

# Family Business Organizational Culture and Its Implications for Human Resources Success in the Legendary Milk Café Karangdoro Semarang

Theresa Dinda Hermawan<sup>1</sup>, Arido Laksono<sup>2</sup>

<sup>1</sup>Diponegoro University

<sup>2</sup>Diponegoro University

**Abstract.** This study focuses on family organizational culture and its implications for the succession of human resources in the legendary milk café Karangdoro Semarang. This research is motivated by quite a number of failures experienced by businesses to family companies in Indonesia. Many of these failures can be a reflection of poor resource management in family companies. According to Schein, individual performance in organizations cannot be understood without taking into account organizational culture, because organizations determine the degree of organizational effectiveness. From this statement, understanding the organizational culture of family companies is very important, because there are many examples of how difficult it is for a family business or company in Indonesia to maintain its survival from generation to generation. Human resources are an important aspect of business, especially in a family business. The data in this study were obtained through in-depth interviews with several owners and visitors of the milk café Karangdoro Semarang. From this research, it can be seen that the milk café Karangdoro Semarang has a culture in which all employees and managers are members of their own family that has been running for up to 4 generations.

## 1 Introduction

Nowadays, restaurants, food stalls, hangout places such as cafes, burjos, ankringan and milk stalls are currently being favored by the public. In addition, the culinary sector is a promising business sector, seen from the profit and business continuity. Currently, many restaurant businesses or food stalls are started from small businesses. Many culinary businesses apply different values, such as maintaining their originality, some are evolving with the times and so on. In the embodiment of the values held, not a few businesses that have been built to a large extent suddenly go bankrupt. This is because in building a business, entrepreneurs do not only depend on the values they hold, but there are also other factors that can affect the running of a business, especially businesses in the culinary field.

Currently, culinary businesses are starting to maintain their originality which is used as an attraction for customers. There are many hangout stalls that have been around for a long time, becoming places that are hunted by customers. So that the word "legend" will appear embedded in the culinary place. This is because for customers, a place to hang out or a food

stall or a culinary place that has been around for a long time and still exists today and maintains its originality is an amazing thing. For customers, by maintaining its authenticity, typical of the ancient times since the business was founded, it is felt that they can bring them, customers feel the longing for oldness. This can be an attraction in itself for culinary businesses that maintain their originality as their speciality.

Not a few businesses in the food or culinary sector that have been around for a long time and have become large companies have experienced setbacks. This shows that many factors other than customers can affect a business. one of them is from the inside (internal) business itself. It can be employees, business owners, relatives, and others who are within the scope of the business concerned. In this case, the inculcation of values that are firmly held by a business, must be understood and felt by all parties concerned, so that the business can take place continuously.

## 2 Organizational Culture

In the midst of the wider community, culture shows the characteristics or description of a community group, both in their daily activities to how they solve a problem they are facing. Within a certain group, there are rules that must be obeyed and implemented and inculcated in their daily actions, even in problem solving. This rule must be upheld by every member. This is because the rules that already exist in a group form a characteristic for the group, so that it can be interpreted as a belief and has values that can shape and show the behavior of its members.

In carrying out daily activities and solving problems, a country also has different ways of dealing with it in order to achieve its goals, so it can also be said that every country has a different culture. Within a country, there are also certain groups themselves, and these groups create their own culture which is called a sub-culture. As in Indonesia, there are many tribes that have different cultures. Thus, in this diverse country of Indonesia, there are many different cultures.

The same thing happens in an organization. An organization also has a culture known as organizational culture. Organizational culture is a system that is part of the beliefs and values that can shape and demonstrate the behavior of its members. Schein [1] defines organizational culture as a pattern of basic assumptions that can be learned by an organization in solving the problems it faces from external adjustment and internal integration, has worked well and is considered valuable, therefore it is taught to new members as the right way. to realize, think, and feel in relation to the problem. Every organization has a different culture to achieve its goals. In a company, corporate culture is a key aspect of an organization.

