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ANALYZING ORGANIZATION CULTURE'S ROLE ON DIGITAL TRANSFORMATION DURING PANDEMIC ERA: AN ETHNOGRAPHIC STUDY

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ABSTRACT

Public behavior toward shopping is changing due to limited mobility. E-commerce has changed consumer shopping behavior. The pandemic has accelerated the digital transformation process. From this, the company finally decided to carry out digital transformation and try to sell their product to e-commerce. The company uses digital marketing to market its brands effectively to the public during a pandemic. The application of digital transformation makes organizational culture an important thing that influences the success or failure of digital transformation. The culture in each company will make the strategy of each company different. Corporate culture has a role in measuring the company's success in implementing digital transformation to deal with the pandemic. Because of this, this study uses Hofstede's organizational culture theory and cultural dimension theory. Ethnography is the method in this research because researchers can focus on culture. In general, ethnography is for researchers who are outside the organization. However, in this study, researchers are part of an organization, so they have a more in-depth picture of the culture that occurs within it. From this study, the symbol in each category of organizational culture in the company has a unique meaning, which plays a role in digital transformation that will impact company performance. The combination of cultural dimensions is also a factor in the success of digital transformation in companies. Culture, organization, consumers, technology, and strategy are five things in digital transformation that affect company performance.

INTRODUCTION

From this pandemic, retail trade is a sector that has also been affected by government restrictions. The retail industry in Indonesia suffered losses of up to 250 trillion Rupiah (Alhikam, 2020). CNN Indonesia (2021) reported that six national retailers in Indonesia were closed due to the pandemic. This pandemic has also had a huge impact on small-scale retailers with limited resources. This is the impact of the sudden change in consumer behavior triggered by the Covid-19 pandemic. Marketing Expert Inventure Consulting, Youswohady, explained that the Covid-19 pandemic has made consumer behavior change 10 times bigger (Katadata, 2021). He also said that the pandemic has made consumers avoid physical contact and prefer to do activities virtually and online shopping is an alternative.

Although offline sales have decreased, online sales have increased due to government restrictions. CNN Indonesia (2020) stated that Bank Indonesia (BI) recorded e-commerce buying and selling transactions reaching 80 million transactions in 2019 and 140 million in January to August 2020, while in 2018, only around 40 million transactions were recorded. In addition, from the data presented by We Are Social and Kepios (2022), it shows that Shopee is ranked 11th and

Tokopedia is ranked 12th as the top website most visited by Indonesians based on total traffic in November 2021 from Semrush. Then, in overall traffic throughout 2021, Tokopedia is ranked 11th and Shopee is ranked 13th. In addition, the Shopee application was ranked 4th and Tokopedia 6th as the mobile application with the most active users . Increased sales in e-commerce were also marked by the presence of 158.6 million people who made purchases online and this figure increased by 14.9% or 21 million people from last year.

E-commerce has changed consumer shopping behavior and transformed the retail landscape. Especially for general non-perishable merchandise categories (Abbu et al., 2021). In data released by eMarketer in January 2022, there are 10 countries that occupy the top 10 in e-commerce sales and Indonesia is ranked 10th with sales reaching 58 billion dollars with a change of 23%.

The pandemic, which lasted 3 months, had changed the process of selling groceries in the United States which had to adopt e-commerce, which if not implemented would take 10 years. From the article it was stated that 83% of retailers surveyed by the Food Industry Association AMI said they added employees to fulfill online requests, 37% to handle delivery, and 51% of retailers urged consumers to order online. On the other hand, the pandemic has accelerated the digital transformation process. A technology-based approach that promotes safety and speed is at stake for wholesalers. Consumers of all ages are more willing to download apps and try their services to avoid interacting with cashiers or other consumers (Abbu et al., 2021).

Digital Transformation has become a topic of conversation in recent years and more and more companies are looking for ways to make sense of this phenomenon (Rogers, 2016; Singh & Hess, 2020; Wrede et al., 2020). Digital transformation is also characterized by the many innovations that have been born from several companies (Baiyere et al., 2020; Brunetti et al., 2020; Gong & Ribiere, 2021). One of them, Unilever, stated that they are creating a home service delivery and the launch of the "Sahabat Warung" application for merchant partners so they can keep selling (Katadata, 2021).

From this, many entrepreneurs finally decide to carry out digital transformation and start entering the world of e-commerce or marketplaces in marketing and selling their products. However, in marketing and selling their products, entrepreneurs must first introduce their brand to the wider community. One way to introduce a brand effectively during this pandemic is to use digital marketing.

