# IMPROVING BUSINESS PERFORMANCE OF HOUSING DEVELOPMENT INFLUENCED BY ORGANIZATIONAL CHARACTERISTICS AND CLIMATE. Case Study: PT. Citra Bangun Sejahtera Bojonegoro

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**Abstract**. *The objective of the study was to test and analyze the improvement of business performance of housing developers influenced by organizational characteristics and climate. This research also to know how perception of respondent to business performance of housing developer. The result is the value of adjusted coefficient of determination ($R^2$) of 0.976 or 97.6% indicates that business performance variables that are influenced by organizational characteristics and climate. While the rest of 2.4% influenced by other variables outside the variables used in this study. Characteristics and organizational climate are positively correlated to business performance. Relationship model between the variables studied to produce characteristics and climate organization that has an important relationship to the performance of housing developers PT. Citra Bangun Sejahtera. The results of this study also have significance, especially for employees of PT. Citra Bangun Sejahtera in applying the characteristics and organizational climate for optimum business performance.*

**Key words**: *Characteristics, Organizational Climate and Business Performance*

## INTRODUCTION

State Minister for Housing (MENPERA) (Jakarta, Kompas.com) revealed, so far the number of housing shortage needs in Indonesia is still a mystery associated with the way the calculation. Therefore, the existence of population survey data on housing and population is needed to evaluate data of housing needs in Indonesia. The number of home needs in Indonesia is calculated based on the number of houses that have been built by the community and the developers are reduced to uninhabitable homes as well as the increasing needs of the community every year. In 2004, the estimated number of home needs in Indonesia reached 7.4 million units. While in 2009 the number continues to grow considering the needs of the housing community will also continue to increase. Some observers even estimate the number of homes needed by the community to reach the range of 8 million units. The existence of questionnaires related to housing problems in the 2010 population census is certainly very useful to obtain the number of home needs in

Indonesia.

Based on data the population of Indonesia is approximately 241 million people with population growth rate of 1.3% per year. The average number of people per head of household (KK) is approximately 4.3 people. With the calculation of the number of home needs 241 million x 1.3% = 4.3 million. So that every year it takes 728,604 units of houses per year or if rounded to 729 thousand units per year house. In addition, BPS data also mentions the number of homes in Indonesia reached 49.3 million units. Of that 3% need to be repaired because it is damaged so that the number of houses that must be rehabilitated reaches 1,479,000 units comes from the 49.3 million x 3%. Goverment trying   to calculate the number of national backlogs is only 8 million units, assuming that the number can be met within 20 years, meaning that the number of backlog per year reaches 400 thousand housing units (8 million: 20 years). Indonesia per year = due to population growth + rehabilitation / upgradation + backlog = 729,000 units + 1,479,000 units + 400,000 units = 2,608,000 housing units per year. Looking at the number of home needs is very large then it must be required provision of funds very large to build it. So it needs long term housing financing whereas in general banks get funds from the public in the form of short-term funds and relatively expensive, resulting in funding mismatch.

In a developing country, activities are always needed for projects. Given these projects, the income of a State (especially a developing country) is expected to increase. To decide whether an investment will be accepted or not, based on the amount of benefits and costs incurred, where profits must be greater than the cost. Proper residence and environment are the basic human rights as mandated in the 1945 Constitution of article 28H. The construction of housing in order to fulfill the right is carried out by various stakeholders. In this case, the government is obliged to facilitate the community, especially the low income people, in order to be able to inhabit affordable and affordable housing. In general, the demand for housing, especially for the middle class is still relatively high compared to the availability that can be met by developers as the perpetrators of the construction of housing projects. Based on the background of the problem in this research can be formulated problem: What are the characteristics and organizational climate affect the performance of Housing Developer?

## 1.1 Hypothesis

Based on the background of the problem, problem formulation, literature review and conceptual framework, the research hypothesis is arranged as follows: (1) Characteristics Organization significantly influence the performance of residential developers. (2) Climate Organization significant effect on business performance of residential developer (3) Organizational Characteristics and Climate Organization significantly influence the significant effect on the business performance of residential developers.

