

# THE ROLE OF ORGANIZATIONAL CULTURE IN STRATEGIC PLANNING TO ACHIEVE BANK RIAU KEPRI SYARIAH PERFORMANCE

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**Abstract.** *Organizational strategy and organizational culture are two of the most fundamental concepts in management science. In addition, strategy and organizational culture are two important things in every organization. This is evidenced by the many organizations. These are the two most basic concepts in management science. Various studies have been conducted, and empirically, the results of each study generally prove that organizational strategy and organizational culture have a very important relationship and provide benefits for the organization. Organizational culture can unite all elements in a company and be the right reason for people to work there. The specific objectives of this research are: (1) to empirically test and analyze the role of organizational culture in determining business strategy; (2) to empirically test and analyze the role of organizational culture in improving organizational performance; and (3) to empirically test and analyze the role of business strategy in improving organizational performance. Data collection techniques used was observation, documentation, and questionnaires to the heads of business units (shops) of Bank Riau Kepri Syariah. The population in this study was all of the leaders of Bank Riau's shops, totaling 41 people. The research was analyzed using partial least squares (PLS) with SmartPLS software. The results of the study show that: (1) A strengthened organizational culture has an important role in the business strategy of Bank Riau Kepri Syariah. (2) A stronger organizational culture has an important role in improving business strategy but does not have a significant direct impact on improving organizational performance. (3) The right business strategy will improve organizational performance*

**Keywords:** *Organizational Culture, Strategic Planning, bank performance.*

## 1. INTRODUCTION

The development of a region is inseparable from the role of various financial institutions, especially banks belonging to the regional government. Regional government-owned banks play an important role in providing capital for various community businesses in the regions as well as being a source of regional income. Regional banks are closer to the people in the regions and reach more areas that are not covered by other conventional banks. In addition, the Regional Bank is also a source of regional income, which is reused for regional development. Bank Riau Kepri Syariah in Riau Province is one of the Regional Owned Enterprises (BUMD) in Riau Province, PT. Bank Riau Kepri Syariah is currently moving forward in order to achieve a strategic role in the regional development process, namely increasing regional economic growth as a source of regional income, creating jobs and absorbing labor, reducing unemployment, and meeting and facilitating community needs.

In order to increase the bank's participation in improving the community's economy and increasing ease of access to banking for the people of Riau, Bank Riau has business units (Kedai) that are spread over almost all areas of Riau Province. This shop unit plays a role in providing microfinance to small and medium-sized communities to support and increase the capacity of community businesses. The existence of Kedai Bank Riau is expected to provide convenience for the community to access capital for their businesses.

Important role of Bank Riau Kepri Syariah in supporting the people's economy in Riau Province, every shop should be able to provide the best performance so that it can compete with other banks and become a driving force for the economic development of the people of Riau. Performance is about what to do and how to do it. Performance is

the result of work that has a strong relationship with the organization's strategic goals, customer satisfaction, and making an economic contribution. Meanwhile, Colquitt, LePine, and Wesson argued that performance is the value of a series of worker behaviors that contribute, both positively and negatively, to the completion of organizational goals. In another opinion, Cascio views performance as a way to ensure that individuals or teams know what is expected of them and stay focused on effective performance by paying attention to goals, measurements, and assessments. Gibson, Ivancevich, Donnelly, and Konopaske stated that performance is the result of work related to organizational goals such as quality, efficiency, and other criteria of effectiveness. (Wibowo, 2014)