Edgar H. Schein [1] in his work "Organizational Culture and Leadership" which is widely used as a reference for writing on organizational culture, defines more broadly that culture is: "A pattern of share basic assumption that the group learner as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and therefore, to be taught to new members as the correct way to perceive, think and feel in relation to these problems". The opinion is interpreted that culture is "a pattern of basic assumptions created, discovered or developed by certain groups as learning to overcome problems of external adaptation and internal integration that is official and well implemented and therefore taught to new members as an appropriate way. to understand, think and feel related to these problems".

According to Edgar H. Schein [1], organizational culture refers to a system of shared meanings held by its members to distinguish the organization from other organizations. Schein explains the elements of culture, namely: science, belief, art, morals, law, customs, behavior / habits (norms) of society, basic assumptions, value systems, learning / inheritance, and problems of external adaptation and internal integration.

Schein sees organizational culture from 3 (three) dimensions of organizational culture, namely the dimensions of external adaptation (external adaptation tasks), the dimensions of internal integration (internal integration tasks) and the dimensions of basic underlying assumptions, which are further explained as follows:

**a. External Adaptation Tasks**

According to Edgar H. Schein's theory [1], to find out the External Adaptation Dimension variable, the indicators that will be investigated further include: mission, objectives, basic means, success measurement and backup strategy. In profit-oriented business/private organizations, the mission is an effort to adapt to the interests of investors and stakeholders, providers of goods needed for their production, managers, employees, society, government and consumers.

**b. Internal Intergration Tasks**

Dimensions of Internal Integration, the indicators to be studied are: common language, boundaries within the group, status/power placement, relationships in groups, rewards and how to manage the unruly.

**c. Basic Underlying Assumptions**

The indicators to determine the dimension variables are basic assumptions, namely: the relationship with the environment, the nature of human activities, the nature of reality and truth, the nature of time, the nature of human truth, the nature of human relations, homogeneity versus heterogeneity.

Edgar Schein [1] formulated a model of organizational culture, in which basic assumptions shape values and values shape practices and behaviors, which are part of the form of culture. Organizations do not adopt a culture in one day and in fact learn from past experiences and start practicing it every day thus shaping the culture of the workplace. Schein assumes that there are three levels or levels that influence the formation of organizational culture, namely as follows:

**a) Artifact**

Schein said that artifacts are the surface markers of culture in every organization. The visible part of culture that can be seen by visitors or "outsiders" can take the form of the following aspects:

- Physical artifacts that can be found through architecture and interior arrangement, physical space, placement and office design, decor, dress code and even any mementos or awards won.
- Language provides culture through speech, speech, sound levels and types, slogans and special expressions.
- Stories and myths circulating among organizational members indicate what types of people or actions are considered heroic, how certain types of situations should be handled, what not to do, what happens in the organization if someone acts in a certain way and so on. Particularly interesting are the stories that tell what happens in 'our' organization if a high status person breaks the rules, what happens if the organization has to choose between profit and people, what happens if you make a mistake here/there. These stories could be about another day at work-here, or about important events and about the organization's past glories.
- Technology is also part of culture, as it reflects and shapes values and assumptions through operations, materials and knowledge.

- Traditions that are visible in ceremonies and rituals, social practices, leadership practices, and work traditions that show 'the way we do things'.

Artifacts are visible, but that doesn't mean that they can be understood easily and by everyone. In fact, artifacts can be confusing to observers who are tempted to use available labels and stereotypes when viewing them. Thus, culture builders and observers should avoid going into too much detail with artifacts, as well as overgeneralizing and labeling.

#### **b) Values**

Values are at a higher level of consciousness and they reflect members' shared opinion of 'how things should be'. When we say 'opinion', it means that when it comes to acting, these members may or may not act according to their values. Values help organizational members classify situations and actions which are undesirable or desirable.