**REVIEW AND LITERATUR**

### 2.1. Characteristics of the Organizaton

Characteristics of the organization is a condition in which every organization or work environment has rules, policies, reward systems and other missions that affect every employee (Sudarsono,2010). Characteristics of the organization is the individual work environment factors. Characteristics of the organization include organizational commitment and the relationship of colleagues and supervisors who will affect the job satisfaction (Winarno, 2005). Characteristics of the organization include 1) A social entity; 2) Aiming or directed by the goal (goal directed); 3) Have a system of deliberate and structured activities; 4) with clear boundaries (Wahab, 2008). It can be concluded that the characteristics of the organization is a condition where every organization has regulations, policies, etc. From various opinions it can be concluded that the Organization is a container of social unity that is consciously formed by a group of people in which work together to achieve the goals set. Indicators of Organization Characteristics:

a) Organizational loyalty

Organizational loyalty is the degree to which an employee sides with an organization and its goals and wants to maintain membership within the organization.

b) Coworkers' relationship.

The closest working environment that affects the work situation and will affect the satisfaction and job performance. Co-workers who show friendly and supportive attitude will be able to give satisfaction to employees, on the contrary if the relationship between colleagues work negatively for job satisfaction.

c) Relationships with superiors.

That there is a positive influence between the supervisor and subordinate job satisfaction. Effective bosses should be able to provide direction in the efforts of workers to achieve organizational goals. Thus, the supervisor must be able to influence the behavior of subordinates both individuals and groups.

### 2.2. Climate Organization

The organizational climate or work environment called organizational atmosphere is a set of workable environmental properties that can be measured based on the collective perception of people living and working in the environment and shown to influence their motivation and behavior. Climate organization is determined based on six indicators (Timpe, 2009):

a) Responsibility.

Responsibility (responsibility) is the obligation to do something. In the organization, responsibility is a person's duty to perform the duties or functions of the organization. Everyone in an organization has a responsibility because everyone has a position and a function. And it relates to one's feelings about the work he does (Handoko, 2000). So, the

responsibility is the obligation of a subordinate who is assigned by his boss to do something that cool his boss.

b)  Uniformity.

Uniformity or coordination is the process of interpreting objectives and activities in separate units within an organization for the achievement of organizational goals efficiently. Without coordination the units will lose their grip, so they will pursue their own interests.

c)  Group spirit.

Strauss and Staylesm (1981) states that the relationship of superiors and subordinates does not occur in a vacuum. Humans belong to groups, and these groups greatly affect their expectations, desires, and behaviors. Level of group spirit can be considered a measure of subordinate loyalty to superiors.

d)  Award.

Timpe (2009) states that employees who believe that their efforts are delivering performance and who anticipate important rewards for their achievement are productive and remain productive when the award meets their expectations.

e)  Standard.

The organizational mood can be measured from qualitative dimensions, such as standards. What is meant here is the working standard. Performance standards are defined by experience and employee maturity, employees feel proud of their performance, so as to achieve expected job satisfaction. In order for a healthy competition among employees, leaders set challenging job goals. The presence of a comfortable and safe feeling to work, without any pressure from the leadership, there will be a cool organizational climate. But at least there are indicators that can be used to see the presence or absence of job satisfaction, such as discipline, employee morale and low turnover.

f)  Organizational Clarity.

Organizational climate can also be measured from qualitative dimensions, such as organizational clarity. To illustrate, some questions may be used to invite employee comments, for example

a.  Do you know what is expected of you?

b.  Are job assignments structured logically?

c.  Is productivity impaired due to poor planning?

Targeted management involves defining what is expected of employees, gaining their commitment to defined goals, and ensuring that goals are met. Without exception any Goal-Based Management (MBS) system unmasks the existing chaos that covers the content of work and accountability. This mess should be eliminated before proceeding to the next stage or to another management level. Problems can be removed more effectively by "level-by-level" approaches for the following reasons: if there is organizational turmoil at its peak-say at the highest level-this confusion will break down point by point as managers delegate authority level by level will allow

chaos to be eliminated at a higher level before this chaos spread throughout the organization through a delegation process.

### 2.3. Business performance

Resources and capabilities are a key source for companies in achieving profitability. Referring to the conception of functional management, it is reasonable to argue that company performance is actually reflected in the work of various functional management that goes well (Ferdinand, 2003). Functionally a good corporate performance will be reflected: 1). the level of human resource performance such as the level of creativity and innovative human resources, the level of human resource productivity in which they are located; 2). level of performance of production operation management such as production process efficiency level, product and service quality, process speed level and level of process insurance; 3). level of marketing management performance such as sales volume level, market share and profitability; 4). the level of financial performance such as the availability of funds, the use of effective and efficient funds are reflected in various financial ratios that include: the ratio of liquidity, solvency, activity and profitability.