In order to maintain the maximum performance of its employees, the company has established a performance appraisal for each employee. A performance appraisal of each employee is needed to evaluate and minimize the obstacles that exist during the work process. PT. Bank Riau Kepri Syariah already has written rules regarding employee performance appraisal, which are contained in the Company Performance Management Manual (BPP). In general, employees are assessed using Individual Performance Targets (SKI), which include the following: financial perspective, customer perspective, internal process perspective, and learning and growth perspective. To be able to achieve effective individual work goals, every employee of Bank Riau Kepri Syariah must be able to carry out human culture or behavior properly, such as carrying out work or assignments in a trustworthy manner, having positive thinking, discipline, empathy, being sensitive to customer feelings, high integration, having a work ethic, being an expert in their field, being responsible and respecting others, and finally being creative and innovative. The overall behavior of human resources is very necessary in order to achieve maximum individual performance targets. Because the better the performance of employees, the better the results of the work produced will, of course, be, it is important to improve and achieve the goals or targets set by the bank. Conversely, if employee performance is low, then the results of the work produced will also be low, so the goals and targets set by the bank will not be achieved.

The company's performance in general can be seen from the number of sales of banking products, both from savings and from loans (credit). In addition, the performance of employees with problems will of course have an impact on the achievement of overall organizational performance, which can be seen from the company's profit, interest income, lending, and third-party funds (savings). Of course, the decline in interest income and company profit sharing is determined by the amount of third-party funds (savings) and loans disbursed. The increase in third-party funds at Bank Riau Kepri Syariah was not proportional to the increase in lending. So that the costs that must be incurred by the company for profit sharing or interest are passed on to the owners of funds (customers). Meanwhile, the increase in lending, which did not increase too much, caused the bank's income from interest, credit sharing, and loans to be less able to cover profit-sharing costs for customers (savings). As a result, the bank's overall income has decreased. The decline in bank income and the disbursement of credit and financing, of course, must be corrected by the bank so that the number of customers who borrow and save is balanced. Therefore, it takes an active role from all bank employees to be able to improve their performance so that the goals of the bank can be achieved properly, especially for employees who distribute credit or finance. The company's performance achievements during 2019–2022 are as follows:

**Table 1.2 Performance Achievement PT. Bank Riau Kepri 2019-2022**

Year	2019	2020	2021	2022
Third-party Funds	19.937.052,00	22.142.644,00	25.615.733,00	29.088.822,00
Credit Distribution	18.433.641,00	18.433.641,00	18.884.914,00	19.336.187,00
Interest and Sharia Income	2.439.679,00	2.316.795,00	2.213.852,00	2.110.909,00
Net Profit	309.023,00	463.970,00	381.013,00	298.056,00

Source: PT. Bank Riau Kepri Syariah Provinsi Riau, 2023

The decrease in interest income and company profit sharing is, of course, determined by the amount of third-party funds (savings) and loans disbursed. The

increase in third-party funds at Bank Riau Kepri Syariah was not proportional to the increase in lending. So that the costs that must be incurred by the company for profit sharing or interest are passed on to the owners of funds (customers). Meanwhile, the increase in lending, which did not increase too much, caused the bank's income from interest, credit sharing, and loans to be less able to cover profit-sharing costs for customers (savings). As a result, the bank's overall income has decreased.

The decline in bank income and the disbursement of credit and financing, of course, must be corrected by the bank so that the number of customers who borrow and save is balanced. Therefore, it takes the right strategy to improve company performance. According to (Porter 2012) Say that strategy is a set of different actions or activities to deliver unique value. According to (Arthur A. Thompson, III, and Gamble 2006) The strategy consists of activities that are full of competitiveness and business approaches to achieve satisfactory performance (on target). Furthermore, (Yunus 2016) states Strategy implementation includes developing a culture that supports strategy, creating an effective organizational structure, directing marketing efforts, preparing budgets, developing and empowering information systems, and linking employee performance with organizational performance..

Meanwhile, according (Sembiring and Fatihudin 2020) In principle, this strategy emphasizes not adding products, markets and company functions because it seeks to increase efficiency in all areas in order to increase performance and profits. This strategy is relatively low risk and is usually carried out for products that are in a mature position. The basic concept of corporate strategy is about the company's intention to build a business position in different industries and the approach it takes to improve the performance of a group of businesses within a company that is diverse in business. This makes the company an umbrella business company that is diverse as a whole.

