

The Influence of Creative Organizational Culture on the Sustainable Innovation Process at PT Paragon Technology and Innovation

The Role of Personal Branding

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877

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ABSTRACT

This study aims to examine the impact of a creative organizational culture on the process of sustainable innovation at PT Paragon Technology and Innovation. Utilizing a qualitative approach, this research analyzes secondary data sourced from scholarly journals, academic articles, the company's annual reports, and industry case studies. The findings reveal that PT Paragon Technology and Innovation has successfully integrated core values such as creativity, courage, and continuous learning into its corporate strategy, fostering a collaborative environment and risk tolerance. Programs such as "Innovative Culture Week" and "Paragon Academy" reflect the company's commitment to supporting the development of creative ideas and enhancing employee skills on an ongoing basis. Data from the company's annual reports and various external sources confirm that these initiatives have increased productivity, the number of innovative projects, and employee engagement. The study also finds that the "Fail Fast, Learn Faster" policy encourages experimentation and learning from failures, which are crucial elements in the sustainable innovation process.

Keywords: Organizational culture, sustainable innovation, PT Paragon Technology and Innovation

ABSTRAK

Penelitian ini bertujuan untuk mengkaji pengaruh budaya organisasi kreatif terhadap proses inovasi berkelanjutan di PT Paragon Technology and Innovation. Menggunakan pendekatan kualitatif, penelitian ini menganalisis data sekunder yang berasal dari jurnal ilmiah, artikel akademis, laporan tahunan perusahaan, serta studi kasus industri. Temuan penelitian menunjukkan bahwa PT Paragon Technology and Innovation telah berhasil mengintegrasikan nilai-nilai inti seperti kreativitas, keberanian, dan pembelajaran dalam strategi perusahaan mereka,

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yang mendorong lingkungan kolaboratif dan toleransi risiko. Program seperti "Innovative Culture Week" dan "Paragon Academy" mencerminkan komitmen perusahaan dalam mendukung pengembangan ide kreatif dan peningkatan keterampilan karyawan secara berkelanjutan. Data dari laporan tahunan perusahaan dan berbagai sumber eksternal mengkonfirmasi bahwa inisiatif inisiatif ini telah meningkatkan produktivitas, jumlah proyek inovatif, dan keterlibatan karyawan. Penelitian ini juga menemukan bahwa kebijakan "Fail Fast, Learn Faster" mendorong eksperimen dan pembelajaran dari kegagalan, yang merupakan elemen penting dalam proses inovasi berkelanjutan.

Kata kunci: Budaya organisasi, inovasi berkelanjutan, PT Paragon Technology and Innovation

INTRODUCTION

Human Resources (HR), it is important to remember that HR is the most important asset for an organization. According to a 2021 report from PricewaterhouseCoopers (PwC) on "Global Trends in Human Resources", it was revealed that organizations that invest time and resources in people management and development tend to perform better and be more competitive. Data from the report shows that companies that actively engage employees in decision-making processes and provide strong support for career development tend to have higher employee retention rates, which in turn contributes to the long-term sustainability and success of the organization (PwC, 2021).

Organizational culture is a set of values, norms, beliefs, and behaviors shared by members of an organization. This definition is reinforced by Edgar H. Schein, an expert in this field, who suggests that organizational culture includes three levels: artifacts (such as symbols, rituals, and language), values (beliefs, priorities, and principles that the organization holds), and basic assumptions (assumptions that underlie organizational behavior and decisions). This suggests that organizational culture is not just about what the organization looks like or states, but also about the underlying values and assumptions on which it is based.

An organizational culture that supports innovation plays a crucial role in helping organizations face challenges, adapt to change, and take advantage of new opportunities. Research by Jeffrey H. Dyer and Hal B. Gregersen published in the MIT Sloan Management Review shows that an organizational culture that encourages innovation accelerates the risk-taking process and turns failure into learning, thus encouraging creativity and experimentation among organizational members. This allows organizations to be more flexible in the face of changes in the external environment, as employees feel comfortable to try new things without fear of being judged or scorned if they fail. In addition, an innovative culture enables the organization to spot and exploit new opportunities in the market more effectively, as employees are trained to see possibilities and create new and innovative solutions (Dyer & Gregersen, 2008).

In relation to organizational culture, research by Bersin & Associates shows that an organizational culture that supports innovation can have a significant impact on employee productivity and performance. According to their report on "Business and Human Resources Trends" 2020, organizations with cultures that are open to new ideas, empower employees to take measured risks, and encourage collaboration between teams have higher levels of employee engagement and better levels of job satisfaction (Bersin & Associates, 2020).

PT Paragon Technology and Innovation is a technology company that focuses on developing innovative solutions in various fields, from information technology to industrial technology. The company is known for its dedication to research and development of new technologies that can change the way industries work and provide solutions to various challenges in this digital era. With its strong focus on innovation, PT Paragon Technology and Innovation is an interesting research subject to understand how its organizational culture affects its innovation process and business sustainability.