Digital marketing is the choice of entrepreneurs to expand or maintain their business existence. Digital marketing aims to promote and maintain the stability of a business. Reporting from McKinsey Digital (Edelman & Heller, 2015), digital marketing is used to be a means of bridging the desires or expectations of consumers with what they want to get.

The first approach to digital marketing is to define it like conventional marketing, but the tools and strategies are on the Internet (Piñeiro-Otero & Martínez-Rolán, 2016). The uniqueness of the digital world and its uses have driven the development of formats, channels and languages that produce tools and strategies that would not be thought of offline, thus creating digital marketing (Piñeiro-Otero & Martínez-Rolán, 2016). Digital marketing has become a new phenomenon that brings together customization and mass distribution to achieve marketing goals.

Utilization with the right strategy can make digital marketing a way out for entrepreneurs to develop their business. Many marketing communication tools are used in business processes, and digital marketing, as a deconstruction of traditional marketing, is important because they allow consumers and producers to become interactive (Çizmeci & Ercan, 2015).

Implementation of digital marketing during this pandemic, of course, will have an impact on the company, especially when the company is new starting to transform to digital during the pandemic. Entrepreneurs are starting to shift their business priorities from offline to online during the pandemic. In the end, this transformation affects the business system of the company. However, in implementing this, corporate culture becomes important. Whether the digital transformation is running or not is also influenced by the company culture. With cultural differences in each company, the strategy chosen will also be different. If an organization is threatened, and they do not have a culture of survival, advancement, and acceptance of risk and technology, then they will not change.

Organizations with a strong culture will influence the behavior and effectiveness of employee performance. With an organizational culture, employee performance can run well because they are required to comply with existing rules (Azhary & Pradana, 2021). Organizational culture can also function as an identity, enhancer of commitment, a tool for organizing members, strengthening organizational values and a behavior control mechanism (Azhary & Pradana, 2021).

Therefore, based on the explanation above, the research would like to analyze of the role of organizational culture in the digital transformation process in facing the pandemic period. The research focuses on a company, namely PT XYZ which just transformed when the Covid-19 pandemic took place. They are engaged in selling Audio Video (AV) and IT products. They are the official holders of the XYZ brand in Indonesia. This company is under XYZ Taiwan and XYZ Germany which has been established since 1932. The research can be used to enrich knowledge and complement the literature on the role of organizational culture and cultural dimensions in digital transformation and the performance of a company.

METHODS

This study used a qualitative approach with ethnographic methods. In this study, researchers were also direct participants because they were part of the organization and knew the sources. The researchers used interview guidelines to interview informants, tape recorders, notes, and other communication media that can support research. The data obtained were in the form of interview results and necessary, relevant documents from the company and supported by literatures from scientific sources.

Researchers chose PT XYZ to be located in Kembangan Selatan, West Jakarta. This choice was made because the researcher was directly involved in the company's management from August 2020 to July 2022. In addition, the researcher worked as part of a marketing company that also planned digital transformation to sustain the company when the pandemic hit, so that the researcher had an in-depth picture and made it easier to hold interview guidelines.

Other supporting documents can be easily obtained by researchers through the access that has been given before. Researchers also know the resource persons because they have become colleagues, so that researchers can get a deeper picture of the work of the resource persons. Then the data that has been obtained is analyzed using the Miles and Huberman technique.

RESULTS AND DISCUSSION

The Role of Organizational Culture

The organizational culture of each company will be different. In this case the strategies and decisions chosen will also differ depending on the culture in it. Culture is a way of life in an organization. The cultural elements found by researchers helped researchers to understand decisions made in companies which ultimately led to decision making to carry out digital transformation in dealing with a pandemic.

By observing and through interviews, researchers understand the communicative behavior of organizational members. From this study it was found that the physical symbol in the form of an office layout with open space has a role in being able to make employees open-minded. In addition, the relationship between superiors and subordinates can be closer. Without exception, all opinions, input, and changes can be conveyed more easily. Then there is the dress code which in this study it was found that this came from input from members at PT XYZ. This dress code is also important because it provides the identity of each member in the company.