In essence, strategy is the main way to achieve a goal. (Robbins and Coulter 2007) defines strategy as the decisions and actions that determine the long-term performance of an organization. They also describe the importance of strategy for marketing managers by saying that through strategic marketing, managers establish a game plan or roadmap—namely, strategies—about how the organization does business, how the organization will succeed in competing, and how the organization attracts and satisfies its customers in order to achieve organizational goals. Regardless of the benefits of anticipating environmental turbulence, environmental complexity, more intense competitive pressures, and rapid technological changes, marketing plans are generally considered beneficial to the organization.

Along with the development of Bank Riau Kepri Syariah after the conversion to sharia, Bank Riau has several strategies, such as: First, Bank Riau Kepri Syariah must be present as a supporter and booster for the growth of all Islamic economic and financial sectors in the Riau Province region. Second, Bank Riau Kepri Syariah must continue to improve services, including the implementation of banking digitalization. Third, BRK Syariah needs to continue to explore and develop various potential programs in order to expand the sharia market share.

Apart from strategy, the determining factor in organizational performance is organizational culture. Organizational culture influences organizational strategy, from the process of formulating it to its implementation within the organization. At the strategy formulation stage, organizational culture significantly influences the selection of organizational strategy, and at the implementation stage, organizational culture will influence it in terms of minimizing the inhibiting factors for implementing the strategy. In these two stages, organizational culture will also indirectly affect leaders, decision-makers, and policymakers at the top management, middle management, and lower management levels, as well as all employees within the organization itself. (Wijaya 2019).

At the strategy formulation stage, there will be activities to analyze the environment, determine strategic options, and choose the strategy that is most suitable for the organization. At this stage, organizational culture will influence the framework that will be carried out by leaders, decision-makers, and policymakers. Cultural assumptions, adopted values, and norms held by all people in the organization will be applied in building a frame of mind, a framework of perception, and a framework of interpretation

and understanding for everyone in the organization, especially those who are directly involved in these stages, namely in conducting environmental analysis, selecting strategic options, and determining the most appropriate strategy to be implemented.

Considering that corporate culture has a major influence on the success of strategy implementation, management must conduct an analysis to assess the suitability of the strategy formulation and corporate culture. A company's organization that is designed to implement a strategy is actually much more complex than the organizational structure depicted in a chart. Apart from this chart, there are other things that really need management's attention in the implementation process, namely corporate culture. Company culture is similar to a person's personality. Corporate culture is a shared norm or value that forms the basis for an individual's actions in an organization. It is this corporate culture that can explain why a strategy can be implemented in one company, whereas in other companies it fails to be implemented, even though the two companies face relatively similar conditions. The more members who accept the company's core values and feel strongly attached to them, the stronger the culture will be. (Yunus 2016).

The current aspect of organizational culture is very important for Bank Riau Kepri Syariah in order to improve performance. This condition is due to the current transition from conventional to Islamic banking. Changes in business patterns run by Bank Riau Kepri certainly have an impact on the cultures that exist within the company. If it is seen that there is no change in the corporate organizational culture of Bank Riau Kepri after changing to Bank Riau Kepri Syariah, As for the cultural values of PT. Bank Riau Kepri Syariah, namely:

- 1) Integrity Integrity is related to the commitment and responsibility of employees who are highly demanded at work.
- 2) Synergy, related to employees, must also be able to instill an attitude of cooperation, mutual respect, and support, as well as positive thinking.
- 3) Honesty (Honesty), relating to all employees, is required to be honest, sincere, and sincere in work. Adaptation related to employees must be creative, innovative, and add value.
- 4) Respect is related to the behavior or attitude of mutual care with others, being proactive at work, responsive to the tasks and responsibilities given, and oriented towards the best solution.
- 5) Excellence (Superior). related to BRK employees must be competent, work smart, be effective, and be efficient, giving the best results.