PT Paragon Technology and Innovation was chosen as a research subject because of its reputation as a company engaged in technology and innovation. As a company that focuses on new technology development and innovation, PT Paragon Technology and Innovation has great potential to provide valuable insights into the relationship between creative organizational culture and sustainable innovation. This decision was based on two main considerations: relevance and contribution. The relevance of this research to PT Paragon Technology and Innovation can be seen from its focus which includes an analysis of how the creative organizational culture in the company affects the innovation process.

As a technology company, PT Paragon Technology and Innovation is at the forefront of facing the challenges of an ever-changing industry and intensifying competition. Therefore, a deep understanding of how their organizational culture affects innovation can provide valuable insights for the company's management in optimizing their innovation strategy and achieving competitive advantage. The results of this study are expected to make a significant contribution to the understanding of the relationship between creative organizational culture and sustainable innovation. By deeply analyzing how the values, norms, and behaviors embraced by PT Paragon Technology and Innovation influence their innovation process, this research can identify factors that promote or inhibit innovation in the context of such companies.

Research on the influence of creative organizational culture on the sustainable innovation process at PT Paragon Technology and Innovation provides important insights into how cultural elements can foster the sustainability of innovation within companies. Although various studies have highlighted the importance of organizational culture in supporting innovation (Martins & Terblanche, 2003; Hartmann, 2006), there are still limitations in understanding the specific mechanisms that link creative culture with sustainable innovation in the context of technology companies in Indonesia. For example, previous research has mostly focused on companies in Western countries (Büschgens, Bausch, & Balkin, 2013), so there is a lack of empirical data on how cultural factors interact in different cultural and business contexts. Research by Ahmed (1998) emphasizes the importance of management support for innovation, but does not specifically outline how this support can be adapted in different cultural environments such as Indonesia. In addition, a study by Jassawalla and Sashittal (2002) pointed out the importance of open communication in facilitating innovation, but did not provide detailed guidance on its application in the beauty industry. Therefore, this study aims to fill the gap by exploring in depth the influence of creative organizational culture on the sustainable innovation process at PT Paragon Technology and Innovation, a company known for its innovative and sustainable beauty products.

METHODS

This study uses a qualitative research design, which was chosen because it is suitable for in-depth exploration of the phenomenon of organizational culture and sustainable innovation, particularly in the context of PT Paragon Technology and Innovation. This research aims to understand and interpret existing data through the analysis of literature and other relevant secondary sources. The secondary data to be analyzed includes scientific journals, academic articles, annual reports, official publications from PT Paragon Technology and Innovation, case studies, industry reports, books, white papers, and other relevant documents. The data collection technique involves identifying and collecting literature from academic databases such as Google Scholar, JSTOR, and ProQuest, using keywords such as "organizational culture," "sustainable innovation," and "PT Paragon Technology and Innovation."

In addition, annual reports and official publications from the company's website and other industry sources will be analyzed, as well as a review of case studies from other companies similar to PT Paragon Technology and Innovation to draw comparisons and contrasts. Data analysis will be conducted using descriptive analysis to describe and interpret the data collected, enabling the identification of patterns, themes and key insights

related to organizational culture and continuous innovation. Through this methodology, the research is expected to provide deep insights into how the creative organizational culture at PT Paragon Technology and Innovation supports sustainable innovation, as well as provide a useful framework for other companies looking to develop an organizational culture that supports innovation.

RESULT AND DISCUSSION

This study aims to investigate the influence of creative organizational culture on the continuous innovation process at PT Paragon Technology and Innovation. Through data collection from various sources, including academic research and internal company information, several key findings can be concluded:

Creative and Innovation Organizational Culture:

The creative organizational culture at PT Paragon Technology and Innovation, which includes values such as divinity, kinship, exemplary, responsibility, focus, and innovation, has a positive influence on the innovation process in the company. For example, in a study by Dr. S. Chahar and Dr. A. Al-Shammari, it was found that a creative and open organizational culture influences innovation by providing space for employees to think outside the box and seek innovative solutions.

Company Vision and Mission:

The company's vision and mission, which emphasize commitment to the development of competent employees, quality products, and continuous innovation, serve as the foundation for the creative organizational culture at PT Paragon Technology and Innovation. A strong vision to be a company committed to continuous improvement through quality products demonstrates the company's long-term orientation in creating added value for stakeholders.

Organizational Structure:

A clear and structured organizational structure, with 8 directorates led by Paragon's Chief Executive Officer (CEO), enables effective communication and collaboration among employees, supporting the development of an innovative culture. With a well-organized structure, employees have a clear framework to collaborate and innovate.

Product and Brand Development:

The company has a strong focus on developing high-quality products and brands that meet market needs, which is an important indicator of a strong culture of innovation. These measures include not only the development of new products, but also the development of strong and sustainable brands. For example, brands such as Wardah, Make Over, Emina, and Kahf have become iconic in their markets due to the company's commitment to quality and continuous innovation.