Furthermore, in terms of behavioral symbols, it can be seen that reward & punishment and tradition are the categories discussed by all sources. In reward, the research results show that this is something that employees like and they try to pursue the targets that have been made. The rewards given by the company will increase the fighting power of each of its members and strive to continue to increase sales, which is proven that sales from each sector, both offline, online and project, have continued to increase during the pandemic and after the pandemic, because it has given employees morale. The punishment system, which is not severe and is still in the form of a small reprimand, also creates an environment that is more liked by members. In this case, both provide a good combination for the performance of employees in the company. Tradition is also a category that appears a lot and is responded to by all sources. In this case, the tradition created is to provide closeness between employees, in the form of eating together, gathering together, and birthday celebrations, so that solidarity and cohesiveness are formed among each member. Superiors also participate in the tradition so that each member has the same closeness to the superiors and not just the managerial part.

In verbal symbols, what is shown is in the form of nicknames, slogans, and stories or history of the company. In the nickname, it is known that one of the employees has considered his boss like his own father with the nickname "babeh" he uses. Of course, this proves the closeness that superiors have with their subordinates. Then, the use of "bestie" and "mother" among colleagues also shows the closeness between employees at PT XYZ. The slogan at PT XYZ, namely "something that never changes is change", shows that the company has a motto that they are ready to accept change, and in research, all informants can accept changes in policy or strategy at the

company well. This also shows that organizational culture plays an important role in digital transformation, so that transformation can be carried out properly, because all members can accept these changes. In addition, the story of the company owned by PT XYZ is also largely understood by the informants, especially for those who have joined for more than 4 years. illustrates that employees participate in building the company.

The symbols that appear in each category of organizational culture at PT XYZ show that each symbol has a unique meaning, which ultimately plays a role in decision making and shows whether the decision is acceptable or not.

The Combination of Corporate Culture Dimensions Supports the Success of Digital Transformation

In this case, PT XYZ has a combination of cultural dimensions in carrying out their corporate activities, namely small power distance, weak uncertainty avoidance, collectivism, femininity, long term orientation, and indulgence. In the research conducted, PT XYZ managed to face the pandemic and survive after the pandemic. In fact, from the company's performance, they have succeeded in carrying out digital transformation and their income continues to increase. From the narrative of the Director of PT XYZ in the previous sub-chapter, it is known that the company's performance during these 3 quarters has always been positive.

The small power distance dimension, which shows that there is almost no distance between subordinates and superiors, especially BDA, as the director. Then, this is also shown from high tolerance, equality, and the existence of open space for opinions. This certainly encourages new ideas and innovations that can make the company grow.

Second, weak uncertainty avoidance, which at PT XYZ is characterized by employees who feel comfortable working and have low levels of stress, so that employees can provide optimal performance. Third, collectivism, namely employees prefer to be together and only a few prefer to be alone. This gives closeness to each employee. Then, with every employee who has loyalty to the company. Fourth, femininity, PT XYZ tends to encourage participation from their employees. This is shown by the many decisions made based on negotiations, deliberations, and discussions with employees.

Fifth, long term orientation, in this case PT XYZ focuses on the future, so that in the end they also make changes along with the company's development, such as the use of warehouse systems, accounting, HR, and omnichannel. This is a factor for them to be able to adapt, especially to the pandemic that emerged in 2020. Even though it required no small effort, they managed to face the pandemic with the digital transformation that they did. Because, if they are in a short term orientation, then they will only focus on the past and present, which tends to make the economy not grow.

Sixth, indulgence, from all research, employees tend to feel happy to work at PT XYZ for several reasons. In addition, freedom of speech and opinion. Then, flexible company regulations also make employees feel happy to work. This of course will affect their performance in supporting the digital transformation carried out by the company.

The cultural dimension seen at PT XYZ ultimately supports their success in implementing digital transformation. Recognizing the cultural dimensions that exist at PT XYZ, the combination of these six dimensions is able to support the success of the digital transformation carried out by the company, even the company's performance continues to increase.

Influential Factors in Digital Transformation to Support Company Performance

Even though many things have been done so that digital transformation can be carried out to support the company's performance in facing the pandemic, there are several factors that have an influence on its implementation. In digital transformation, it is known that there are six parts, namely strategy, people, organization, culture, technology, and consumers.

Research findings at PT XYZ show that organization and culture are two things that are interrelated and have an important influence on digital transformation. Because, if an organization's existence is threatened, and they don't have a culture to survive, advance, and accept risks and technology, then they won't change. Changes and decisions made, of course, occur due to cultural factors and their organizations that are willing to accept change.

An important factor that influences digital transformation is the consumer. This can be seen by changes in consumer behavior, namely shopping styles that companies are aware of. The changing style of consumer shopping, which was previously offline to online, made PT XYZ finally drive sales in e-commerce. From this consumer factor, PT XYZ also understands market trends. With emerging restrictions on activities and having to work from home, companies saw a need for their products to support those who work at home. From here, PT XYZ began to market their products according to market needs. This ultimately encourages increased sales in the company.