Business performance can be sustained by leveraging various strategic assets that are characteristic of the company and have the ability to hamper its competitors (Amit and Schoemaker, 1993). The company's success in providing superior product and succeeding in the market (superior market) is a measure of company performance that implement market orientation and technology orientation. Measurement of business performance based on success in markets and products is also referred to as firm performance and product performance (Zhou et al., 2005). The conclusion is that business performance can be viewed from various viewpoints, including the point of view of corporate infrastructure, human resources, organization and company operations. Business performance is the achievement or success of the company in operating its resources in the company. The company is basically an organization formed to achieve certain objectives, among others, is to earn profits and ensure business sustainability.

a. Business Performance Factors

In this research, the business performance dimension used is based on empirical dimension used by research of Baker and Sinkula (1999). Based on this empirical research the business performance can be measured from the relative market share dimension (relative market share) adapted from Day (1977), new product success developed by Baker and Sinkula (1999), market growth and customer growth adopted from Narver and Slater (1990) and firm performance and product performance (Zhou et al., 2005).

## METHODOLOGY

### 3.1. Stages of Research

This research begins with problems. The problem is to be resolved by researchers through research. This research needs to theorize to fit the scope of the problem. By theorizing the

researchers can build a frame of thought so that it can be used to answer the problems posed. The answer to the problem using the theory is called the hypothesis. Once the hypothesis is verified through statistical tests by examining a particular object, the next is to make conclusions and suggestions. This study was conducted to determine which variables are influenced by organizational characteristics and organizational climate that affect the business performance.

The variables used in this study are grouped among others:

a.    Independent Variable

X1: Characteristics of the organization in this study is the variable that affects the performance of business Housing Developer

X2: The organization climate in this study is the variable that affect the performance of the business Housing Developer.

b.   Dependent variable

The dependent variable in this research are:

Y:    Business performance in this research is variable influenced by organizational characteristic and organizational climate Housing

### 3.2.    Research design

This research was designed with survey research method, that is a research conducted by taking sample from population and using questionnaire as the main data collection tool given to the respondent (Sugiono, 2009). This research is also called explanatory research because the purpose is to explain the causal relationship between the variables through hypothesis testing and also a conclusive study (Malhotra, 2006).
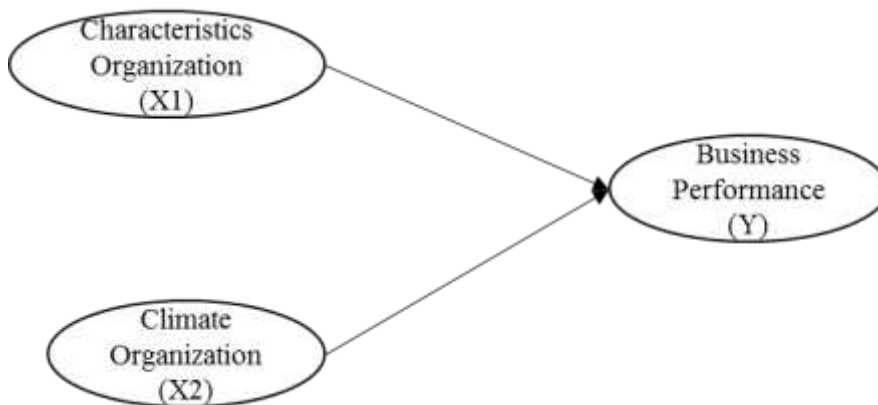


**Fig 1**. Design Conseptual

### 3.3.    Data collection and analysis techniques

Data collection techniques in the research are: distributing questionnaires conducted by distributing questionnaires that have been designed first and given to the respondent as a targeted sample, ie Housing Developer PT. Citra Bangun Sejahtera in Bojonegoro. The type of data required in this study is classified in one type, namely primary data used to explain the variables

studied include the characteristics and organizational climate on the performance of Housing Developer PT. Citra Bangun Sejahtera in Bojonegoro. Sample Determination Technique. According Sugiyono (2009), the population is a generalization region consisting of: objects / subjects that have certain qualities and characteristics set by researchers to be studied and then drawn conclusions.    In this study the population members of the research object are all members who are at once as employees of Housing Developer PT. Citra Bangun Sejahtera in Bojonegoro. This study limits the employees of PT. Citra Bangun Sejahtera Housing Developer in Bojonegoro only and does not examine employees not employees of Housing Developer PT. Citra Bangun Sejahtera in Bojonegoro. This research uses saturated sampling ie sample determination if all members of the population are used as a sample, Sugiono (2010). The number of samples associated with the study amounted to 60 respondents. In this research, the questionnaire as the instrument of data collection to get the response result from the respondent is measured by Likert scale consisting of score 1, 2, 3, 4, and 5 which become alternative answer choice. The range of scores or scores is generally categorized as follows: 1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; and 5 = Strongly agree.