Based on the presentation of performance issues and the strategies and culture that exist at Bank Riau Kepri Syariah, it can be determined that the problems that will be discussed in this study are:

- 1) How does culture influence organizational strategy?
- 2) What is the influence of culture on organizational performance?
- 3) What is the effect of strategy on organizational performance?
- 4) What is the mediating role of organizational strategy on the influence of organizational culture and organizational performance?

## **2. LITERATURE REVIEW**

### *2.1. Relationship between Organizational Culture and Organizational Strategy*

A company's organization that is designed to implement a strategy is actually much more complex than the organizational structure depicted in a chart. Apart from this chart, there are other things that really need management's attention in the implementation process, namely corporate culture. Company culture is similar to a person's personality. Corporate culture is a shared value or norm that forms the basis for an individual's actions in an organization. It is this corporate culture that can explain why a strategy can be implemented in one company, whereas in other companies it fails to be implemented, even though the two companies face relatively similar conditions. The more members who accept the company's core values and feel strongly attached to them, the stronger

the culture will be..(Yunus 2016)

Because corporate culture has a strong influence on the behavior of all employees, it also has a major influence on the company's ability to change its strategic direction. Changes in the mission, goals, strategies, or policies of a company are likely to fail if there are parties within the company who strongly oppose the adopted culture. Therefore, it can be said that if the implementation of a strategy results in a change and the steps to make these changes in practice are not in accordance with the company's culture, then there is a possibility that resistance or obstacles will arise. Meanwhile, if the steps taken are in accordance with the corporate culture, the strategy implementation process will be easier to carry out.

Based on the model above, the research hypothesis can be formulated as follows:  
H<sub>1</sub>: There is an influence of organizational culture on organizational strategic planning.

### *2.2. Organizational Culture Relationship and Organizational Performance*

According to Ivancevich and Konopaske (2013), "culture can have an impact on employee behavior, productivity, and expectations. It provides a standardized benchmark for performance among employees. For example, it can provide clear guidelines for attendance, punctuality, concern for quality, and customer service. Many managers find the scientific management approach to job design attractive because these types of recommendations lead to improved organizational performance.

According to Armstrong (2006), organizational culture is a pattern of shared beliefs, norms, and values within an organization that shape the way people act and interact and greatly influence how things get done. From a performance management perspective, one of the most important manifestations of organizational culture is management style. It refers to the ways managers behave when managing people and how they exercise authority and use their power. If the prevailing management style in a command-and-control type structure is autocratic, directive, task-oriented, distant, and austere, then the 'caring and sharing' philosophy of performance management is unlikely to be successful, even if perceived as desirable, which is not possible. Alternatively, non-directive, participative, and caring styles are more likely to favor a 'partnership' approach to performance management, with an emphasis on involvement, empowerment, and ownership. It is very important to take cultural considerations into account when developing and implementing performance management. The goal should be to achieve a high degree of fit between the performance management process and the corporate culture when the latter is embedded and appropriate. However, performance management is one instrument that can be used in a culture change program where the focus is on high performance, engagement, commitment, and involvement.

Harrison (1997), in Armstrong (2006), organization, which can produce obstacles to effective performance if there is no strong and coherent vision; ineffective work structures, cultures, or systems; unsupportive employee relations policies and systems; or inappropriate leadership and management styles.

Based on the model above, the research hypothesis can be formulated as follows:  
H<sub>2</sub>: There is an influence of organizational culture on organizational performance.

### *2.3. Relationship between strategy and organizational performance*

Strategic management, according to Wheelen & Hunger (2008), is a series of company steps, decisions, and actions that determine the company's long-term performance. Good strategic management will enable an organization to implement its strategy through program planning, budgeting processes, performance management systems, changes to organizational structure, and program and project management. Meanwhile, according to (Tsauri 2014) Performance management is a strategic and integrated process that supports organizational success through the development of human resource performance. In performance management, HR capabilities as individual contributors and members of a group are developed through a joint process between superiors and subordinates that is more based on agreement than instructions (participatory management).

