

The Mediating Effect of Strategic Posture on The Link Between Organizational Culture And Sustainability Performance

Mohamed Omar Abdulrahim¹, Eko Ganis Sukoharsono², Erwin Saraswati²,
Imam Subekti²

¹*Department of Accounting, Misurata University, Misurata, Libya.*

²*Department of Accounting, University of Brawijaya (UB), Malang, Indonesia.*

Abstract:

This study aimed to investigate how organizational culture affects sustainability performance through the mediating effect of strategic posture. The data were collected from the Indonesian Stock Exchange from period 2009-2018. The sampling technique used is purposive sampling. The technique analysis used is regression analysis. From the results of the analysis and discussion, the following conclusions are clan culture, adhocracy culture, hierarchy culture, and market culture has a positive effect on organization strategic posture. Strategic posture affects Sustainability performance. Clan, hierarchy, and market culture positively affects sustainability performance mediated by strategic posture; adhocracy culture cannot affect sustainability performance mediated by strategic posture.

Keywords: *clan culture, adhocracy culture, hierarchy culture, and market culture, strategic posture, sustainability performance.*

Date of Submission: 08-06-2020

Date of Acceptance: 25-06-2020

I. Introduction

In the last few decades, communities realized the importance of organizations' contribution to the development of the society in which they operate, by assuming their social responsibilities. Social pressure has provided the impetus for these organizations to have a greater awareness and concern for socialist issues and to take responsibility for these issues. Furthermore, there is increased pressure for organizations to be transparent about the way in which they act in relation to these issues (Richter et al., 2018). Where societal demand arises due to many environmental tragedies, social and governance issues in various parts of the world. For instance Bhopal (India), Minamata (Japan), Chernobyl (USSR), also and the environmental tragedy that occurred in Indonesia, the pollution that occurred in Buyat Bay (Nuraida, 2012); besides the case of Lapindo Brantas Sidoarjo Mud Flow. Either in social aspects, safety and equality in the workplace remain a big challenge in many parts of the world. Businesses today are obligated to ensure workplace security and labour protection as inadequate workplace conditions can lead to poverty, inequality and discrimination cited by (Richter & Arndt, 2018). As a result, organizations widely began to engage in practices in order to gain legitimacy and to continue their operations inefficient and effective (Wu, T., & Kimura, 2018).

(Saffold III, 1988) argued that the interactive nature of culture, process, and organizational outcomes need to be considered when investigating the culture-performance link. The argument underlying this line of research is that organizational culture affects performance outcomes through other mediating factors (Yesil, S., & Kaya, 2013). According to the contingency framework, a company's outcome depends on the fit among different contingencies such as structure, strategy, and environment, among others (Thoumrungrroje et al., 2005). Venkatraman (1989) defined the concept fit as a mediation variable as "the existence of a significant intervening mechanism between the antecedent variable and the consequence variable". The literature indicates that the strategic process could be considered to mediate the association between external factors such as organization culture and business performance in general (Eiadat et al., 2008). Recently, the problem caused by the exploitation of natural resources and environmental pollution has experienced an increase in Indonesia (Asmeri et al., 2017).

Along with many cases that occur when companies do not contribute a positive impact on the surrounding environment, Indonesia experiences the problem of natural resource exploitation and environmental pollution in recent years (Gunardi, 2017), as one of the major economic players in the world. Which rationale many expect Indonesia to play an active role in sustainability implementation, (Ridho, 2018). It is also a country with many corporations operating in natural resources-related business, such as mining, plantations, and forestry. This condition had made the world demand Indonesian companies to do business more responsibly. In

this context (considering that Indonesia as a developing country), there is growing attention in Indonesia for the need for companies to become sustainable and to optimize economic contribution, environmental performance and social responsibility. Indonesia even is one of the first countries in the world to make Corporate Social Responsibility (CSR) mandatory by law instead of practices being voluntarily (Caesaria, 2017). Besides, sustainability disclosure has been developing since the enactment of UU No. 40 of 2007 on Limited Liability Company (Marwati et al., 2015).

Thus, the present study aimed to empirically analyze the effects of organizational culture on SPF by studying Indonesian companies. Dividing organizational culture by applying the competing values framework (CVF) allows one to examine the impact of organizational culture on sustainability performance. The objectives of this study were as follows: first, to verify the effects of organizational culture, on SPF directly; second, to empirically examine the effects of SP on sustainability performance; and third, to examine the effects of organizational culture on SPF indirectly, by strategic posture mediation, in a sample of Indonesian companies.

II. Literature Review

2.1 Sustainability Performance

Corporate social performance has been a topic of academic study for several decades, and the concept itself has been in use in the United States since the mid-1970s. Although milestones toward a theory of corporate social performance can be identified (Ackerman et al., 1976). Conceptual developments have not been systematically integrated with one another, but usually have been treated as free-standing, implicitly competing for ideas. Thus, a vast, diverse, and interesting field of research and theory has been generated. The concept of corporate social performance, however, can provide a coherent framework for the field of business and society by integrating the conceptual advances that have been made and by allowing scholars to "locate" works within a broad model of business-society relationships.

The social line of Triple Bottom Line (TBL) refers to conducting beneficial and fair business practices to the labour, human capital, and the community (Elkelish et al., 2014). The idea is that these practices provide value to society and "give back" to the community. Examples of these practices may include fair wages and providing health care coverage. Aside from the moral aspect of being "good" to society, disregarding social responsibility can affect the performance and sustainability of the business. Recent examples in the industries have revealed that there are economic costs associated with ignoring social responsibility.

2.2 Organizational Culture

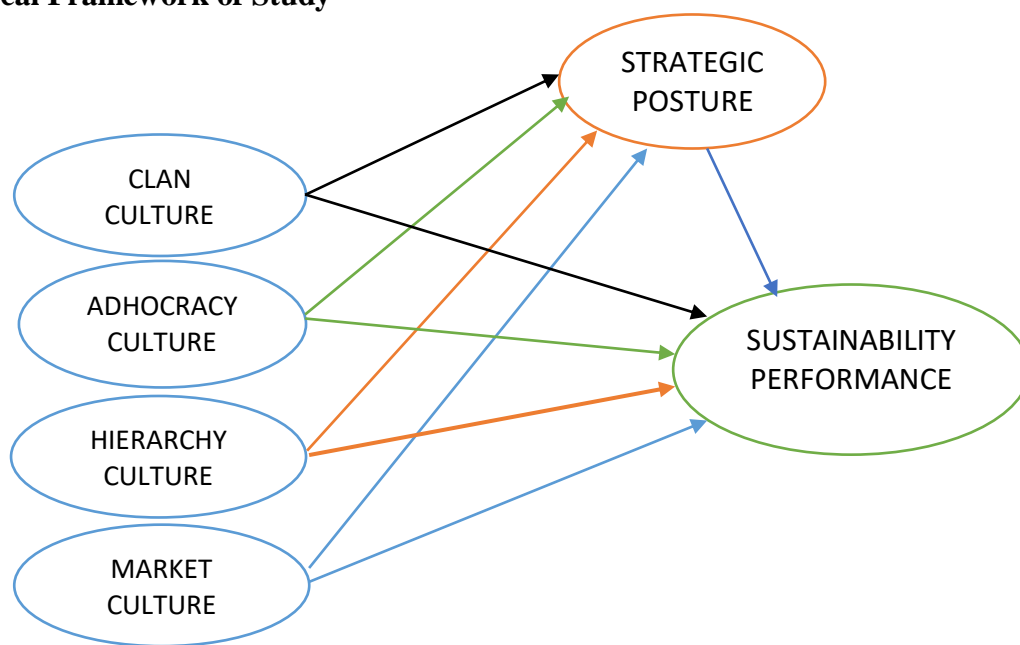
The concept of organizational culture first entered into organizational literature with Elliot Jaques' *The Changing Culture of Factory* (1951) (Jaques, 2013). However, relevant literature shows that traces of the idea behind organizational culture can be found in several early initiatives attempting to set out the concept of organizational theory. Thompson (2003) indicates that the origin of organizational culture can be dated back to studies in Scientific Management and Human Relations schools founded by Taylor (1911) and (Mayo, 2004). While Taylor aimed to create a culture based on effectiveness and productivity (Kanigel, 2005), Hawthorne studies by Carey (1967) discussed a culture that prioritized employee inclusion and fostered a sense of belonging. Even though these studies did not explicitly address organizational culture, it can be said that the concept was clearly an underlying factor.

