is directed by the researcher or the interviewer to give responses or answers based on the researcher's questions in order to get relevant information.
2. Observation. Sanusi (2011) states that observation is a technique to gather data by taking notes of subject's behaviors or habits, objects, or systematic situations without involving any kind of communication with the researched subjects or objects.
3. Documentation. Herdiansyah (2010) describes documentation as a technique of collecting data from viewing through collection of documents made by the subject or other people about the researched subject.

### **Validity and Reliability Tests**

On validity, Herdiansyah (2010) explains that validity is defined as true, fair, stable, and fit the viewpoint of a researched subject. Additionally, Sugiyono (2014) adds that one of the ways to test the data validity is by using triangulation technique. Therefore, this research uses two types of triangulation: source triangulation and techniques or methods triangulation.

Furthermore, Herdiansyah (2010) states that in qualitative approach, reliability can be defined as a trustworthiness level of data or description as described by a subject in real situation or condition. Data reliability means that all information treated as data in this research are thorough, consistent, and dependable. The data reliability in this research are tested by presenting the complete notes on research process including notes on research focus, theories collection, determining sources of data, and making summary.

### **Model of Data Analysis**

Data analysis used in this research is a model of data analysis by Miles and Huberman. Miles and Huberman in Sugiyono(2013) reveal that the activities in analyzing qualitative data must be done interactively and continuously until the data are saturated. The activities cover the following:

1. Collecting the data: At first, a set of questions are prepared to collect the information needed. Then, the interview results are transcribed in order to be treated as data and to be interpreted. Later, the data are arranged accordingly.
2. Coding the data. After the data are arranged, they are coded in certain research codes.
3. Reducing the data. Since the qualitative data collected during research process can be very large, researcher needs thorough and detailed guidelines in order to guide the researcher to collect the data needed. The more often the researcher conducts research process, the larger and more complex the data that can be gained or resulted from the process.
4. Displaying the data. After reducing the data, the next step to conduct is to display the data. In qualitative research, data are displayed in form of brief description, connections between categories, figures, flowchart, and other visual information.
5. Drawing conclusion. The last step in analyzing qualitative data in Miles and Huberman model is to draw a conclusion. This conclusion is referred to as early

conclusion, and is possible to change if there are no strong and supporting new data found during the next step of data collection.

## **ANALYSIS AND DISCUSSION**

### **General Description of Research Object**

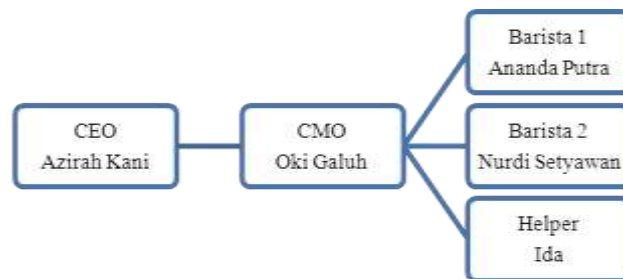
AK Coffee runs its business in food & beverage business field, established and managed by AK *Company*. AK Coffee offers coffee products such as signature coffee, hazelnut coffee, coffee latte, and mocca latte, served in both cold and hot. Besides coffee, AK Coffee also offers non-coffee beverage variants, which are signature chocolate, hazelnut chocolate, chocolate latte, hazelnut latte, cookies & cream, and red velvet. The AK Coffee products are ranged from Rp. 12.500 to Rp. 20.000.

### **Level of Organizational Culture**

Based on the secondary data sources, which are from previously related researches and AK Coffeecompany archives, the level of AK Coffee organizational culture can be determined and described based on its basic underlying assumption, espoused values, and artifacts.

