

## The Implementation of AKHLAK Core Values in the Organizational Culture of PT. Sinergi Gula Nusantara PG. Djombang Baru Company

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INDEXING	ABSTRACT
<p><b>Keywords:</b> Keyword 1; implementation Keyword 2; organizational Keyword 3 ; culture Keyword 4 ; productive Keyword 5 ; work</p>	<p>The aim of this research is to increase students' insight, knowledge and skills through direct work experience in related agencies. The author's method of collecting data from fieldwork lectures is by interviewing related parties, namely direct interviews with HR staff as well as managers of AKHLAK Core Values in PG. Djombang Baru and directly observe and carry out activities carried out by employees PG. Djombang Baru is a subsidiary of PT. SGN whose address is in Surabaya. PT SGN is included in the BUMN, which has established an organizational culture that must be implemented by all companies, including PG. New Djombang. This culture is known as core values, namely the principles or beliefs that form the basis of the ethics and behavior of an organization. To realize AKHLAK Core Values in the company's organizational culture, it is necessary to conduct socialization of AKHLAK Core values to all employees, Utilization of Moral Values for employees, Provide reward programs or incentives for employees, Maximizing a good and clear organizational culture by encouraging active participation in organizational culture activities, such as training, workshops, or social events, Improve corporate management governance based on consumer needs, Providing Corporate Social Responsibility funds to the community for social and economic empowerment programs, Optimizing the development of cultural awareness, and also Establish a communication forum between employees.</p>

### Article History

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## INTRODUCTION

PT. Sinergi Gula Nusantara, PG. Djombang Baru, the company implements the best possible management to increase the company's value, one of which is Human Resource Management which is a means to improve human quality. According to the Prasetyo *et al*, (2021), enhancing human resources, also improves performance and work productivity, so that it can realize employees who have high discipline and performance. In improving employee performance, it is necessary to analyze the factors that affect it by paying attention to the needs of employees. Among them is how to apply the company's organizational culture in building a productive corporate work environment (Paais and Pattiruhu, 2020).

In a company or organization, the human element has an important role in improving a company in a more advanced direction, so employees must have a high work spirit, to increase the work spirit, good corporate culture conditions are also needed to realize the company's goals in a better direction (Mughtar *et al*, 2022). In habits in companies and organizations, it is inseparable from the cultural bonds that are created. Culture distinguishes societies from one another by interacting and acting to get a job done. However, culture can

be formed in the performance of the employee, organization and its benefits can also be felt in providing roles and results for the effectiveness of the company or the organization as a whole (Lim, 2021).

The concept of Organizational Culture refers to the norms, values, beliefs and behaviours that exist in an organization that shape its characteristics. Company culture is essential because it can affect many things, including productivity, employee satisfaction, innovation and long-term success. This culture is known as core values are the principles or beliefs that are the basis of the ethics and behaviour of an organization. These values are essential for building a strong and sustainable culture (Khan *et al*, 2020). Companies can improve the performance of their employees through the implementation of the organizational culture of AKHLAK's core values, AKHLAK values are the main values that are firmly held by SOE HR which stands for Trust, Competent, Harmonious, Loyal, Adaptive, and Collaborative which can help create a healthy, ethical and productive work environment.

Organizational culture plays a very important role in the productivity of employees in a company, a strong culture will create a work environment that grows well, a work environment where everyone can interact with each other (Nzuva, and Kimanzi, 2022). A conducive work environment is one of the compensation given by the company to employees, thus the compensation provided by the company is not only in the form of financial but also non-financial (Febrian and Rianggara, 2023). Isac *et al* (2021) implemented that creating the most comfortable work environment is possible, thus the organizational culture in building a productive work environment plays an important role in determining the quality of work in the company.

## **LITERATURE REVIEW**

### **Human Resources Management**

Management is the process of utilizing all resources owned by the organization to achieve the goals that have been implemented. The process in question involves organization, direction, coordination and evaluation of people to achieve the set goals (Soetjipto *et al*, 2021). What is meant by human resource management is a series of organizational activities that are directed to attract, develop and retain an effective workforce or a field of management that specifically studies human relations and roles in the company's organization, human resource management also implements effective and efficient relationships that affect employee performance to achieve the process of company goals that have been determined both in the context of employee relations, employee performance, job satisfaction influenced by organizational culture and the company's work environment (Stewart and Brown, 2019).

### **Organizational Culture**

Organizational culture is an invisible social force, which can move people in an organization to carry out work activities. In the same way, an organizational culture that is truly managed as a management tool will be influential and a driver for employees to behave positively, dedicatively and productively (Rahayu, 2023). Cultural values are invisible, but they are the forces that drive behaviour to produce performance effectiveness. Organizational culture has several functions, one of which is culture has a differentiating role, which means that work culture creates a clear distinction between one organization and another (Buschgens *et al*, 2013). Second, organizational culture brings a sense of identity to the members of the organization, and the third, the organizational culture increases the stability of the social system (Bamidele, 2022).