Based on the model above, the research hypothesis can be formulated as follows:  
H<sub>1</sub>: There is an influence of organizational strategic planning on organizational performance.

#### *2.4. The Mediation Role of Organizational Strategy on the Influence of Organizational Culture and Organizational Performance*

Strategy implementation, including developing a culture that supports strategy, creating an effective organizational structure and directing marketing efforts, preparing budgets, developing and empowering information systems, and linking employee performance with organizational performance. (Yunus 2016)

One of the internal factors that play a role in the success or failure of a company's strategy is organizational culture. Within the company, culture is coplayered as an internal phenomenon that enters all departments and divisions of an organization in functional business activities. Organizational culture can be defined as a pattern of behavior that has been developed by an organization in the process of external adaptation and internal integration, is considered quite successful, and should be transmitted to new members as a perspective, way of thinking, and way of understanding. (David 2011). Budaya organisasi dipandang sebagai kekuatan tidak terlihat yang sulit dipahami and generally under the conscious control of the workplace. Organizational culture is very resistant to change, so it can be interpreted as the company's greatest strength or weakness. In other words, culture can be the underlying reason for strength or weakness in any major business function..

There are two things in culture that can hinder strategic management: first, managers are often unable to understand the significance of changing external conditions because of strongly held beliefs; and second, cultures that have proven successful in the past will continue to be held even though the main strategy has changed. (David 2011). Organizational culture can be an internal resource that is valuable, unique, cannot be imitated, and cannot be replaced when it plays a role in supporting the realization of company goals and becomes a guide and motivation for employees to perform. In essence, organizational culture influences business decisions and must be evaluated during an internal strategic management audit. If the strategy is able to take full advantage of cultural strengths such as a strong work ethic, then it can quickly and easily implement change.

Organizational culture is an intangible element that has an important influence on improving organizational performance. This organizational culture will interact with various other intangible factors such as managerial capabilities, human capital, internal auditing, labor relations, and organizational reputation as perceived by stakeholders. (Carmeli and Tishler 2004).

Based on the model above, the research hypothesis can be formulated as follows:  
H<sub>4</sub>: There is a Mediation Role of organizational strategy on the influence of organizational culture and organizational performance.

### **3. RESEARCH METHODS**

The population in this study was all the heads of the Regional Development Bank shops in Riau Province, a total of 38 people. The sampling method uses the census method, or saturated samples. That is, the entire population is a sample of 38 people. The data analysis method used in this study is SEM-PLS. This is because there is a direct and indirect relationship; of course, it will be difficult to analyze using the regression equation, so a structured equation, better known as a structural equation model (SEM), is needed to analyze the relationship between these variables. To test the hypothesis, as can be seen from the value of the t-statistic and the probability value, To test the hypothesis using a statistical value for alpha of 5%. So that the criteria for acceptance or rejection of the hypothesis are that H<sub>a</sub> is accepted and H<sub>0</sub> is rejected when the t-statistic is > 1.976. To reject or accept the hypothesis using probability, H<sub>a</sub> is accepted if the p value is 0.05.

#### 4. RESULTS AND DISCUSSION

The estimated value for the relationship between paths in the structural model must be significant. This significance value is obtained by the bootstrapping procedure. Looking at the significance of the hypothesis by looking at the parameter coefficient values and the significance value of the t statistic on the bootstrapping report algorithm, the significant value is seen from the sig value of 0.05. The results of the path coefficient estimation test are:

**Table 2. Path Coefficient Test Results**

Hipotesis	Koefisien	P Value	Keputusan
<i>Organizational culture</i> → Strategic Planning	0.365	<0.001	significant effect
<i>Organizational culture</i> → Organizational Performance	0.164	0.041	significant effect
<i>Strategic Planning</i> → Organizational Performance	0.409	<0.001	significant effect
<i>Organizational culture</i> → <i>Strategic Planning</i> → Organizational Performance	0.189	0.002	significant effect

##### **The Influence of Organizational Culture on Strategic Planningi**

The path coefficient value is 0.365 with a P value of 0.001. Because the P value is 0.001 and the coefficient value is positive, the hypothesis in this study is accepted, meaning that organizational culture has a positive and significant effect on the strategic planning of Bank Riau Kepri Syariah. This means that every change in organizational culture by 1 unit will affect the strategic planning of Bank Riau Kepri Syariah by 0.365.