Values rarely lead directly to underlying assumptions even after values have been articulated, listed and arranged according to their priority. The observer can only find that the values do not form a pattern, or that they contradict, or do not match the observed behavior.

#### **c) Basic Assumption**

An assumption is a kind of belief that is taken for granted as a fact so that it is never challenged. Patterns of basic assumptions develop among members of a social group and form the core of culture in any organization.

When basic assumptions are understood, artifacts and values that seem isolated and confusing become coherent. Schein [1] provides six types of assumptions that form the paradigm for any organization:

- Assumptions about what "truth" is in physical and social matters, how reality and truth are determined, and whether truth will be revealed or discovered.
- Assumptions about the importance of time in a group, how time should be defined and measured.
- Assumptions about how space should be owned and allocated, the symbolic meaning of space around people, the role that space plays in shaping relationships between individuals and the boundaries between intimacy and privacy.
- Basic assumptions about the intrinsic or essential aspects of human nature, whether human nature is inherently good or bad and whether it can be perfected.
- Assumptions about the organization's relationship to its environment, understanding of work and play, and how much activity and leisure time is appropriate.
- Assumptions about the right way for people to relate to one another, the right way to distribute power and responsibility, the relative merits of cooperation over competition, individualism or group collaboration, the foundations of leadership – whether it should be traditional authority, law or charisma. The right way to resolve conflicts and make decisions.

### 3 Overview of Warung Susu Karangdoro

Karangdoro milk stall is one of the milk stalls located in the city of Semarang. This milk shop is located on Jalan Raden Patah No. 112, Rejomulyo village, East Semarang district, Semarang City, Central Java. The location of the Karangdoro milk shop is close to the iconic tourist attractions of Semarang City, namely the Old City. In addition to the Old City, the location of the Karangdoro milk shop is also close to the ethnic Chinese residential area or commonly known as the Chinatown area. Besides being close to the Old City and Chinatown, the distance between this Karangdoro milk shop and the Arab settlements in Semarang or commonly called Arab Village is also close.

Karangdoro milk stall is a famous milk shop in Semarang City. Warung Susu Karangdoro is a legendary milk shop and maintains the quality of its milk. The Karangdoro milk shop maintains the image and appearance of their shop, so that the appearance of the Karangdoro milk shop still feels like the old days. This is also an attraction for customers to enjoy milk while reminiscing. This Karangdoro milk stall is a stall that has been around since the Dutch era. Through the narrative of Mbah Agus as one of the owners of the Karangdoro milk stall, "this shop has been open since my grandmother was alive, if you look at the year around 1920, it was established". This milk shop has been around for a long time so it is well known by the public, especially the people of Semarang. If it is taken into account, this stall is more than 100 years old and has been standing and selling since the colonial era.

The Karangdoro milk shop did not exist as a milk shop since the beginning, the Karangdoro milk shop had changed, starting from a food stall, a wedangan shop, a food stall again, until finally a milk shop that stands until now. When first opening a milk stall, Karangdoro did not sell milk, this shop sold heavy food and side dishes. In the past, the area occupied by the Karangdoro milk stall was a busy market. With this market, the owner decided to open a food stall, which of course has a target of traders, porters, pedicab drivers, and market visitors. After starting as a food stall, Karangdoro's milk stall had turned into a wedangan shop.

The Karangdoro milk shop started operating as a wedang shop during the mother of Mbah Agus, who was also known as Mbah Ndut. Mbah Ndut started selling by continuing to sell his parents, namely by selling heavy meals and side dishes, then Mbah Ndut began to switch to selling wedang, the wedang known at that time was wedang roti. During mbah Ndut's time, the area at the Karangdoro milk shop was still a market, just like when his parents used to.