## **Work Productivity**

Work productivity is a measure of efficiency or the level of output produced in a given period. Work productivity can be measured in a variety of ways depending on the type of job or industry being discussed (Syverson, 2011). Work productivity include output per hour of work, output per unit of input, or the ratio between output and production costs (Froud *et al*, 2020). High work productivity is often considered a good performance indicator for an organization or individual. Productivity is the ability of each person, system, or company to produce products or services by utilizing resources effectively and efficiently (Dastmalchian *et al*, 2020). Nevertheless, based on the existing explanation, it can be understood that productivity has three important elements it.

## **AKHLAK Core Values**

Sari and Elmi (2024) concluded that AKHLAK Core Values is a behavioural guide for every human resource of a State-Owned Enterprise to be implemented in daily behaviour and form a work culture. The values of AKHLAK State-Owned Enterprises (SOE) must be implemented by all Human Resources (HR) in state-owned enterprises. Ardiyansah and Mon (2023) stated that the core values of the values are outlined in the Circular Letter of the Minister of SOEs SE-7/MBU/07/2020 concerning the Core Values of Human Resources of State-Owned Enterprises. Core values in the form of SOE AKHLAK are set as the identity and glue of work culture supported by continuous performance improvement. This value was emphasized by the Ministry of State-Owned Enterprises by launching the SOE AKHLAK logo in July 2020.

## **RESEARCH METHOD**

The data collection method in this study taken by the author is qualitative. The data collection technique is using interviews. Interviews were conducted with related parties, namely direct interviews with HR staff as well as managers of Akhlak Core values at PG. Djombang Baru and observe and directly carry out activities carried out by employees. The organizational culture in the company is also analyzed for strengths, weaknesses, opportunities, and threats using SWOT analysis. SWOT analysis is one of the important components of strategic management. This SWOT analysis includes the company's internal and external factors (Wardhani and Dini, 2020). Where later it will produce a company profile as well as understand and identify organizational weaknesses and strengths, after that, develop the strategies in enhancing the implementation of AKHLAK Core Values in the organizational culture of the company.

## **RESULT AND DISCUSSION**

### **The Profile of the Company**

PT Sinergi Gula Nusantara (PT SGN) often known as Sugar Co is a Sugar Commodity Sub Holding of PTPN III (Persero) Plantation Holding which is assigned to manage all sugar factories within the PTPN Group which was established as a form of one of the national strategic projects (PSN) and is one of 88 (eighty-eight) programs of the Ministry of SOEs in 2020-2023 to support the acceleration of the Food Security Program, especially the achievement of sugar self-sufficiency national.

At the beginning of the establishment of PT Sinergi Gula Nusantara (PT SGN) on August 17, 2021, the company's shares were owned by PTPN III (Persero) Plantation Holding and PTPN XI. On October 10, 2022, along with the spin-off of 36 sugar factories owned by

seven subsidiaries of the PTPN Group, namely PTPN II, PTPN VII, PTPN IX, PTPN X, PTPN XI, PTPN XII and PTPN XIV into PT Sinergi Gula Nusantara (PT SGN), the composition of PT Sinergi Gula Nusantara (PT SGN) share ownership is owned by 8 (eight) PTPNs, namely PTPN II, PTPN VII, PTPN IX, PTPN X, PTPN XI, PTPN XII, PTPN XIV and PTPN III (Persero) Plantation Holding. Here is the logo of the company below,



**Figure 1. The Logo of the PT. Sinergi Gula Nusantara**

(Source : [sinergigula.com/about/profile](http://sinergigula.com/about/profile))

The company's vision is to become a superior and competitive sugarcane-based agribusiness company at the global level. The mission of the company consist of :

1. Providing added value (value creation) for all stakeholders
2. Producing value-added and consumer-oriented plantation products
3. Support government programs to achieve national sugar self-sufficiency
4. Forming operational excellence through continuous improvement and innovation with good corporate governance
5. Developing excellent organizational capabilities, information technology and human resources
6. Optimizing the use of assets to provide the best returns for shareholders
7. Improving community welfare and preserving the environment for the good of the next generation.

### **History and Development of the Company**

According to the result of the interview, PG. Djombang Baru is a unit of a sugar-producing company that was established in 1895 and is located in Pulo Lor Village, Jombang District, Jombang Regency, East Java Province. By the Netherlands under the name of the Board of Directors "Anamaet & Co" until entering 1957 the second period was taken over by the Indonesian government in 1957 which was managed by the central State Plantation Company (PPN) with branches in East Java in the sugar processing unit. In 1963, a reorganization of VAT was held based on Government Regulations No. 1 and 2 of 1963. This causes BPU-PPN Sugar at the center, and BPU-PPN residency in East Java. The old former residency was converted into a board of directors' office, and the sugar mill was transformed into a legal entity headed by the General Manager of the sugar mill. The next period occurred in 1968-1973, namely the dissolution of BPU-PPN Gula so that in the regions the directors of the Plantation District Court were formed with their legal entities.