2.3 Strategic Posture

A definition of SP is a good strategy, which requires a choice to be undertaken concerning a strategic posture. Fundamentally, within the context of industry, posture is defined to be the intent to which a strategy relates both to the current and future position of an industry (Courtney et al., 1997). SP refers to the way in which decision-makers within an organization respond to external demands (Magnez, 2006). An active posture involves a considered effort to manage the expectations of key stakeholders (Kent et al., 2011). A passive posture indicates that no time is set aside to monitor stakeholders concerns or to identify a best-practice stakeholder management strategy.

Ullmann (1985) Examined the way in which organizations tackled their stakeholders' social demands considering both a managers' pro-active stance and a less-active stance. However, as Ullmann did not fully develop an argument in greater detail. This current study will further analyze and evaluate the outcome of those investigations in undertaking the effects of less or more proactive managerial behaviour by examining the effects of organizational culture on SPF indirectly, by posture mediation, in a sample of Indonesian companies. The key distinctive trait of managers who act proactively is their ability to create changes in the environment to test the established status quo (Bateman et al., 1993). Also, a pro-active stance directs the identified changes towards an improvement of the current conditions in which their organizations undertake their activities (Crant, 2000). Accordingly, behavioural models have been developed, such as an organization's tendency for change, to permit ongoing scrutiny within the business setting in order to explore new business opportunities.

Theoretical Framework of Study



III. Development of Hypotheses

3.1 The Impact of Organization Culture on Strategic Posture.

Although SP has become reflection with organizational culture (Clan Culture, Adhocracy Culture, Hierarchy Culture, market culture), this impact on SP remains relatively unexplored (Reddy, 2016). Be that as it may, only a small number of studies have, in fact, proven the effect of culture on strategy implementation (Ahmadi, 2014). Therefore; it is imperative to understand which types of cultures will enable the organization to execute its strategic objectives. It is also essential to understand the effect of the components that make up culture on strategy execution.

The clan culture provides a form of control that is more efficient than traditional bureaucratic modes of control in highly uncertain or radically changing environments (Alvesson et al., 1993). Indeed, the clan is regarded as a mode of social control in society (Gu et al., 2008) by focusing on the socialization processes and collective frames of reference that make it a key ingredient of the corporate culture. Clan culture emphasizes the development of shared values, beliefs and goals within the organization and aims to reduce the discrepancies in goals preferences of organizational members. While Adhocracy Culture is focused on external issues consisting of basic values such as flexibility, innovation, and risk-taking. It is based on the philosophy of being prepared for the future by developing new products and services and be in the position to respond to highly complex conditions. The strategic emphasis is towards innovation, growth, and new resources, which suggests that adhocracy culture is positively associated with SP (Ahmadi et al., 2012).

Tasgit et al. (2017) Concluded that the most important corporate culture types that have an impact on strategies are hierarchy culture. Therefore, it can be said that in the business, the hierarchy culture being dominant, the response to strategies related to sustainability issues will be generally positive.

Market culture has a greater emphasis on issues such as competitive actions, achieving the objectives and goals, increasing market share and market penetration (Cameron Kim et al., 1999). Besides on improving the competitive position at the business environment (Harrington et al., 2005), competitive advantage and market leadership, the change orientation of the company with the characteristics of this culture is quite high (Appiah-Adu et al., 1998). Hynes (2009) Concluded that market culture represents a sense of competitiveness and goal achievement, and the strategic emphasis is towards competitive advantage and market superiority. Mwaura's study shows that market culture has a strong positive influence on strategy implementation (Mwaura, 2017).

Therefore, it can be said that in the business, this culture being dominant, the response to strategies which related with sustainability issues will be generally aggressive and proactive, and defensive and imitative behaviour not often to be preferred. With this background in mind, the following hypothesis is proposed.

H1a: The clan culture has a positive effect on strategic posture.

H1b: Adhocracy culture has a positive effect on strategic posture.

H1c: Hierarchy culture has a positive effect on the strategic posture

H1d: Market culture has a positive effect on strategic posture.

3.2 The Impact of Strategic Posture on Sustainability Performance.

A strategic posture, which is the second dimension of Ulmann's model, relates to the way in which an organization responds to social demands. An organization which adopts a passive SP does not make any attempt to monitor and manage their relationship with their stakeholders. In contrast, those organizations by adopting an active SP infer that organizations will continuously monitor and manage their relationship with their key stakeholders. As a consequence of these actions, organizations exhibiting an active SP are anticipated in their annual reports to disclose more environmental and social-related information.

Several studies have been conducted to examine the impact of environmental behaviour and its relationship with an active managerial posture, with it being contended that for organizations seeking to gain a comprehensive competitive advantage, linkages were found between management and their decision-making processes and the natural environment (Hart, 1995; Russo et al., 1997). Furthermore, a number of studies found a positive relationship exists between SP and the disclosure of environmental reporting. Prado-Lorenzo et al. (2009), in their study, indicated that the stakeholders' influence on SP has a crucial impact on the provision of a CSR report. In addition, the finding also indicated that an active posture towards environmental and social concerns could lead to a higher level of environmental reporting. A study conducted by Eljido-Ten (2004) investigated the determinants for environmental reporting. The study indicated that SP is considered to be the main determinant for the establishment of sustainability reporting. With this in mind, the following hypothesis has been formulated as detailed in the following section:

H2: *The strategic posture has a positive effect on sustainability performance.*

3.3 The Impact of Organizational Culture on Sustainability Performance Mediating by a Strategic Posture.

In contingency models, measures of corporate performance are influenced by insignificant and systematic ways by the shared values, beliefs, identities, and commitment of organizational members. The contingency management perspective on organizational culture is complementary to traditional contingency frameworks used to investigate such variables as structure, size, and technology of an organization (Pugh et al., 1976), and which in turn are grounded in functionalist theory in sociology (Parsons, 1956). Notes, researchers believe that cultural artefacts "can be used to build organizational commitment, convey a philosophy of management, rationalize and legitimate activity, motivate personnel, and facilitate socialization."

The contingency management views of organizational culture reflect a motivation to understand culture as a lever or tool to be used by managers to implement strategy and to direct the course of their organizations more effectively, to make culture and strategy consistent with and supportive of one another (Deshpande, 1989). As Smircich (1983) notes about these approaches, they tend to be "optimistic" and "messianic" (perhaps as a reflection of their structural-functionalist nature) and to overlook the likelihood that multiple cultures, subcultures, and especially countercultures are competing to define for their members the nature of situations within organizational boundaries.

The concept of fit as a mediating variable demonstrates "the existence of a significant intervening mechanism between the antecedent variable and the consequence variable" (Venkatraman, 1989). This study puts forward a proposal that the relationship between SPF and organizational culture is mediated by a strategic posture. This is because SP is influenced by organizational culture as established by several studies (Ahmadi et al., 2012; Baird et al., 2007; Cristian-Liviu, 2013; Tasgit et al., 2017), with SP or response influencing SPF (Bateman & Crant, 1993; Crant, 2000; Özgener et al., 2009; Roberts, 1992; Ullmann, 1985; Zhou et al., 2007).

However, not much is understood concerning the impact of OC types on a SP, and the mediating role of SP to stimulate SPF. As a result, this study provides an understanding regarding the impact of OC on SPF with an examination of the mediating role of SP. To that effect, the hypotheses in the following section have been formulated for testing:

H3a: *The level of sustainability performance is positively related to the presence of clan culture, mediating by a positive strategic posture.*

H3b: *The level of sustainability performance is positively related to the presence of an adhocracy culture, mediating by a positive strategic posture.*

H3c: *The level of sustainability performance is positively related to the presence of a hierarchy culture, mediating by a positive strategic posture.*

H3d: *The level of sustainability performance is positively related to the presence of market culture, mediating by a positive strategic posture.*

IV. Research Method

4.1 Population and Sampling Method

The population in this study is all sector companies listed in Indonesia Stock Exchange. Companies are selected as sample are companies in all sectors listed in Indonesia Stock Exchange for ten consecutive years, because of the up to date data for the last ten years. Technique sampling in this research is random sampling. Sample in this research are all of the companies are listed in IDX, the data are available and can be accessed and all companies that have data for organizational culture, strategic posture, and sustainability performance.

4.2 Data Collections

The data for this study used secondary data, such as the firm's annual reports, and the firm's website if there is one generated. This study gives a subjective measurement to the quality of the accessible information since the firm's data is not available for checking the quality of the self-reported information as well there is no a certain database website to extract all information which is needs, that is led to extract the data individually. The data used in this research is secondary data. The method of data collection is documentation. The source of data is from www.idx.co.id and another supporting source, such as the website of the company for period 2009-2018.