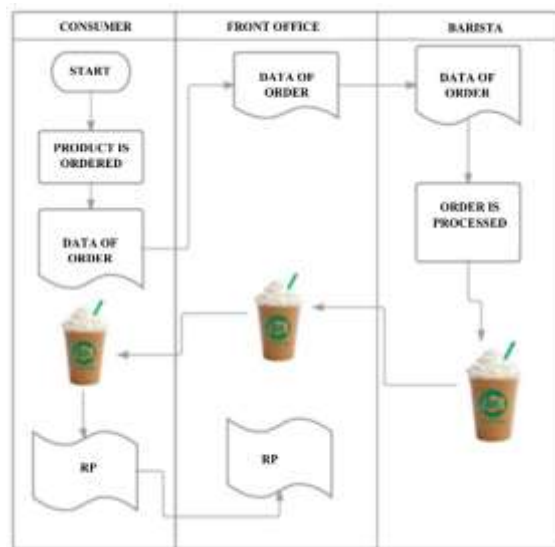
1. Basic underlying assumption. The basic underlying assumption of AK Coffee is: “to make sure that the consumers get quality product and experience to create consumer satisfaction of AK Coffee”.
2. Espoused values. From the interview results of all AK Coffee employees, it can be concluded that the values of organizational cultures determined by the leaders of AK Coffeeto be implemented by all human resources of AK Coffeere the following:
  - a. Team cooperation.  
All team members of AK Coffee must be able to cooperate with each other based on their own working responsibilities. This is to achieve the primary goal of the organization maximally, which is to make the consumers of AK Coffee satisfied. This value, established by AK Coffee, is as shared value of teamwork in order to create a positive work environment in which all employees can share and receive both positive and negative input and feedback from their coworkers.
  - b. Discipline.  
All team members of AK Coffeemust be discipline and punctual when working, and following the standard operational procedure of AK Coffee as their working guidelines to ensure their consistent productivity. Discipline also means consistentlyobey company rules and obligations. The discipline working habits of a discipline employee can become a detailed reference for other coworkers in order to understand consumers’ needs and expectations of them, and hence will make the consumers feel satisfiedwith the employees’ working performance.
  - c. Responsible.  
All team members of AK Coffee must be able to be responsible for their work and the results of their work, including take responsibility of both consumers’ satisfaction and dissatisfaction. Apart from giving the working responsibility to the employees, the leaders of AK Coffee also give them freedom to take any responsible action for their working responsibilities, providing that they do not violate the company rules.
3. Artifacts. The artifacts of AK Coffeere categorized into several, which are the vision and mission of the company, the organizational structure, and the flowchart of product order. The company vision is “The products prices offered by AK Coffee are affordable for consumers and as a competitive company in the market

competition.”The company mission is “AK Coffee provides an affordable price for consumers and its aim is to keep the welfare of company human resources.”



**Figure 2. Organizational Structure of AK Coffee**  
Source: Company Internal Data

Figure 2 is one of artifacts of AK Coffee organizational culture that displays the organizational structure of the company. As stated by The Jakarta Consulting Group (2014), besides taking the form of company organizational structure, artifact can also be in the form of SOP (Standard Operational Procedure). The design and implementation of SOP is to make sure that all tasks are completely well done, fit the working schedule, and can be accounted for.



**Figure 3. Flowchart of Product Order in TheAK Coffee**  
Source: Data processed

### Data Analysis

Data for this research are gathered through interview, observation, and documentation. The interviews are conducted to gather information from the employees of the AK Coffee, the AK Coffee regular consumers, and the coffee experts. The object observed for this research is Starbucks as similar industry and the subjects of research are the employees. The company internal data and external data are gathered using documentation as data collection method. The



company internal data involve history of the company, while the external data for this research are all information gained from interviewing the *AK Coffee* employees, consumers, and experts.