The directors include the Plantation District Court which is its legal entity. The directors include PN Perkebunan XXII for the former sugar factory of Kediri residency and PN Perkebunan XXI-XXII for the former sugar factory of Surabaya residency. The change was made by Government Regulation No. 14 of 1968. Since March 11, 1996, after the restructuring of SOEs, the Ministry of Agriculture has been under PTPN X. The merger of PNP XXII became PT Perkebunan XXI-XXII led by the President Director, which is centred in Surabaya on Jalan Jembatan Merah No. 3-11. In line with the restructuring program of production units, since June 29, 1996 PG. Djombang Baru is led by a General Manager to simplify the company's management.

### **The Strengths and The Weaknesses of the Organizational Culture**

The strength factor of the organizational culture in PG. Djombang Baru consists of :

- a. A good and clear organizational culture can increase work morale and motivate PG employees. Djombang Baru
- b. The existence of AKHLAK Core values can encourage cooperation and mutual respect among employees which can increase productivity.
- c. There is an evaluation of employee work so that it can be a reference in measuring and improving performance
- d. With the existence of AKHLAK Core Values and the advancement of the technological era, it makes it easier for companies to report employees to the centre, namely PT. SGN has the potential to get the title of AKHLAK HEROES every year. This provides an opportunity for employees to stay enthusiastic at work and be motivated.

Likewise, the weaknesses factor of the organizational culture in PG. Djombang Baru consists of :

- a. There is no synchronization of employee awareness with AKHLAK Core values which creates a gap among employees so that it affects the effectiveness of this culture
- b. Not all employees carry out their main duties and functions or jobdesks.
- c. Lack of awareness of human resources in obeying the rules of working hours

### **The Opportunities and The Threats of the Organizational Culture**

The opportunities factor of the organizational culture in PG. Djombang Baru consists of :

- a. The existence of AKHLAK Core values can increase employee engagement because they feel they have a shared vision and values.
- b. The existence of a good culture can promote the company's image so that it can attract quality talents who want to work in an environment that supports values.
- c. With the value of AKHLAK Core Values, it can be a competitive differentiator in a market that is increasingly aware of ethics.

Moreover, the threats factor of the organizational culture in PG. Djombang Baru consists of :

- a. There is a possibility of switching customers to PG. others who prioritize corporate ethics if the cultural values are not maximized.
- b. Decline in company performance/image in the eyes of the surrounding community

### The SWOT Analysis Matrix

The SWOT matrix is a stage to match to produce a new strategy formulation. Matching is done by matching factors consisting of Strengths (S), Weaknesses (W), opportunities (O), and threats (T).

**Table 1. SWOT Analysis Matrix**

<b>Internal strategic</b>	<i>Strength</i>	<i>Weaknesses</i>
	<b>S-O</b>	<b>W-O</b>
<i>Opportunities</i>	<ul style="list-style-type: none"> <li>• Conducting socialization of AKHLAK Core values to all employees through various communication channels, including internal training and seminars.</li> <li>• Utilization of Moral Values for employees as company branding</li> </ul>	<ul style="list-style-type: none"> <li>• Provide reward programs or incentives for employees who show attitudes and actions by moral values so that employees can increase productivity</li> <li>• Maximizing a good and clear organizational culture by encouraging active participation in organizational culture activities, such as training, workshops, or social events</li> </ul>
	<b>S-T</b>	<b>W-T</b>
<i>Threats</i>	<ul style="list-style-type: none"> <li>• Identify the cause of customer loss to other PGs and improve their human resource management</li> <li>• Using testimonials that illustrate the moral values of a good company culture to promote the company's image</li> <li>• Improve corporate management governance based on consumer needs, including improving customer service</li> <li>• Providing Corporate Social Responsibility funds to the community for social and economic empowerment programs such as the development of a digital-based creative economy</li> </ul>	<ul style="list-style-type: none"> <li>• Optimizing the development of cultural awareness through effective communication strategies, both internal and external</li> <li>• Establish a communication forum between employees to create a comfortable working environment</li> <li>• Providing opportunities for outstanding employees to be able to occupy strategic positions in the company</li> </ul>

## CONCLUSION

This paper concludes that companies have several factors, both strengths, weaknesses, opportunities, and threats in implementing AKHLAK Core Values. To realize AKHLAK Core Values in the company's organizational culture, it is necessary to conduct socialization of AKHLAK Core values to all employees, Utilization of Moral Values for employees, Provide reward programs or incentives for employees, Maximizing a good and clear organizational culture by encouraging active participation in organizational culture activities, such as training, workshops, or social events, Improve corporate management governance based on consumer needs, Providing Corporate Social Responsibility funds to the community for social and economic empowerment programs, Optimizing the development of cultural awareness, and also Establish a communication forum between employees

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