The results of this study are in line with the opinion that company organizations designed to implement a strategy are actually much more complex than the format of the organizational structure depicted in a chart. Apart from this chart, there are other things that really need management's attention in the implementation process, namely corporate culture. Company culture is similar to a person's personality. Corporate culture is a shared value or norm that forms the basis for an individual's actions in an organization. It is this corporate culture that can explain why a strategy can be implemented in one company, whereas in other companies it fails to be implemented, even though the two companies face relatively similar conditions. The more members who accept the company's core values and feel strongly attached to them, the stronger the culture will be. (Yunus 2016)

In addition, research results (Wanto and Suryasaputra 2012) shows that organizational culture has no significant effect on competitive strategy. This means that organizational culture is not the only condition for creating a competitive strategy. However, organizational culture has a significant and indirect effect on corporate strategy through organizational learning. (Chow and Liu 2009) shows that organizational culture has no significant effect on competitive strategy. This means that organizational culture is not the only condition for creating a competitive strategy. However, organizational culture has a significant and indirect effect on corporate strategy through organizational learning.

##### **The Effect of Organizational Culture on Organizational Performance**

The path coefficient value is 0.164, with a P value of 0.010. Because the P value is 0.001 and the coefficient value is positive, the hypothesis in this study is accepted, meaning that organizational culture has a positive and significant effect on the performance of Bank Riau Kepri Syariah. Then a coefficient value of 0.164 is obtained, which means that every increase in organizational culture by 1 unit will increase the performance of Bank Riau Kepri Syariah by 0.164. Besides that, if there is a decrease in organizational culture by 1 unit, it will reduce the performance of Bank Riau Kepri Syariah, assuming other variables remain constant.

The results of this study are in line with the theory presented by Armstrong. (2006)

Organizational culture is a pattern of shared beliefs, norms, and values within an organization that shape the way people act and interact and greatly influence the way things get done. From a performance management perspective, one of the most important manifestations of organizational culture is management style. It refers to the ways managers behave when managing people and how they exercise authority and use their power. If the prevailing management style in a command-and-control type structure is autocratic, directive, task-oriented, distant, and austere, then the 'caring and sharing' philosophy of performance management is unlikely to be successful, even if perceived as desirable, which is not possible. Alternatively, non-directive, participative, and caring styles are more likely to favor a 'partnership' approach to performance management, with an emphasis on involvement, empowerment, and ownership. It is very important to take cultural considerations into account when developing and implementing performance management. The goal should be to achieve a high degree of fit between the performance management process and the corporate culture when the latter is embedded and appropriate. However, performance management is one instrument that can be used in a culture change program where the focus is on high performance, engagement, commitment, and involvement.

Research conducted by (Goromonzi 2016) This study found that intangible resources (organizational culture and strategy implementation) influence the performance of commercial banks in Zimbabwe, especially for high- and average-performing banks. For troubled banks, the impact of culture and strategy execution is not apparent given the pressure these banks will face in dealing with some of the more basic fundamentals, such as capital base and liquidity. (Chow and Liu 2009) found that some support for HR-organizational cultural fit and HR-business strategy fit has important managerial implications for matching organizational culture and business strategy with the organization's choice of HR systems to achieve maximum impact on organizational performance.