## **DISCUSSION**

### **Type of Organizational Culture**

Every organization has its own distinct characteristics which differentiate one organization from the other organizations. There are six indicators that can be used to differentiate types of organizational cultures, namely (1) dominant characteristic, (2) leadership pattern, (3) management characteristic, (4) organizational glue, (5) strategic emphasis, and (6) criteria of success. To do this, the researcher did some interviews with all employees of *AK Coffee* to identify the type of organizational culture of *AK Coffee* through those six indicators. The results of interviews reveal that the type of organizational culture that *AK Coffee* has is clan culture. Until recently, *AK Coffee* has not yet owned permanent place for its sales. As a start-up business, *AK Coffee* does personal selling by participating on exhibitions in Surabaya and Sidoarjo. The *AK Coffee* organizational culture is proven to be well-managed and held by the company values that are planted and shared together by the employees of *AK Coffee*, which are teamwork cooperation, discipline, and responsibility

### **Characteristics of Organizational Culture**

The seven characteristics of the *AK Coffee* organizational culture are synthesized from interviewing the employees of the *AK Coffee*. The characteristics are explained and described furthermore in this section.

1. **Innovation and risk taking.** Innovation and risk taking possessed and done by the employees of *AK Coffee* are still categorized as small scale under their own job descriptions, and have not brought great risk to the company. Fortunately, those innovations though in small scale, are positively perceived by the consumers and thus have made them feel satisfied.
2. **Attention to detail.** Data interpreted from the interview results show that the employees pay attention more to the detail as the standard operational procedure when they work. This is to make sure that they perform well and produce consistent productivity during their working performance.
3. **Outcome.** Based on the interview, product is a matter that must be maintained to produce consistent outcome. Teamwork cooperation enables the integration of result and process, yet the company is more oriented on consistent outcomes. The third characteristic possessed by the company organizational culture, which is consistently produced outcomes, can meet the consumers' satisfaction.
4. **People orientation.** From the interviews, it can be concluded in average, the employees are punctual and discipline in managing their working time and are able to be responsible for their work. Their responsibilities to their work, in this case preparing the order for product, affect the consumers' satisfaction positively. The *AK Coffee* employees' orientation on the resulting product can meet the consumers' satisfaction.
5. **Team Orientation.** The interviews results reveal that the values planted and shared together in the *AK Coffee* company are teamwork cooperate, in which all employees are demanded to work together and cooperatively in team. This team-oriented value aims to sustain the product and service consistency in order to meet the consumers' satisfaction.
6. **Aggressiveness.** Besides team orientation, the *AK Coffee* employees show fairly decent working performance and have their distinct team cohesiveness. All the



employees show that they maintain good communication with other coworkers when working, and this is possibly been motivated by teamwork cooperation values. Some statements of the respondents proved that the aggressive characteristic of AK Coffee employees when working can positively affect consumers' satisfaction.

7. **Stability.** The interviews results also explained that the AK Coffee employees have their own ways to create conducive working atmosphere, by always trying to obey company rules and encourage their coworkers to do so. Conducive working atmosphere is created by working under the company rules and implementing the company values. The condition that the AK Coffee employees know how to create a conducive and stable working atmosphere can also positively affect consumers' satisfaction.

### **Consumers Satisfaction**

Product quality is one of the factors to recognize consumers satisfaction. Since the AK Coffee is a company of food and beverage, the researcher then views the consumers satisfaction under the dimension of sensory characteristics as a dimension of food and beverage quality. The food and sensory characteristics used in this research are taste and appearance as explained by Bennion dan Secheule (2010). The products of the AK Coffee have distinct and consistent taste quality. All products are under taste standardization to make sure that the taste has its balance between sweet, sour, bitter, and savory. Furthermore, the appearances of all the AK Coffee products are already attractive. The cold products are packaged in PET (Polyethylene Terephthalate) plastic cups and the hot products are packaged in paper cups. The paper cups chosen are under Indonesian National Standard (SNI) and standardized by food grade packaging to guarantee that the consumers will feel safe and hygienic when consuming the products. The consumers also feel satisfied not only by the product packaging but also by the product presentation. To present the products attractively, the baristas of the AK Coffee always decorate the product with whipped cream as requested by their consumers.

Service quality is one of the factors that are closely related to consumers satisfaction. The data interpreted as resulted from interviewing the regular consumers of the AK Coffee confirmed that there are three dimensions revealed from the interview. Those three dimensions, as explained by Bateson and Hoffman (2011), are reliability, responsiveness, and assurance.