4.3 Operational definition and measurements variables

4.3.1 Organizational Culture

It is the values and behaviours that contribute to the unique social and psychological environment of an organization. The ways are organization conducts its business (to the extent to which freedom is allowed in decision making). It is based on shared attitudes, beliefs, customs, and written and unwritten rules that have been developed over time and are considered valid (Cameron et al., 2011; Wahid ElKelish et al., 2014).

1. Clan:

Clan typically places a priority on the long-term benefits of human resource development, as Madhani (2014) indicated that the compensation system is key to understanding culture and plays a critical role in defining and shaping organizational culture. Thus the proxy is the total compensation paid to employees as a percentage of operating expenses. The reasons to use the compensation paid to employees as a percentage of operating expenses, as a proxy for clan culture, cause it represents a powerful tool for influencing an organization's culture by influencing and controlling employee behaviour (Madhani, 2014).

The clan culture is characterized by loyalty, morale, commitment, tradition, collaboration, teamwork, participation, consensus, and individual development. Clan culture emphasizes the long-term benefit of human resources development with high cohesion and morale, but it is also prudent and conservative. Prenestini et al. (2013) concluded that what could support this approach, where they reached that clan culture, is associated with staff satisfaction. Also, Ferreira (2014) states that clan culture has a more positive relationship with higher perceptions of investments in human capital than the other cultures.

The statistical measurement or proxies to measure clan dimensions of organizational culture is:

$$\text{CLAN CULTURE} = \frac{\text{The total compensation paid to employees}}{\text{Operating expenses}}$$

2. Adhocracy:

Adhocracy culture is characterized as a dynamic, entrepreneurial, innovative and creative workplace. It emphasizes new product and service development, adaptability, growth, change, productivity, efficiency and experimentation. These characteristics reflect external orientation and have better-developed knowledge conversion and corporate performance. An organisational culture that is characterised with adaptability to its external environment has the potential to affect performance outcomes positively. Adhocracy culture-related characteristics seem to have the great potential to affect performance outcomes (Yesil et al., 2013). An important challenge of these organizations is to produce innovative products and services and to adapt quickly to new opportunities. A high emphasis on individuality, risk-taking and anticipating the future exists as almost everyone in an adhocracy becomes involved with the production, clients, research and development and so forth. The statistical measurement or proxies to measure adhocracy dimensions of organizational culture is:

$$\text{ADHORACY CULTURE} = \frac{\text{Operating income}_t - \text{Operating income}_{t-1}}{\text{Operating income}_{t-1}}$$

3. Hierarchy:

The proxy is (Total transaction costs to net income). The reasons to use the proxy of hierarchy with total transaction costs to net income is because this proxy reflects the effectiveness of a company from net income derived from a total transaction. Formalized and structured places along with procedures, well-defined

processes and a smooth-running organization are often regarded as the main characteristics of hierarchy culture. The long-term concern of this type of culture is the stability, predictability, and efficiency. Although the studies show hierarchy culture is not the best performer compared to other cultural dimensions (Yesil & Kaya, 2013). The statistical measurement or proxies to measure hierarchy dimensions of organizational culture is:

$$\text{HIERARCHY CULTURE} = \frac{\text{Total transaction costs}}{\text{Net Income}}$$

4. Market:

The market is oriented toward achieving a premium return on investment, growing and profitability. The proxies are Return on Investment (ROI), Revenue Growth (RG), and Market Share (MS). The reasons to use these proxies for market culture as ROA, RG, and MS are because these three components ratio reflects the company performance in the financial market or profitability that the company can achieve. Market culture is regarded as a results-oriented workplace with an emphasis on winning, outpacing the competition, escalating share price, and market leadership. The basic assumptions in a market culture are that the external environment is not benign but hostile, consumers are choosy and interested in value, and the organization is in the business of increasing its competitive position. The statistical measurement or proxies to measure market dimensions of organizational culture is:

$$\text{ROI} = \frac{\text{Current Value of Investment} - \text{Cost of Investment}}{\text{Cost of Investment}}$$

$$\text{RG} = \frac{\text{Current Period Revenue} - \text{Prior Period revenue}}{\text{Prior period revenue}}$$

$$\text{MS} = \frac{\text{Company's Revenue}}{\text{Entire Market Revenue}}$$

4.3.2 Strategic Posture

SP is the way in which an organization responds to social demands in line with the prevailing organizational culture. Strategic Orientation: A firm's strategic orientation reflects the strategic directions implemented by a firm to create the proper behaviours for the continuous superior performance of the business. The proxies are:

1. (presence/absence of a corporate environmental committee) or (inclusion/exclusion of environmental concern in their vision/mission statement).
2. The presence/absence of ISO14001 certification.

The reasons to use these two proxies are because the higher presence of corporate environmental committee, environmental concern in their vision/mission statement and ISO14001 certification reflects the company strategic ways to respond on social demands in public. The statistical formula for strategic posture use *dummy variables*, that is is in annual report company including the presence of corporate environmental committee and or environmental concern in their vision/mission statement and or the presence of ISO14001 certification so the score is 1, and 0 if otherwise.

4.3.3 Sustainability Performance

Sustainable performance means the harmonization of financial, environmental and social objectives in the delivery of business activities in order to maximize value. In this research will be measure by: GRI indicators(Montiel et al., 2014).

SPF can be defined as the performance of a company in all dimensions and for all drivers of corporate sustainability (Schaltegger et al., 2006). It extends beyond the boundaries of a single company and typically addresses the performance of both upstream suppliers and downstream customers in the value chain (Fiksel et al., 1999). According to the definition, sustainable performance must address the integration of all the three indicators of environmental, social, and economic, known as the triple bottom line of sustainability. Thus, sustainable performance should be evaluated with respect to those three indicators.

4.4 Method of Analysis

Descriptive Statistics

Descriptive statistics were used to explain the data seen from the mean, median, standard deviation, minimum value and maximum value. This test is done to facilitate an understanding of the variables used in the study.

4.4.1 Analysis of Factor

The measurement will reduce by analysis factor since there is some measurement for ROI, RG, andMS, Factor analysis is one of the statistical techniques that can be used to provide relatively simple descriptions through reducing the number of variables called factors. Factor analysis is a procedure for identifying items or variables based on their similarity. A high correlation value indicates the similarity. Items that have a high

correlation will form a crowd of factors. The basic principle in factor analysis is to simplify the description of the data by reducing the number of variables/dimensions. Factor analysis allows researchers to:

1. Test the accuracy of the model (goodness of fit test) factors formed by measuring items.
2. Test the equivalence of units of measurement between items,
3. Test for invariant items in the population.

There are two ways that can be used in factor analysis, in particular, the factor scores coefficient, namely Principal component and common factor analysis.

4.4.2 Analysis of Multiple Regression Panel Data Models

Regression analysis aims to measure the strength of the relationship between two or more variables and show the direction of the relationship between the dependent variable and the independent variable used. The results of the regression analysis are in the form of a regression coefficient for each independent variable. This coefficient is obtained by predicting the value of the dependent variable with an equation. In this study, the researcher will be used Eviews 6. software analysis tools. To assist in processing research data in the form of panel data, Eviews is a very appropriate analysis tool. The use of appropriate analytical tools will help researchers to solve problems in the research conducted. A regression model with panel data generally results in difficulties in determining the specifications of the model.

4.5 Hypothesis testing

Hypothesis testing in this research use is t-test and F-test for analyzing the effect of independent variables toward the dependent variables. The criteria are:

- a. If sig. (p-value) < 0.05 so the hypothesis accepted.
- b. If sig. (p-value) > 0.05 so the hypothesis rejected.

V. Results And Discussion

This quantitative study was conducted to obtain empirical evidence about the impact of organizational culture on sustainability performance with strategic posture as a mediating variable. This test is carried out using hypotheses the impact of organizational culture on sustainability performance with strategic posture as a mediating variable. The research subjects in this study are companies within the Indonesia Stock Exchange (IDX) for the period 2009-2018 in accordance with predetermined criteria. The sample selection technique is purposive sampling with the following criteria:

- a. The company that are listed in IDX and the data are available and can be accessed
- b. The data related to the proxies used to measure the types of organizational culture, strategic posture, and SPF is available.
- c. The company that does not use the dollar as a currency for their annual report.
- d. The companies that their financial year-end on December 31.

Table 1. Sample Selection Criteria

Criteria	Amount
The companies are listed on the Indonesia Stock Exchange from 2009 to 2018.	1598
The companies that are listed in IDX and the data are not available and can't be accessed	(331)
The data related to the proxies used to measure the types of organizational culture, strategic posture, and SPF are not available.	(298)
Number of final samples	969

Source: secondary data that is processed by the author based on IDX

5.1. Descriptive Statistics Test

In testing the object of this study consisting of the impact of organizational culture on sustainability performance with strategic posture as a mediating variable using 969 data samples of the companies. Descriptive statistics are statistics that describe or describe research data generated by mean, median, minimum, maximum, standard deviation, skewness, and kurtosis. The following in Table 2 presents the results of a descriptive test of research variables.