## Result and Analysis

**Table 1** Result of Regression

| Variable | B | t | Sig |
|---|---|---|---|
| Constanta (a) | 1,586 | 2,768 | 0,008 |
| Characteristics | 0,510 | 15,775 | 0,000 |
| Climate Organization | 0,319 | 14,941 | 0,000 |
| | | F=1143,641 | 0,000 |
| | | Adj $R^2$ = 0,976 | |
| | | R    = 0,988 | |

Source: Output Software SPSS, 2017

Table 1 present model regression is:

$$Y = 1,586 + 0,510X_1 + 0,319X_2 + 0,55471$$

1.  Constanta (a) = 1.586 means that the performance of Developer Business Housing PT.Citra Bangun Sejahtera in Bojonegoro will be worth 1.586 if the organizational characteristic variable (X1) and organizational climate (X2) does not affect the performance of Developer Business PT.Citra Bangun Sejahtera Bojonegoro. In other words, if all independent variables are zero, then the business performance of PT.Citra Bangun Sejahtera Housing Developer in Bojonegoro will be worth 1.586.

2.  Regression coefficient X1 = 0,510 means any increase (addition) 1% variable of organizational characteristic (X1) will improve business performance Developer Housing PT.Citra Bangun Sejahtera in Bojonegoro (Y) equal to 0,510. Assuming the organizational climate variable (X2) is constant. If the organizational characteristic variable (X1) there is

a tendency to increase, then the performance of Developer Business Housing PT.Citra Bangun Sejahtera in Bojonegoro (Y) will increase. If the variable of organizational characteristic (X1) tend to decrease, then the performance of Developer Business Housing PT.Citra Bangun Sejahtera in Bojonegoro (Y) will also decrease.

3. Regression coefficient X2 = 0.319 means that every increase (addition) 1% of organizational climate (X2) will improve the performance of Developer Business Housing PT.Citra Bangun Sejahtera in Bojonegoro (Y) of 0.319. Assuming the organizational characteristic variable (X1) is constant. If the organizational climate variable (X2) there is a tendency to increase, then the business performance Developer Housing PT. Citra Bangun Sejahtera in Bojonegoro will increase. If the organizational climate variable (X2) tends to decrease, then the performance of Developer Business Housing PT.Citra Bangun Sejahtera in Bojonegoro (Y) will also decrease.

4. Based on the results of multiple linear regression analysis, it is known that the regression coefficient value of the independent variable has a positive sign. This shows a direct relationship between characteristic variables and organizational climate (X) with business performance. The value of coefficient of determination (R2) of 0.976 or 97.6% indicates that business performance variables that are influenced by organizational characteristics and climate. While the rest of 2.4% influenced by other variables outside the variables used in this study.

5. Characteristics and organizational climate have a significant influence on the performance of residential developer business PT. Citra Bangun Sejahtera in Bojonegoro. This shows that the business performance of residential developers PT. Citra Bangun Sejahtera in Bojonegoro is highly dependent on the characteristics of the organization. The more character of this company then the performance of employees will be better and certainly will affect the company's performance. Likewise with the climate of the organization, the more conducive corporate climate will create comfort in employees and ultimately will improve the performance of the company's business.

## CONCLUSIONS

Based on the results of data analysis in this study can be drawn conclusion as follows: 1) Characteristics of the organization significant effect on business performance developer Housing PT. Citra Bangun Sejahtera in Bojonegoro. 2) Climate organization significant effect on business performance developer Housing PT. Citra Bangun Sejahtera in Bojonegoro. 3) There is influence of other variables outside of variable that influence to this research. Furthermore, For the next researcher is suggested to do research outside of independent variable used in this research, for example professionality, financial behavior, spiritual behavior and others, or combine one of variable in this research with other variable outside variable in this research, given the large influence of other variables not included in this study. Organizational characteristics and organizational climate have a significant effect on business performance developer Housing PT.

Citra Bangun Sejahtera in Bojonegoro. For that party Housing PT. Citra Bangun Sejahtera in Bojonegoro, is expected to maximize organizational characteristics and organizational climate in accordance with the purpose of Housing PT. Citra Bangun Sejahtera to create an improved business performance. Improving business performance will impact on the company's sustainability and the existence of the company to continue to assist the government in providing housing for the community, especially in the Bojonegoro region.

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