During mbah Ndut's time, the wedang stall had changed again into a food stall and side dishes as before. Until then, one of Ms. Ndut's children, who is Ms. Agus' older brother, started selling milk in a ride at the food stall of Ms. Ndut's choice. Ms. Ndut's son, who started selling milk, is named Rondiyah. Rondiyah's mother started selling milk together with her parents who run a food stall. Time after time, it turned out that milk sales were much higher and tended to increase, so Ms. Ndut decided to start working and focus on selling milk with her child.

The milk shop is a milk shop which is currently known as the Karangdoro milk shop. At first this milk shop was known as the blue shop, because the color of the building and the frame was blue. In addition to the blue shop, the Karangdoro milk shop is also known as Rondiyah milk by the surrounding community, this is because the surrounding community knows Rondiyah's mother as a milk seller at the shop. In the past, people knew the Karangdoro milk shop as a pedicab stall, this was because most of the Karangdoro milk shop customers at that time were rickshaw drivers, but now Karangdoro milk stalls are starting to be loved by the people of Semarang city so that officials also become customers there.

## 4 Discussion

In this study, it can be seen that the Karangdoro milk stall has culture and values that are held and realized in the daily management of the milk shop. A milk shop that has been around for a long time and has gone through various problems and changes, being able to stand up to this day is definitely not an easy thing. If seen from the owners, they have many children who are more prone to problems in terms of ownership or regeneration of owners. However, this can be overcome and the regeneration process to date.

In an organization has a culture called organizational culture (organizational culture). Organizational culture is a system that is part of the beliefs and values that can shape and demonstrate the behavior of its members. Schein [1] defines organizational culture as a pattern of basic assumptions that can be learned by an organization in solving the problems it faces from external adjustment and internal integration, has worked well and is considered valuable, therefore it is taught to new members as the right way. to realize, think, and feel in relation to the problem. Every organization has a different culture to achieve its goals. In a company, corporate culture is a key aspect of an organization.

Organizational culture is a reflection of its characteristics, not the feelings of its members. Therefore, organizational culture is a descriptive provision so that it can distinguish it from work attitudes. Researchers on organizational culture found ways to measure employee views of the organization, comply with organizational regulations, respect goals to be achieved, value organizational development, and encourage competition. While research on work attitudes emphasizes more on how to measure the response of the work environment.

The organizational culture is also owned by the Karangdoro milk shop, which can be seen clearly in the division of labor. In his daily life, he sees that the Karangdoro milk shop currently has 6 families as owners. If it is seen that it is difficult to determine the work and division of ownership of this milk shop, the big family of the Karangdoro milk shop divides the work. This division of work is carried out by means of selling and managing milk stalls by dividing the schedule. The schedule distribution is done in rotation every 3 days. The distribution of this schedule rotates from one family to another. The income earned is taken by the family who is managing it. This management is usually assisted by their children and grandchildren.

In addition to the division of labor, the food suppliers available at the Karangdoro milk shop are also from their own families. Every day, every morning those who supply food, have to send it to the Karangdoro milk shop. All kinds of food sold at the Karangdoro milk shop are household products, including the syrup made for the syrup milk menu at the Karangdoro milk shop.

From the management of the milk shop and the provision of various foods that are sold, the Karangdoro milk shop indirectly brings succession to the family that manages it. This is because all the management of the milk shop is carried out by the family of the owner of the Karangdoro milk shop. From here the Karangdoro milk stall opened the way in the field of work for family members. From this it can be seen that the Karangdoro milk stall brings a succession of human resources for its managers.

## 5 Summary

From this research, it can be seen that the Karangdoro milk stall has a culture and values that are held and realized by its members. The division of work carried out by the Karangdoro milk shop by dividing the work schedule per family. It can be seen that the organizational culture of the Karangdoro milk shop is recognized and recognized by its managing members. From this it can be concluded that the organizational culture held by the Karangdoro milk shop has succeeded in helping in the management and succession of human resources there.

The Karangdoro milk shop also provides a succession of human resources for its managers. From here the culture adopted by the Karangdoro milk shop can have a positive impact and help in providing solutions for the regeneration of ownership.

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