Table 2. Descriptive Research Results

	ADHOCRACY	CLAN	HIERARCHY	MS	OC	SPF	SP
Mean	0.236724	0.149410	0.562400	0.104820	15.77949	0.150910	0.594427
Median	0.127688	0.073566	0.087151	0.017600	0.000000	0.146341	1.000000

Maximum	12.06072	2.934750	16.33699	9.160340	99.99999	0.963415	1.000000
Minimum	-3.998443	-4.663966	-28.26605	-0.000420	0.000000	0.024390	0.000000
Std. Dev.	0.888611	0.451986	2.211139	0.419508	30.40062	0.080328	0.491256
Skewness	6.353996	0.188812	-1.451247	13.61116	1.496934	1.402786	-0.384630
Kurtosis	71.10294	22.06708	49.60996	253.2687	3.459810	13.05363	1.147941
Observations	969	969	969	969	969	969	969

Source: Secondary Data Processed (2020) with Eview

Based on the table 2. note that the mean value for adhocracy is 0.236724 and for the maximum value is 12.06072 and the minimum value of -3.998443 with a standard deviation of 0.888611. The standard deviation is higher rather than mean value, and this indicated that the data have high variation data.

Clan variable has the mean value 0.149410, and the minimum value is -4.663966; meanwhile, the maximum value is 2.934750, with standard deviation is 0.451986. The standard deviation is higher rather than mean value, and this indicated that the data have high variation data. Hierarchy variable, the mean or average is 0.562400 and for the maximum value is 16.33699, and the minimum value is -28.26605 with a standard deviation of 2.211139. The standard deviation is higher rather than mean value, and this indicated that the data have high variation data. For the Market Share (MS) variable, the mean or average is 0.104820 and for the maximum value is 9.160340, and the minimum value is -0.000420 with standard deviation is 0.419508. The standard deviation is lower rather than mean value, and this indicated that the data of age have low variation data.

For the Sustainability Performance (SPF) variable, the mean or average value is 0.150910 and for the maximum value is 0.963415, and the minimum value is 0.024390 with the standard deviation value is 0.080328. The standard deviation is lower rather than the mean value. The mean value reflects that the disclosure of sustainability performance of 969 companies of this research reached 15.0910% on average. For the Strategic Posture (SP) variable, the mean value or the average is 0.594427 and for the maximum value of 1.000000, and the minimum value of 0.000000 with standard deviation value is 0.491256. The standard deviation is lower rather than the mean value.

5.2. Factor Analysis

Estimated factors are only based on common variance; commonalities are included in the correlation matrix. This method is considered appropriate if the main purpose is to identify/identify the underlying dimensions and common variance that attracts attention. Market Clan (MC) also, we will use the analysis factors to get the one value of MC by combining three measurements using factor analysis (ROI, ROE, and ROA).

Table 3. Factor Analysis of Result 1

	Component
	1
ROI	.662
RG	.309
MS	.689

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

Source: Secondary data Processed (2020) with SPSS

From the table 3. it showed that the component matrix of MS (Market Share) has the highest value that is 0.689 and this MS will be used as proxies of Market Culture in the next testing of panel model analysis with Eviews.

5.3. Panel Model Analysis

In this panel model analysis, there are three methods used in that are, Pooled Least Square (PLS), Fixed Effects Method (FEM) and Random Effect Method (REM). These three methods will be selected as the most appropriate method by testing as follows:

a) Likelihood Test / Chow Test

In this test will be done by selecting the most appropriate model between the common effect and fixed-effect models. This Likelihood test produces the following test results:

Table 4. Chow Test Results Model 1

Redundant Fixed Effects Tests

Equation: Untitled

Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	19.093360	(22,114)	0.0000
Cross-section Chi-square	213.113174	22	0.0000

Source: Secondary Data Processed (2020) with Eviews

Table 5. Likelihood Test Results with Model2

Redundant Fixed Effects Tests

Equation: Untitled

Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	16.609147	(22,112)	0.0000
Cross-section Chi-square	200.080461	22	0.0000

Source: Secondary Data Processed (2020) with Eviews

Table 6. Likelihood Test Results WithModel 3

Redundant Fixed Effects Tests

Equation: Untitled

Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	17.473659	(22,115)	0.0000
Cross-section Chi-square	202.613651	22	0.0000

Source: Secondary Data Processed (2020) with Eviews

Table 7. Likelihood Test Results WithModel 4

Redundant Fixed Effects Tests

Equation: Untitled

Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	19.026519	(23,116)	0.0000
Cross-section Chi-square	210.061885	22	0.0000

Source: Secondary Data Processed (2020) with Eviews

The hypothesis used in this Chow test is:

H0: common effect model

H1: fixed effect model

The test results in table 4. show the cross-section F value of 0.0000 <of the significance level (α) of 5% or 0.05 then H0 is rejected, the test results contained in table 5 show the cross-section value of F (Model 1) is 19.093360 <of the level significance is 0.0000 < (α) 5% or 0.05 then H0 is rejected, and the test results contained in table 6 show the value of cross-section F (Model 2) is 16.609147 <of the significance level is 0.0000 < (α) 5% or 0.05 then H0 is rejected. The test results contained in table 7 show the value of cross-section F (Model 3) is 17.473659 <of the significance level is 0.0000 < (α) 5% or 0.05 then H0 is rejected. The test results contained in table 8 show the value of cross-section F (Model 4) is 19.026519 <of the significance level is 0.0000 < (α) 5% or 0.05 then H0 is rejected. Then the test results from this Chow test, it can be concluded that the more appropriate model used in this study is the fixed effect model compared to the common effect model.

b) Hausman Test

Furthermore, in this study, it is necessary to re-test the Hausman test. The Hausman test will be tested by comparing the test results between the fixed effect model and the random effect model. Following are the results of the Hausman test conducted in this study:

Table 8. Hausman Test Results Model 1

Correlated Random Effects - Hausman Test
Equation: Untitled
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	4.673077	8	0.7929

Source: Secondary Data Processed (2020) with Eviews

Table 9. Hausman Test Results Model 2

Correlated Random Effects - Hausman Test
Equation: Untitled
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	5.607726	8	0.4259

Source: Secondary Data Processed (2020) with Eviews

Table 10. Hausman Test Results Model 3

Correlated Random Effects - Hausman Test
Equation: Untitled
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	4.066591	8	0.4238

Source: Secondary Data Processed (2020) with Eviews

Table 11. Hausman Test Results Model 4

Correlated Random Effects - Hausman Test
Equation: Untitled
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	5.0116285	8	0.76578

Source: Secondary Data Processed (2020) with Eviews

The hypothesis used in this Hausman test is:

H0: random effect model

H1: fixed effect model

The test results in table 8 showed a random cross-section value is $0.7919 > (\alpha) 5\%$ or 0.05 then H0 is accepted, the test results contained in table 9. show the value of a random cross-section is 0.7929 (Model 1) $>$ the level significance (α) of 5% or 0.05 then H0 is accepted, and the test results contained in table 10 show a random cross-section value of 0.4238 (Model 3) $>$ of the significance level (α) of 5% or 0.05 then H0 is accepted. The result of table 11 shows a random cross-section value of 0.76578 (Model 4) $>$ of the significance level (α) of 5% or 0.05 then H0 is accepted. Then based on the test results from the Hausman test in tables 9, 10, 11 and Table 12 it can be concluded that the more appropriate model used in this study is the random effect model compared to the fixed effect model.

5.3. Hypothesis Testing Techniques

5.3.1. Multiple Linear Regression Test

After testing the description and determining the model in panel data analysis, then in this study, a regression analysis test is performed. In this test, conducted to determine the hypothesis that is made accepted or rejected, as the basis for determining the effect of independent variables, toward the dependent variable. Following are the results of the regression analysis test conducted in this study:

Table 12. Multiple Linear Regression Test Results Model 1

Dependent Variable: SP
Method: Panel Least Squares
Date 05/29/20 Time: 03:50
Sample: 2009 2018
Periods included: 10
Cross-sections included: 108
Total panel (unbalanced) observations: 969

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.225240	0.040890	5.508501	0.0002
CLAN	0.012652	0.005740	2.206430	0.0286
ADHOCRACY	0.001670	0.002919	2.075909	0.0476
HIERARCHY	0.001102	0.001176	2.138700	0.0331
MS	0.002415	0.006184	2.388973	0.0254
IO	-4.53E-10	8.35E-05	-0.542856	0.5864

Source: Secondary Data processed (2020) with Eviews

H1a: The clan culture has a positive effect on the strategic posture.