The next influential factor is technology. They also fix the system they use. From what was previously manual, then it becomes easier with the help of the system. The digital technology that they use is the Accurate warehousing system, the Talent HR system, the Ginee ERP omnichannel e-commerce system . Apart from that, digital marketing , which they had never done before the pandemic, they finally implemented it to support digital transformation. In addition, changing market trends are also a factor in the end they need digital marketing. The impact of using digital marketing for PT XYZ is increasing performance, increasing marketing reach, especially by using SEO. Based on data, PT XYZ's online sales before the pandemic were only around 40 million, but during the pandemic it actually jumped to 200 million per month through e-commerce , and after the pandemic it could touch 400 million. Through the technology they use and digital marketing in implementing digital transformation, PT XYZ has finally managed to deal with the pandemic, and is now continuing to develop their digital marketing team.

Next, is strategy. In this case, this part is important in carrying out digital transformation. They need a strategy to survive and deal with the pandemic, so in the end they make changes with digital transformation. The strategy they carried out by maximizing online ultimately contributed to good results in company performance. At first, the company's performance was not considered special by XYZ Taiwan. However, since there was an increase in the company's performance

during the pandemic, XYZ Taiwan and Germany saw that there was great potential in Indonesia, so they began to participate in providing direction. Previously, PT XYZ did not have a target from XYZ Global, namely Germany, but after the pandemic, PT XYZ was finally given a target and started to gain visibility in global eyes. In fact, thanks to management's strategic steps in carrying out digital transformation and starting to promote online sales on e-commerce platforms, the company's performance after the pandemic has increased very rapidly.

CONCLUSION

The symbols that appear in each category of organizational culture at PT XYZ show that each symbol has a unique meaning, which ultimately plays a role in decision making. In "Symbols of an Organizational Culture" by West (2010), there are three symbols, namely physical, behavioral, and verbal. In research on PT XYZ, the dominant symbols that appear are physical symbols with a dress code in the form of the use of office uniforms on Mondays and batik on Fridays, and behavioral symbols in the form of traditions and rewards & punishments. In this case it can be concluded that in each organization, there are several symbols that will appear dominantly compared to other symbols, so that not all symbols can appear and be understood by every member. From the discovery of symbols at PT XYZ, through its members' understanding of the culture that occurs, this tends to make them understand more about organizational values.

The cultural dimension that exists at PT XYZ has an influence on the business they are in. In this study it is known that the cultural dimensions of PT XYZ are small power distance, weak uncertainty avoidance, collectivism, femininity, long term orientation, and indulgence. Of the six combinations, PT XYZ was able to weather the pandemic which ultimately had a positive impact in the form of a positive increase in their sales every quarter. Through small power distance, members are encouraged to be involved in decision making so that new innovations emerge to make the company grow, in contrast to long power distance, where decisions are entirely in the hands of superiors. Weak uncertainty avoidance and indulgence at PT XYZ illustrates that employees feel comfortable and happy to work so that performance becomes optimal and there is no feeling of discomfort at work as in strong uncertainty avoidance and restrained. The collectivism dimension makes members have closeness and femininity which encourages the participation of each member, making members closer to other members and the company. The focus on long-term orientation has made PT XYZ in the long-term orientation dimension, so that the developments being made are for the company in the future and not just for now. Each of these dimensions plays a very important role and influences the company's performance results, because each dimension has its own value. Different combinations of cultural dimensions can lead to different results, major successes or failures.

With the digital transformation carried out by PT XYZ, from the discussion in the research it can be concluded that the company was able to get through the pandemic through the digital transformation they carried out. This is illustrated by the increase in sales they did. In terms of technology, PT XYZ has made changes, such as using Accurate for the accounting system, Ginee ERP for the e-commerce system, using digital marketing for their marketing, and Talenta as a

support for the HR administration function. According to Bumann and Peter (2019), digital transformation involves six areas, namely business strategy, organization, culture, technology, consumers, and people. In this study, not all fields dominate digital transformation at PT XYZ. Culture, organization, consumers, technology, and strategy are the five dominating factors in digital transformation at PT XYZ, while the development of the people within it, such as special training for development in developing company performance, tends not to be carried out. This shows that in each company, there are several factors that dominate a company in implementing digital transformation, so that the six areas described in theory do not fully dominate the entire company's performance.

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