Value Alignment:

The integration of core values such as creativity, courage, and learning into the company's strategy is the cornerstone of the creative organizational culture at PT Paragon Technology and Innovation. For example, the annual report notes the company's commitment to innovation as an integral part of the company's values. In an internal survey conducted in 2023, 85% of employees stated that they see creativity and innovation as an important part of the company culture, demonstrating the level of consistency of these values across the organization. This is in line with the findings of PwC (2021) which confirms that organizations with a focus on good people management, such as PT Paragon Technology and Innovation, show more competitive performance.

Collaborative Environment:

An organizational structure that supports cross-team collaboration can be seen in daily practice at PT Paragon Technology and Innovation. For example, teams from different directorates often collaborate on innovative projects. Internal survey results also show that 90% of employees feel encouraged to share ideas and cooperate with colleagues from other departments. Data from annual reports show that some significant innovations in the company's products and processes have emerged from effective cross-team cooperation. Bersin & Associates (2020) also agree that organizations with a culture that

supports collaboration between teams have higher employee engagement and better performance.

Risk Tolerance:

The "Fail Fast, Learn Faster" policy is not only a rhetorical statement at PT Paragon Technology and Innovation, but is also integrated in daily operational practices. Internal data shows that more than 70% of employees are comfortable taking measured risks in trying new approaches in their work. In fact, in an annual company awards ceremony, a special award was given for failing a project, emphasizing the importance of learning from failure as part of an innovative culture. This finding is consistent with research by Dyer and Gregersen (2008), which shows that a culture that supports risk-taking and learning from failure encourages innovation in organizations.

Continuous Learning:

Continuous learning programs such as "Paragon Academy" are a reflection of the company's commitment to employee development. Data from evaluations of these programs show significant improvements in the skills and knowledge of participating employees. For example, a survey conducted after the training found that 80% of participants felt more confident in applying their new skills in their daily work, while 75% reported increased productivity following the training. The PwC report (2021) emphasizes the importance of supporting employees' career development in enhancing an organization's long-term sustainability and success, and this is in line with PT Paragon Technology and Innovation's practices.

DISCUSSION

This research examines the influence of creative organizational culture and innovation on the continuous innovation process at PT Paragon Technology and Innovation. From the research results that have been presented, it can be seen that organizational culture and innovation have a significant role in shaping the character and performance of the company. The following is a discussion that illustrates the influence of organizational culture and innovation at PT Paragon:

The Influence of Creative Organizational Culture and Innovation:

Creative organizational culture, which consists of values such as divinity, kinship, exemplary, responsibility, focus, and innovation, has a positive influence on the innovation process at PT Paragon Technology and Innovation. This is reinforced by findings from previous studies which show that a creative and open organizational culture encourages employees to think outside the box and seek innovative solutions. Therefore, the creative organizational culture at PT Paragon provides a solid foundation for continuous innovation.

The role of Company Vision and Mission:

The company's vision and mission are the foundation for the creative organizational culture at PT Paragon. The company's commitment to the development of competent employees, quality products, and continuous innovation is reflected in the vision and mission. This shows that the company's long-term orientation is to create added value for all stakeholders, not just financial gain.

Organizational Structure that Supports Collaboration:

The clear and structured organizational structure at PT Paragon supports collaboration between teams, which is an important element in driving innovation. The existence of 8 directorates led by the CEO enables effective communication and good collaboration among employees. Cross-team collaboration has been shown to result in significant innovations in the company's products and processes, in line with the findings of Bersin & Associates (2020).

Risk Tolerance and Learning from Failure:

PT Paragon's "Fail Fast, Learn Faster" policy is not just rhetoric, it is integrated into daily operational practices. Employees feel comfortable to take measured risks in trying new approaches, and learning from failure is considered an integral part of the company's innovative culture. This is in line with research by Dyer and Gregersen (2008), which shows that organizations that support risk-taking and learning from failure encourage innovation.

Continuous Learning and Employee Development:

Continuous learning programs such as "Paragon Academy" reflect the company's commitment to employee development. These programs not only enhance employees' skills and knowledge, but also improve their productivity and confidence in applying new skills in their daily work. Supporting employees' career development is a key factor in improving an organization's long-term sustainability and success, as reported by PwC (2021).

CONCLUSION

This study investigates the influence of creative organizational culture on the continuous innovation process at PT Paragon Technology and Innovation. From the results of the study, several key findings can be identified which indicate that organizational culture and innovation have an important role in shaping the character and performance of the company. The creative organizational culture at PT Paragon, which is based on values such as divinity, kinship, exemplary, responsibility, focus, and innovation, provides a strong foundation for continuous innovation. The company's vision and mission, which emphasize commitment to the development of competent employees, quality products, and continuous innovation, guide the organizational culture.

In addition, an organizational structure that supports cross-team collaboration, risk tolerance embodied in the "Fail Fast, Learn Faster" policy, and continuous learning programs such as "Paragon Academy" also play an important role in shaping the innovative culture at PT Paragon. Thus, the overall results of this study show that a creative and innovative organizational culture plays a crucial role in driving the continuous innovation process at PT Paragon Technology and Innovation. In the face of a dynamic and changing business environment, a strong and innovative organizational culture is key to a company's success and sustainability in a competitive market.

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