From table 12.the result showed that the probability (significant value) of clan culture is $0.0286 < 0.05$ with coefficient positive 0.012652, and this showed that H1a accepted, and this means clan culture has a positive effect on sustainability performance.

H1b: Adhocracy culture has a positive effect on strategic posture.

From table 12.the result showed that the probability (significant value) of adhocracy culture is $0.0476 < 0.05$ with coefficient positive 0.001670, and this showed that H1b accepted. This means adhocracy culture has a positive effect on sustainability performance.

H1c: Hierarchy culture has a positive effect on the strategic posture

From table 12.the result showed that the probability (significant value) of hierarchy culture is $0.0331 < 0.05$ with coefficient positive 0.001102, and this showed that H1c accepted. This means hierarchy culture has a positive effect on sustainability performance.

H1d: Market culture has a positive effect on strategic posture.

From table 12.the result showed that the probability (significant value) of market culture is $0.0254 < 0.05$ with coefficient positive 0.002415, and this showed that H1d accepted. This means the market culture has a positive effect on sustainability performance.

Table 13. Multiple Linear Regression Test Results Model 2

Dependent Variable: SPF
 Method: Panel Least Squares
 Date: 05/29/20 Time: 03:50
 Sample: 2009 2018
 Periods included: 10
 Cross-sections included: 108
 Total panel (unbalanced) observations: 969

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.164328	0.033251	4.942527	0.0002
SP	0.002669	0.001021	2.623642	0.0320

Source: Secondary data processed (2020) with Eviews

H2: The strategic posture has a positive effect on sustainability performance.

From table 13.the result showed that the probability (significant value) of strategic posture is $0.0320 < 0.05$ with coefficient positive 0.002669, and this showed that H2 accepted. This means strategic posture has a positive effect on sustainability performance.

Meanwhile, the control variable size, age and leverage are significant because the probability value is < 0.05 .

Table 14. Sobel test 1

	T statistic	p-value
a = 0.028078	1.9105132	0.05606717
b = 0.002669		
sa = 0.010031		
Sb = 0.001021		

H3a: *Clan culture positively affects sustainability performance mediated by strategic posture.*

From the table 14.the result of Sobel test showed that the probability (significant value) of Sobel is 0.05606717 higher than 0.05 (5%) but lower than 10% and this showed that H3a accepted in level 10%. This means Clan culture positively affects sustainability performance mediated by strategic posture.

Table 15. Sobel test 2

	T statistic	p-value
a = 0.29043	1.38039755	0.16746427
b = 0.002669		
sa = 0.017867		
Sb = 0.001021		

H3b: *Adhocracy culture positively affects sustainability performance mediated by strategic posture.*

From table 15.the result of the Sobel test showed that the probability (significant value) of Sobel is 0.16746427 higher than 0.05, and this showed that H3b rejected in level 10%. This means adhocracy culture cannot affect sustainability performance mediated by strategic posture.

Table 16. Sobel test 3

	T statistic	p-value
a = 0.013628	1.93951691	0.05243843
b = 0.002669		
sa = 0.004711		
Sb = 0.001021		

H3c: *Hierarchy culture positively affects sustainability performance mediated by strategic posture.*

From the table 16.the result of Sobel test showed that the probability (significant value) of Sobel is 0.05243843 higher than 0.05 (5%) but lower than 10% and this showed that H3c accepted in level 10%. This means hierarchy culture positively affects sustainability performance mediated by strategic posture.

Table 17. Sobel test 4

	T statistic	p-value
a = 0.018259	2.09050735	0.03657225
b = 0.002669		
sa = 0.005244		
Sb = 0.001021		

H3d: *Market culture positively affects sustainability performance mediated by strategic posture.*

From the table 17.the result of Sobel test showed that the probability (significant value) of Sobel is 0.03657225 lower than 0.05 (5%) and this showed that H3d accepted in level 5%. This means market culture positively affects sustainability performance mediated by strategic posture.

5.4. Discussion

After conducting various tests, the following is table 19.which explains the research results obtained:

Table 18. Conclusions From Research Results

Hypothesis	Variables	Prob.	Hypothesis Results
H1a	The clan culture has a positive effect on the strategic posture.	0.0286	Significant
H1b	Adhocracy culture has a positive effect on strategic posture.	0.0476	Significant

H1c	Hierarchy culture has a positive effect on the strategic posture.	0.0331	Significant
H1d	Market culture has a positive effect on strategic posture.	0.0254	Significant
H2	The strategic posture has a positive effect on sustainability performance.	0.0320	Significant
H3a	Clan culture positively affects sustainability performance mediated by strategic posture.	0.05606717	Significant in level 10%
H3b	Adhocracy culture positively affects sustainability performance mediated by strategic posture.	0.16746427	Not Significant
H3c	Hierarchy culture positively affects sustainability performance mediated by strategic posture.	0.05243843	Significant in level 10%
H3d	Market culture positively affects sustainability performance mediated by strategic posture.	0.03657225	Significant

5.4.1 The Impact of Clan Culture on Strategic Posture.

Clan culture provides a form of control that is more efficient than traditional bureaucratic modes of control in highly uncertain or radically changing environments (Alvesson et al., 1993). Indeed, the clan is regarded as a mode of social control in society (Gu et al., 2008) By focusing on the processes of socialization and the collective frameworks of reference that make it a key ingredient of business culture. Clan culture emphasizes the creation of common values, beliefs and objectives within the organization and seeks to minimize differences in the organizational members' objectives preferences.

Indeed, the clan concept and its organizational values are used as guidance and models for certain organizations to effectively navigate within an unpredictable market climate (Chan, 1997). Clan control transmits knowledge through rituals and believes the dedication of members is motivated by the recognition of organizations and popular culture.

Leaders of the clan are usually seen as part of an extended family, an ideal circumstance for making strategic choices for businesses. Clan culture is centred internally and based on norms that create consensus. Collectivist ideals tend to be characteristic values in the culture of clans and cooperation, underpins much of the obvious behaviour (Chatman et al., 2005). Since joint decisions and building consensus seem to succeed strategically (Homburg et al., 1999), specific schemes are developed around the organization (Michel et al., 1992). USHynes (2009) sees it, represents a sense of cohesiveness, involvement, teamwork and a sense of family. The strategic emphasis of this culture is towards developing Human Resources, commitment, and morale. When strategies and approaches are formulated, constructive tension will arise, which tends to attenuate strategic decision-making. Besides, clan influence decreases conflict of strategic positions by increasing the probability that people see their preferences and orientations as convergent. Accordingly, this culture is prevalent, the response to approaches related to sustainability problems would usually be defensive and imitative, and offensive and constructive actions not always preferable.

Based on the result of this study showed that the clan culture has a positive effect on the strategic posture. This result also supported by the previous research done by Chatman et al. (2005).

5.4.2 The Impact of Adhocracy Culture on Strategic Posture.

Adhocracy Culture focuses on external problems that consist of core principles like versatility, creativity and risk-taking. This is based on the philosophy of being prepared for the future through the production of new products and services to be able to adapt highly complex conditions. Features such as rapid growth, the acquisition of new sources, and the ability to produce unique and original products and services are the organization's most important long-term goals (Cl' Kim & Robert Quinn, 1999; Kangas, 2009). Faults are accepted in this community, and learning is composed (Wallach, 1983). USHynes (2009) sees it, and adhocracy is an environment of innovation, imagination and adaptability. The strategic focus is on creativity, development and new capital, which indicates that culture promotion is strongly related to SP (Ahmadi et al., 2012).

Because of these features, the compliance level of the company with a culture of adhocracy with the change is higher than the organizations with a clan or hierarchical cultures (Appiah-Adu et al., 1998). It can, therefore, be concluded that this culture is prevalent, that the answer to approaches relating to sustainability problems will usually be aggressive and constructive, and that defensive and imitative action is not always preferable.

Based on the result of this research showed that Adhocracy culture has a positive effect on strategic posture. This also supported by the previous study done by (Ahmadi et al., 2012).

5.4.3 The Impact of Hierarchy Culture on Strategic Posture.

Hierarchy culture is a working atmosphere in which issues of stability, predictability, and effectiveness are overly noticed, and too many official rules and levels are in place (Cŷ Kim & Robert Quinn, 1999; Dastmalchian et al., 2000; Kangas, 2009). In general, the focus of the hierarchical culture on power shows resistance or is less prone to change (Fiol et al., from 1985). Several studies show that the hierarchy culture does not deliver good scores at the change-related performance measures (Quinn et al., 1991), and the hierarchy culture 's business orientation is poor (Appiah - Adu & Blankson, 1998). Due to these characteristics, hierarchy represents a mode of order, rule and regulation, and uniformity the strategic focus on stability, predictability, and smooth operations.