1. The first dimension is reliability of all the AK Coffee employees. This dimension relates to how the employees rely on the aspects of their working capabilities to achieve the services as required by the company standard. To achieve this, AK Coffee always prepare all the aspects for service quality, starting from making sure that the menus are available for the consumers, to making sure that all the products enlisted in the menus are available to order.
2. The second dimension is responsiveness, related to the quickness and reaction of employees in providing services for the consumers. To maintain this dimension, the employees are expected to share discipline and responsible as company values. These values aim to discipline the employees under the implementation of standard operational procedure as working guidelines, and to make them responsible for their working results such as to meet consumers' satisfaction.
3. The third dimension is assurance, connected to all aspects to guarantee that the service given is as expected by the consumers. To achieve this, all employees of the AK Coffee are directed to make the consumers will comfortable and enjoy the atmosphere of AK Coffee. The standard operational procedure for this service is friendly, polite, and well-behaved to the consumers.

**Managerial Implication**

**Table 1. Managerial Implication**

	<b>Before</b>	<b>After</b>
<b>Innovation and risk taking</b>	Innovation was done by the employees in small scale based on their own work responsibilities.	Giving trust and opportunities for the employees to do innovations together in form of creativities for their own work responsibilities.
<b>Attention to detail</b>	Performance of the AK Coffeemployees had declined when the outlet was crowded by the consumers since they ignored the SOP.	Figure out the mistakes in working. Trying to pay attention in details of work responsibilites (under the SOP)
<b>Outcome</b>	The employees cooperated together in team to meet consumers' satisfaction as the company goal	All employees strive to achieve consistent and quality products of the AK Coffee
<b>People orientation</b>	Not all of the employees were able to discipline themselves.	Implementing discipline and responsibility to the employees as company values, to enable them to be more productive, and time and performance-oriented,  Discipline as value is more pronounced to the employees. They are required to work under SOP to make sure that they productivity is consistent.
<b>Team orientation</b>	Did their working responsibilities based on the rules and worked together in team.	Maintaining good communication with all coworkers in order to implement the value of teamwork cooperation.
<b>Aggressiveness</b>	Employees of the AK Coffe had good aggresiveness for their working performance.	Care to each other coworkers and are enthusiastic in all activities.
<b>Stability</b>	Employees were often overwhelmed when the outlet was crowded and hence the performance declined and unstable.	Seeking for the exact location for the AK Coffee stand so that all employees have stable working hours, have opportunities to improve their working performance, and have regular revenue stream.

Source: Data processed

**CONCLUSION AND SUGGESTION**

**Conclusion**

The researcher comes into conclusion that by analyzing the AK Coffee organizational culture more thoroughly, the researcher can explore the aspects of organizational culture that can affect employees' working performances, and hence affect the consumers' satisfaction as well. This

research emphasizes on the importance of analyzing cultural aspect of the company by observing the working atmosphere and through the point of view of the employees, in order to shape strong organizational culture of the company.

The organizational values implemented in the AK Coffeare teamwork cooperation, discipline, and responsible. The data analysis by using six indicators for determining the types of organizational culture has shown that clain culture is the AK Coffee organizational culture.

#### **Suggestion**

Some suggestions are derived from this research. The suggestions are as follows:

1. Values implemented by the company must be pronounced to all employees in order to achieve the company goal together.
2. To produce consistent products, the employees must be required to obey the existing standard operational procedure.
3. The company must be able to maintain teamwork cooperation.

#### **Research Limitations**

1. Since this research only involve two consumers as the interviewees, the detail comparison cannot be done.
2. Due to the lack of regular consumers, the researcher face difficulties in finding the regular consumers to be interviewed in order to evaluate their consumer satisfaction aspect.
3. The research is limited to the *AK coffee* organizational scope only, and is not designed to study the AK Coffee's equivalent competitors.
4. This research uses the *AK Coffee* company data only.

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