### **The Effect of Organizational Strategy on Organizational Performance**

The path coefficient value is 0.409 with a P value of 0.001. Because the P value is 0.001 and the coefficient value is positive, the hypothesis in this study is accepted, meaning that organizational strategy has a positive and significant effect on the performance of Bank Riau Kepri Syariah. Then a coefficient value of 0.409 is obtained, which means that every increase in organizational strategy by 1 unit will increase the performance of Bank Riau Kepri Syariah by 0.409, assuming other variables are constant.

The results of this study are in line with the theory presented by Wheelen & Hunger (2008), which is a series of company steps, decisions, and actions that determine the company's long-term performance. Good strategic management will enable an organization to implement its strategy through program planning, budgeting processes, performance management systems, changes to organizational structure, and program and project management. Meanwhile, according (Tsauri 2014) Performance management is a strategic and integrated process that supports organizational success through the development of human resource performance. In performance management, HR capabilities as individual contributors and members of a group are developed through a joint process between superiors and subordinates that is more based on agreement than instructions (participatory management).

In addition, research results (Wanto and Suryasaputra 2012) shows that competitive strategy has a significant and positive effect on company performance. The better the competitive strategy, the higher the company's performance.

### **The Mediation Role of Organizational Strategy on the Influence of Organizational Culture and Organizational Performance**

The path coefficient value is 0.189, with a P value of 0.011. Because the P value is  $0.011 < 0.05$  and the coefficient value is positive, the hypothesis in this study is accepted, meaning that there is a mediating role of organizational strategy on the influence of organizational culture and organizational performance. Then a coefficient



value of 0.189 is obtained, which means that any increase in perceptions of organizational culture mediated by an organizational strategy of 1 unit will increase the performance of Bank Riau Kepri Syariah by 0.189, assuming other variables are constant. One of the internal factors that play a role in the success or failure of a company's strategy is organizational culture. Within the company, culture is coplayered as an internal phenomenon that enters all departments and divisions of an organization in functional business activities. Organizational culture can be defined as a pattern of behavior that has been developed by an organization in the process of external adaptation and internal integration, is considered quite successful, and should be transmitted to new members as a perspective, way of thinking, and way of understanding. (David 2011). Organizational culture is an intangible element that has an important influence on improving organizational performance. This organizational culture will interact with various other intangible factors such as managerial capabilities, human capital, internal auditing, labor relations, and organizational reputation as perceived by stakeholders. (Carmeli and Tishler 2004)

Additionally, research (Wijaya 2019) shows that organizational strategy and organizational culture have complementary and reciprocal relationships in an organization's efforts to achieve its goals. Organizational culture greatly influences the process of formulating organizational strategy, from the formulation of the strategy to its implementation. Implementation of organizational strategy will achieve optimal, effective, and efficient results if it is facilitated and strengthened by the growth of a good and strong organizational culture.

(Nur Zatna, Abduh, and Anggiani 2022) found that the results of this study show that ethical climate has a positive effect on strategic service management and organizational performance. Organizational culture has a positive effect on organizational performance. illustrates the ethical climate and organizational culture in the strategic service management of the Special Capital Region of the Jakarta Tax Service Office. The theoretical implications of the existence of strategic service management through its increasing dimensions will be able to improve the organizational performance of the Jakarta Capital Special Region Tax Service Office so as to increase the trust and loyalty of related parties. Ethical Climate, Organizational Culture The results of this study strengthen the positive and significant influence of ethical climate and organizational culture on strategic service management. Improvement and development of the quality of human resources must first pay attention to service and strategy. The development will give a good indication of the organizational performance of the Jakarta Capital Special Regional Tax Service.

## **CONCLUSION**

Based on the results of the study, it can be concluded several things as follows:

- 1) Organizational culture plays an important role in the strategic planning process that exists at the Riau Kepri Syariah Bank.
- 2) Organizational culture has a significant effect on improving the performance of the Riau Kepri Syariah Bank.
- 3) Organizational strategic planning has an important role in achieving bank riau kepri sharia performance.
- 4) Organizational culture has a significant effect on improving the performance of the Riau Kepri Syariah Bank through strategic planning as a mediating variable.

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