Based on the result of this research showed that Hierarchy culture has a positive effect on the strategic posture. This result also supported by the previous study done by (Hynes, 2009), Tasgit et al. (2017). Tasgit et al. (2017) concluded that hierarchy culture is the most important form of corporate culture, which influences strategies. Therefore, it can be said that the hierarchical culture becomes dominant in business, and the response to strategies related to sustainability issues will generally be positive.

5.4.4 The Impact of Market Culture on Strategic Posture.

Market culture has a greater emphasis on issues such as competitive actions, achieving the objectives and goals, increasing market share, market penetration (Cameron Kim & Robert Quinn, 1999), improving the competitive position at the business environment (Harrington et al., 2005), Competitive advantage and market leadership. Thus, the company's changing orientation is quite high with the characteristics of this culture (Appiah-Adu&Blankson, 1998). Hynes (2009) concluded that business culture is a sense of competition and target accomplishment and that the strategic emphasis is on competitive advantage and business superiority. Hence, it can be said that this culture is prevalent, that response to approaches related to sustainability problems would usually be hostile and constructive, and that defensive and imitative behaviour is not always favoured.

Based on the result of this research showed that Market culture has a positive effect on strategic posture. This also supported by the previous study done by Mwaura (2017).

5.4.5 The Impact of Strategic Posture on Sustainability Performance.

Ullmann system shows a positive relationship between an involved SP and a high level of environmental coverage. The notion of an SP in Ullmann 's framework shows how companies address stakeholder social demands, including whether managers are following a pro-active SP rather than a less-active SP (Crant, 2000). Several other empirical studies have looked at this relation (Bateman & Crant, 1993; Crant, 2000; Roberts, 1992). Bateman and Crant (1993) stated that managers adopting a pro-active SP tend to create changes in environmental and social issues.

In the sense of environmental and social activity and its association with active managerial roles, several studies have asserted that for organizations to achieve a comprehensive competitive advantage, there are ties between management and the natural environment (Croteau & Bergeron, 2001; Hart, 1995; Russo & Fouts, 1997). In addition, several studies are identifying a positive relationship between SP and environmental and social reporting. For example, Prado-Lorenzo et al. (2012) found that stakeholder influence on SP had a vital impact on the creation of a CSR report. The result further indicates that a positive approach to social and environmental problems contributes to a higher degree of environmental coverage.

A strategic role, which is Ullman 's second aspect, concerns how an organization reacts to social demands. An entity that adopts a passive SP does not attempt to track and maintain its relations with its stakeholders. By comparison, some organizations take an aggressive SP to monitor and manage their relationships with their primary stakeholders continuously. Because of these acts, organizations which show an active SP are required to disclose more environmental and social information in their annual reports.

Several studies have also been carried out to examine the impact of environmental behaviour and its relationship to an active managerial position. It is argued that there are ties between management and its decision-making processes and the natural environment for companies trying to achieve a comprehensive competitive advantage (Hart, 1995; Russo & Fouts, 1997). Besides, several studies find a positive relationship between an SP and environmental disclosure reporting. Prado-Lorenzo et al. (2009) Their research indicated that the effect of stakeholders on an SP had a crucial impact on the delivery of a CSR report. The result also suggested that an active approach to environmental and social issues could contribute to a higher level of reporting on the environment. A research carried out by Elijido-Ten (2004) investigated the environmental reporting determinants. The study indicated that an SP is a primary determinant for the establishment of sustainability reporting.

Based on the result of this research showed that strategic posture has a positive effect on sustainability performance. This also supported by previous research done by Amran et al. (2014), Galbreath (2010), Magness (2006).

5.4.6 The Impact of Organizational Culture on Sustainability Performance Mediated by Strategic Posture

An OC has long been identified in the research literature as a driver of company success (Jaques, 1951; Pettigrew, 1979). On several popular books of the press (Ouchi, 1981; Peters et al., 1982). Given early reviews that are largely critical of empirical culture-performance research (Rousseau, 1990; Siehl & Martin, 1989), evidence has accumulated that there is a correlation and that certain OC characteristics are regularly associated with a variety of organizational performance outcomes (Hartnell et al., 2011; Sackmann, 2011). Until now, however, research has generally fallen short of a causal culture-to-performance effect. Alternatively, organizational performance can cause a reciprocal relationship between organizational culture, culture and efficiency, or a third variable causes both.

Several scholars propose that organizations planning to follow principles of sustainability should strengthen clearly expressed and common corporate culture that is compatible with them and that facilitates sustainable development (Avery & Bergsteiner, 2010; Baumgartner, 2009, 2012; Benn et al., 2006; Crane, 2000; Dunphy, 2011; Fernández et al., 2003; Molnar & Mulvihill, 2003; Russell & McIntosh, 2011; Shrivastava, 1995; Starik & Rands, 1995).

Recommendations range from integrating sustainability into values and culture (Edwards, 2009; Epstein & Buhovac, 2010; Molnar & Mulvihill, 2003), to requiring "complete moral transformation," and a "radical overhaul of business culture and values" (Crane, 2000). Van Marrewijk and Werre (2003) propose that an organization's values and culture differ according to the level of aspiration for sustainability, and that "dominant value systems can determine the potential for sustainability." Some argue that organizations need to institutionalize environmentally responsible values, beliefs and behaviours, and sustainable processes, to be ecologically sustainable, which effectively require a change in their culture (Borland, 2009; Harris & Crane, 2002; Linnenluecke & Griffiths, 2010; Quinn & Dalton, 2009). The literature revealed certain organizational values, attitudes, behaviours and cultural dimensions that researchers see as imperative for sustainable organizations. These effectively influence the culture of an organization (Denison, 1990; Gordon & DiTomaso, 1992; Schein, 2004).

In contingency models, measurements of corporate performance are influenced by the shared values, beliefs, identities and commitment of the organizational members by insignificant and systematic ways. The OC's viewpoint on contingency management is complementary to conventional contingency structures used to analyze variables such as an organization's structure, size and technology (Pugh & Hickson, 1976), and which are in turn based on functionalist theory in sociology (Parsons, 1956). Notes, researchers believe that cultural artefacts "can be used to build organizational commitment, communicate a management philosophy, rationalize and legitimate activities, motivate staff and facilitate socialization."

OC's views on crisis management represent a desire to understand culture as a lever or tool for managers to implement strategies and more effectively direct the course of their organizations, to make culture and strategy consistent and mutually supportive (Deshpande et al., 1989). US Smircich (1983) notes on these approaches tend to be "optimistic" and "messianic" (maybe as a result of their structural-functionalist nature) and to ignore the possibility that multiple cultures, subcultures, and especially countercultures compete to define the nature of situations within organizational boundaries for their members.

Based on contingency theory, the success of an organization depends, for example, on the fit between various contingencies, such as structure, strategy, and climate (Donaldson, 2001). The concept of fit as a mediating variable shows "the existence of a significant mechanism of intervention between the antecedent variable and the consequence variable" (Venkatraman, 1989). This study put forward a proposal that the relationship between SPF and OC be mediated by a strategic message. This is because an OC affects an SP, as several studies have established (Ahmadi et al., 2012; Baird et al., 2007; Cristian-Liviu, 2013; Tasgit et al., 2017), with SP or SPF influencing response (Bateman & Crant, 1993; Crant, 2000; Ozgener et al., 2009; Roberts, 1992; Ullmann, 1985; Zhou & Li, 2007).

The literature indicates that in general, the existence of a variable is important to mediate the relationship between organizational culture and success (Yesil & Rich, 2013). Several studies find mediating effects of other variables, such as the conversion of information (Tseng, 2010), knowledge management (Zheng et al., 2010), organizational innovativeness between the OC and results (Han et al., 1998). Saffold III (1988) argued that when investigating culture-performance linkage, the interactive nature of culture, process, and organizational outcomes need to be considered. The underlying argument for this research line is that OC output results through other mediating factors (Tseng, 2010; Zheng et al., 2010). The outcome of an organization depends, among other things, on the fit between various contingencies, such as structure, strategy, and environment, according to the contingency system (Thoumrungroje & Tansuhaj, 2005). The literature indicates that the correlation between culture type and market performance, in general, could be viewed as a technique for mediating. For instance, the study by Moradi et al. (2013) it was found that the strategy mediates the relationship between the OC and the business performance of the organisation. In addition, building on the theories of institutionalization and credibility from the viewpoint of external drivers Menguc et al. (2010) examined the context of a constructive approach and its implications. They found that one of the reasons for a higher entrepreneurial

orientation is more likely to lead to the adoption of a proactive environmental strategy which may lie within the common OC, SP and structure which both require.

However, the impact of OC types on SP, and SP's mediating role in stimulating SPF, is somewhat understood. Consequently, this study provides an understanding of OC 's impact on SPF with an examination of SP's mediating role.

Based on the result of this research showed that the clan, hierarchy, market culture positively affects sustainability performance mediated by strategic posture, this also supported by the previous study done by Dutta et al. (2012). Which states that sustainability means promoting ethical accountability sound, ensuring a healthy working atmosphere in which employees' wellbeing is protected and enhancing their opportunities for self-development, and supporting cultural diversity and workplace equity, Minimizing the negative environmental effects and creating social and economic growth opportunities within the areas we work.

VI. Conclusion

The study set out to determine the influence of different types of organizational culture on sustainability performance. A descriptive survey was undertaken, and secondary data were collected using the annual reports. Secondary data were extracted from annual reports by the IDX in Indonesia. Data were analyzed through the Sobel test and linear regression for period 2009-2018. From the results of the analysis and discussion, we conclude that companies in Indonesia are characterized by the four types of cultures suggested by the CVF. On the basis of more data analysis, our study identified clan culture, adhocracy culture, hierarchy culture, and market culture has a positive effect on organization strategic posture.

Strategic posture affects sustainability performance. The level of sustainability performance is positively related to the presence of a market culture mediating by a positive strategic posture. However, the inward-looking and stability or control cultures are more established than the outward-oriented adhocracy culture. Strategic posture can be a mediating variable (intervening) influence between clan, hierarchy and market culture on sustainability performance. Therefore, we conclude that prevalent culture aligned to organizational strategy and structure is a dominant source of sustainable performance. Finally, this study claim that market culture will lead to improved organizational performance because of the external focus while providing stability and control properties required to manage organizations effectively.

VII. Implications of the Study

Our results have implications for both theory and practice. With regard to theory, our findings support the postulations of the CVF (an organizational culture comprising market, adhocracy, hierarchy and clan cultures) and confirm that research to determine the type of culture that suits the organization is essential for superior sustainability performance. However, our findings suggest that market orientation is the most important culture for managing sustainability performance of the firm. We view hierarchy as an important culture in setting ideal internal conditions that support the market and clan cultures to manage organizational adaptation to the environment. Whereas, a high correlation was noted between clan culture and hierarchy culture.

Pertaining to practice, we demonstrate that culture management could be a significant game-changer in sustainability performance management. Considering the role of the clan culture and hierarchy culture, thus, our findings suggest that promotion of market culture could improve decision making and create more sustainable institutions.

VIII. Limitations and Suggestions for Future Research

Our study is not without limitations. First, we relied on a cross-sectional research design that lacks the ability to test causality. Therefore, our findings must be interpreted with caution, as we do not imply the cause-effect relationship between organizational culture types and sustainability costs. Second, whereas we have contributed to sustainability performance measurement by testing the link between culture and sustainability performance indicators through GRI4, we have used ready indicators of sustainability measure (Others may prefer using questionnaires). A broad-based indicator would yield more reliable findings. Third, our study was based on all sectors on the Indonesian Stock Exchange. Therefore, our results suffer from inclusiveness without allocating a specific sector. The significant effect for market culture opens a window for further investigation. We recommend that future researchers need to investigate further the role of market culture on performance. In addition, we urge future researchers to examine the impact of adhocracy culture on sustainability performance to find out more about their relationship to sustainability in Indonesian companies. Also, we did not consider the type of industry and its impact on the organizational culture. Finally, we recommend the triangulation of methods by future researchers interested in organizational culture studies.

Declaration of Conflicting Interests

The author(s) declared no potential conflicts of interest with respect to the research, authorship, and/or publication of this article.

References

- [1]. Ackerman, R. W., & Bauer, R. A. (1976). Corporate social responsiveness: The modern dilemma [sic]. *Reston*.
- [2]. Ahmadi, A. (2014). *Psikologi Umum*. Jakarta: Rineka Cipta.
- [3]. Asmeri, R., Alvionita, T., & Gunardi, A. (2017). CSR disclosures in the mining industry: Empirical evidence from listed mining firms in Indonesia. *Indonesian Journal of Sustainability Accounting and Management*, 1(1), 16–22.
- [4]. Caesaria, A. F., & Basuki, B. (2017).). The study of sustainability report disclosure aspects and their impact on the companies' performance. *Paper Presented at the SHS Web of Conferences*.
- [5]. Deshpande, R., & Webster Jr, F. E. (1989). Organizational culture and marketing: defining the research agenda. *Journal of Marketing*, 53(1), 3–15.
- [6]. Eiadat, Y., Kelly, A., Roche, F., & Eyadat, H. (2008). Green and competitive? An empirical test of the mediating role of environmental innovation strategy. *Journal of World Business*, 43(2), 131–145.
- [7]. Jaques, E. (2013). *The changing culture of a factory*. Routledge.
- [8]. Marwati, C. P., & Yulianti, Y. (2015). Analisis Pengungkapan Sustainability Report pada Perusahaan Non-Keuangan Tahun 2009-2013. *Jurnal Dinamika Akuntansi*, 7(2).
- [9]. Mayo, E. (2004). *The human problems of an industrial civilization*. Routledge.
- [10]. Montiel, I., & Delgado-Ceballos, J. (2014). Defining and measuring corporate sustainability: Are we there yet? *Organization & Environment*, 27(2), 113–139.
- [11]. Nuraida, I. (2012). The Practice of Corporate Social Responsibility of PT Newmont Minahasa, South East Minahasa, North Sulawesi, Indonesia. *Bina Ekonomi*, 16(1).
- [12]. Richter, U. H., & Arndt, F. F. (2018). Cognitive processes in the CSR decision-making process: a sensemaking perspective. *Journal of Business Ethics*, 148(3), 587–602.
- [13]. Ridho, T. K. (2018). The Development of CSR Implementation in Indonesia and Its Impact on Company's Financial and Non-financial Performance. *KnE Social Sciences*, 3(8), 324–334.
- [14]. Saffold III, G. S. (1988). Culture traits, strength, and organizational performance: Moving beyond “strong” culture. *Academy of Management Review*, 13(4), 546–558.
- [15]. Thourungroje, A., & Tansuhaj, P. (2005). Entrepreneurial strategic posture, international diversification, and firm performance. *Multinational Business Review*, 13(1), 55–73.
- [16]. Ullmann, A. A. (1985). Data in search of a theory: A critical examination of the relationships among social performance, social disclosure, and economic performance of US firms. *Academy of Management Review*, 10(3), 540–557.
- [17]. Venkatraman, N. (1989). The concept of fit in strategy research: Toward verbal and statistical correspondence. *Academy of Management Review*, 14(3), 423–444.
- [18]. Wahid ElKelish, W., & Kamal Hassan, M. (2014). Organizational culture and corporate risk disclosure: An empirical investigation for United Arab Emirates listed companies. *International Journal of Commerce and Management*, 24(4), 279–299.
- [19]. Wu, T., & Kimura, Y. (2018). Case Study of Corporate Social Responsibility in Japanese Pharmaceutical Companies: A Comparison with Western Firms Emerging Issues in Global Marketing. *Springer*, 291–309.
- [20]. Yesil, S., & Kaya, A. (2013). The effect of organizational culture on firm financial performance: Evidence from a developing country. *Procedia-Social and Behavioral Sciences*, 81, 428–437.
- [21]. Ahmadi, A., Ali, S., Salamzadeh, Y., Daraei, M., & Akbari, J. (2012). Relationship between organizational culture and strategy implementation: Typologies and dimensions. *Global Business & Management Research*, 4.
- [22]. Alvesson, M., & Lindkvist, L. (1993). Transaction Costs, Clans and Corporate Culture. *Journal of management studies*, 30(3), 428–453.
- [23]. Appiah-Adu, K., & Blankson, C. (1998). Business strategy, organizational culture, and market orientation. *Thunderbird International Business Review*, 40(3), 235–256.
- [24]. Baird, K., Harrison, G., & Reeve, R. (2007). The culture of Australian organizations and its relation with strategy. *International Journal of Business Studies: A Publication of the Faculty of Business Administration, Edith Cowan University*, 15(1), 15.
- [25]. Bateman, T. S., & Crant, J. M. (1993). The proactive component of organizational behavior: A measure and correlates. *Journal of organizational behavior*, 14(2), 103–118.
- [26]. Cameron Kim, S., & Quinn Robert, E. (1999). *Diagnosing and changing organizational culture*. Bk: Addison-Wesley Publishing Company.
- [27]. Cameron, K. S., & Quinn, R. E. (2011). *Diagnosing and changing organizational culture: Based on the competing values framework*: John Wiley & Sons.
- [28]. Carey, A. (1967). *The Hawthorne studies: A radical criticism*: Ardent Media.
- [29]. Chatman, J. A., & Spataro, S. E. (2005). Using self-categorization theory to understand relational demography–based variations in people's responsiveness to organizational culture. *Academy of Management journal*, 48(2), 321–331.
- [30]. Courtney, H., Kirkland, J., & Viguerie, P. (1997). Strategy under uncertainty. *Harvard business review*, 75(6), 67–79.
- [31]. Crant, J. M. (2000). Proactive behavior in organizations. *Journal of management*, 26(3), 435–462.
- [32]. Cristian-Liviu, V. (2013). Organizational culture and strategy: How does it work? An empirical research. *Annals of the University of Oradea, Economic Science Series*, 22(1), 1690–1696.
- [33]. Dastmalchian, A., Lee, S., & Ng, I. (2000). The interplay between organizational and national cultures: a comparison of organizational practices in Canada and South Korea using the Competing Values Framework. *International Journal of Human Resource Management*, 11(2), 388–412.
- [34]. Elijido-Ten, E. (2004). Determinants of environmental disclosures in a developing country: an application of the stakeholder theory. Paper presented at the Fourth Asia Pacific interdisciplinary research in accounting conference, Singapore.
- [35]. Ferreira, A. I. (2014). Competing Values Framework and its impact on the intellectual capital dimensions: evidence from different Portuguese organizational sectors. *Knowledge Management Research & Practice*, 12(1), 86–96.
- [36]. Fiol, C. M., & Lyles, M. A. (1985). Organizational learning. *Academy of management review*, 10(4), 803–813.
- [37]. Gu, F. F., Hung, K., & Tse, D. K. (2008). When does guanxi matter? Issues of capitalization and its dark sides. *Journal of marketing*, 72(4), 12–28.
- [38]. Harrington, S. J., & Guimaraes, T. (2005). Corporate culture, absorptive capacity and IT success. *Information and Organization*,

- 15(1), 39-63.
- [39]. Hart, S. L. (1995). A natural-resource-based view of the firm. *Academy of management review*, 20(4), 986-1014.
- [40]. Homburg, C., Krohmer, H., & Workman, Jr, J. P. (1999). Strategic consensus and performance: the role of strategy type and market-related dynamism. *Strategic management journal*, 20(4), 339-357.
- [41]. Hynes, N. (2009). Corporate culture, strategic orientation, and business performance: New approaches to modeling complex relationships. *Technological Forecasting and Social Change*, 76(5), 644-651.
- [42]. Kangas, L. M. (2009). Assessing the value of the relationship between organizational culture types and knowledge management initiatives. *Journal of leadership studies*, 3(1), 29-38.
- [43]. Kanigel, R. (2005). *The one best way: Frederick Winslow Taylor and the enigma of efficiency*. MIT Press Books, 1.
- [44]. Kent, P., Windsor, C., & Zunker, T. (2011). Voluntary employee disclosures in Australian annual reports applying Ullmann's stakeholder theory.
- [45]. Madhani, P. M. (2014). Aligning compensation systems with organization culture. *Compensation & Benefits Review*, 46(2), 103-115.
- [46]. Magness, V. (2006). Strategic posture, financial performance and environmental disclosure: An empirical test of legitimacy theory. *Accounting, Auditing & Accountability Journal*, 19(4), 540-563.
- [47]. Mayo, E. (2004). *The human problems of an industrial civilization*: Routledge.
- [48]. Menguc, B., Auh, S., & Ozanne, L. (2010). The interactive effect of internal and external factors on a proactive environmental strategy and its influence on a firm's performance. *Journal of business Ethics*, 94(2), 279-298.
- [49]. Michel, J. G., & Hambrick, D. C. (1992). Diversification posture and top management team characteristics. *Academy of Management journal*, 35(1), 9-37.
- [50]. Moradi, P., Safari, A., & Torkestani, M. S. (2013). Investigating the Impact of Organizational Culture on the Performance of Insurance Companies in Iran. *American Journal of Scientific Research*, 89, 94-107.
- [51]. Mwaura, C. (2017). The Effect of Organizational Culture on Strategy Implementation: A Study of Three Companies in Construction Sector in Nairobi, Kenya.
- [52]. Özgener, Ş., Ögüt, A., Kaplan, M., & Bickes, D. M. (2009). The Effects of Organizational Politics And Strategic Posture On Innovation Performance. *Journal of Global Strategic Management*, 6, 158-170.
- [53]. Parsons, T. (1956). Suggestions for a Sociological Approach to the Theory of Organizations--I. *Administrative science quarterly*, 1(1).
- [54]. Prado-Lorenzo, J. M., Gallego-Alvarez, I., & Garcia-Sanchez, I. M. (2009). Stakeholder engagement and corporate social responsibility reporting: the ownership structure effect. *Corporate Social Responsibility and Environmental Management*, 16(2), 94-107.
- [55]. Prenestini, A., & Lega, F. (2013). Do senior management cultures affect performance? Evidence from Italian public healthcare organizations. *Journal of Healthcare Management*, 58(5), 336-351.
- [56]. Pugh, D. S., & Hickson, D. J. (1976). *Organizational structure in its context: The Aston Programme I (Vol. 1)*: Lexington Books.
- [57]. Quinn, R. E., & Spreitzer, G. M. (1991). The psychometrics of the competing values culture instrument and an analysis of the impact of organizational culture on quality of life: Emerald.
- [58]. Reddy, M. (2016). *The effect of organisational culture on strategy execution*. University of Pretoria.
- [59]. Richter, U. H., & Arndt, F. F. (2018). Cognitive processes in the CSR decision-making process: a sensemaking perspective. *Journal of business Ethics*, 148(3), 587-602.
- [60]. Roberts, R. W. (1992). Determinants of corporate social responsibility disclosure: An application of stakeholder theory. *Accounting, organizations and society*, 17(6), 595-612.
- [61]. Russo, M. V., & Fouts, P. A. (1997). A resource-based perspective on corporate environmental performance and profitability. *Academy of Management journal*, 40(3), 534-559.
- [62]. Smircich, L. (1983). Concepts of culture and organizational analysis. *Administrative science quarterly*, 339-358.
- [63]. Tasgit, Y. E., Şentürk, F. K., & Ergün, E. (2017). Corporate Culture and Business Strategy: Which strategies can be applied more easily in which culture? *International Journal of Business and Social Science*, 8(6), 80-91.
- [64]. Taylor, F. W. (1911). *The principles of scientific management* New York, NY: Harper & Brothers.
- [65]. Thompson, J. D. (2003). *Organizations in action: social science bases of administrative theory (Classics in Organization and Management Series)*.
- [66]. Thourunroje, A., & Tansuhaj, P. (2005). Entrepreneurial strategic posture, international diversification, and firm performance. *Multinational Business Review*, 13(1), 55-73.
- [67]. Ullmann, A. A. (1985). Data in search of a theory: A critical examination of the relationships among social performance, social disclosure, and economic performance of US firms. *Academy of management review*, 10(3), 540-557.
- [68]. Venkatraman, N. (1989). The concept of fit in strategy research: Toward verbal and statistical correspondence. *Academy of management review*, 14(3), 423-444.
- [69]. Wahid ElKelish, W., & Kamal Hassan, M. (2014). Organizational culture and corporate risk disclosure: An empirical investigation for United Arab Emirates listed companies. *International Journal of Commerce and Management*, 24(4), 279-299.
- [70]. Wallach, E. J. (1983). Individuals and organizations: The cultural match. *Training & Development Journal*.
- [71]. Yesil, S., & Kaya, A. (2013). The effect of organizational culture on firm financial performance: Evidence from a developing country. *Procedia-Social and Behavioral Sciences*, 81, 428-437.
- [72]. Zhou, K. Z., & Li, C. B. (2007). How does strategic orientation matter in Chinese firms? *Asia Pacific Journal of Management*, 24(4), 447-466.

Mohamed Abdulrahim, et. al. "The Mediating Effect Of Strategic Posture On The Link Between Organizational Culture And Sustainability Performance." *IOSR Journal of Business and Management (IOSR-JBM)*, (6)22, 2020, pp. 01-18.