



Organizational Culture and Its Impact on Employee Performance

Dedi Iskamto

Faculty Economics and Business, Telkom University, Indonesia

deditaba@telkomuniversity.ac.id

ARTICLE INFO

Research Paper

Article history:

Received: 9 February 2023

Revised: 10 April 2023

Accepted: 15 May 2023



<https://doi.org/10.54099/ijmdb.v2i1.584>

ABSTRACT

This study aims to analyze the influence of organizational culture on employee performance, explore the factors that influence an effective organizational culture. This research uses quantitative methods. Processing and hypothesis testing using SPSS version 25. The research location is a government institution in Riau Province. The population in the study were all office employees. In this study, sampling used a saturated sample, that is, if the population is smaller than 100 people, then the population is used as a sample, so that the number of samples studied is 35 employees. the results indicated that Organizational culture significant effect on performance. . It was found that Organizational Culture contributed 26.6% to employee performance, the remaining 73.4% was influenced by factors not examined in this study. Keywords: Organizational Culture, Working Culture, Employee Performance

This work is licensed under a Creative Commons Attribution-Non Commercial 4.0 International License.

INTRODUCTION

Humans as social beings basically have the nature to socialize, work together, and need the presence of other humans. For this reason, the existence of an organization is needed as a forum that can gather or facilitate humans in socializing and working together (Abdullahi et al., 2021).

One of the national problems faced by the Indonesian people today is the handling of the low quality of human resources. If a large number of human resources (HR) can be used effectively and efficiently, it will be useful to support the pace of sustainable national development. Currently, the ability of human resources is still low, as evidenced in the order of Indonesia's Human Development Index, which ranks 121 out of 185 countries, this will have an impact on low competitiveness in various fields. (Adu & Nawangsari, 2022; Iskamto, 2012).

Culture is the result of human creation that is produced and has been used as part of the order of everyday life. A culture that is applied and used in life during a certain period will influence the pattern of formation of a society. Because of that, it is not impossible to change a culture, as long as there is a strong will and enthusiasm to make that change, and the only people who can change it are the humans themselves (Fahmi, 2016:49)

Organizational culture is a habit that lasts a long time and is used and applied in life work activities as one of the drivers for improving the quality of work of employees and company managers. An organization basically goes through stages from time to time, or what is commonly called the

organizational cycle. This means that an organization that grows and develops will undergo a life process or living organism (Fahmi, 2016: 50).

Today's competitive business environment, creating a positive and strong organizational culture has become the main focus of the company to improve employee performance (Iskamto, 2021; Jufrizen et al., 2021). Organizational culture reflects the values, norms, beliefs, and practices that shape the identity and way of working of a company. A good organizational culture provides clear direction, motivates employees, and influences their decisions and actions (Adam et al., 2020).

The importance of an effective organizational culture and in accordance with company goals cannot be ignored. A strong organizational culture can significantly affect employee performance. Employees who feel connected to a positive organizational culture and in line with their personal values tend to be more actively involved in their work, have high levels of job satisfaction, and contribute productively to achieving organizational goals.

A good organizational culture can also increase cooperation and collaboration between employees, reduce interpersonal conflicts, and create an inclusive work environment. Through a strong organizational culture, companies can inspire employees to adopt high performance standards, innovation, and customer orientation, which in turn can increase the company's competitive advantage. (Jufrizen et al., 2021).

However, despite the strong influence of organizational culture on employee performance, there may be a gap between the culture desired by the company and the culture that is actually embraced by employees. This gap occurs when there is a discrepancy between the values officially declared by the company and the daily practices in the workplace. This misalignment can result in employee dissatisfaction, frustration, and even decreased performance (Ekosusilo, 2020; Hasibuan & Bangun, 2020).

This study aims to analyze the influence of organizational culture on employee performance, explore the factors that influence an effective organizational culture, and identify gaps that may occur between the desired culture and that which is lived by employees. Through a comprehensive research approach, it is hoped that the findings from this study can provide valuable insights for management in designing cultural development strategies

LITERATURE REVIEW

Organizational culture

According to Wardiah (2016: 196) explains that organizational culture is essentially the basic values of the organization, which will serve as the basis for attitude, behavior and action for all members of the organization. Organizational culture is the way people behave in organizations and it is a set of norms consisting of beliefs, attitudes, core values and patterns of behavior shared in the organization.

According to Umi, et al (2015: 02) Organizational culture is a norm and values formed and implemented by a company to influence the characteristics or behavior in leading its employees so that they can carry out tasks in a timely manner and guide employees in achieving organizational goals. Organizational culture, namely how members or a group of employees are able to deal with external and internal problems, therefore organizational culture must be developed and taught to members so that it becomes a guideline for behavior for members in dealing with problems.

Functions of Organizational Culture

Organizational culture has a function or role within the company. According to Robbin and Coulter (2012:79) culture carries out a number of functions within the organization. The five functions of organizational culture are: Culture has a role in setting boundaries, meaning that culture creates clear

differences between one organization and another. Culture provides a sense of identity to organizational members. Culture facilitates commitment to something wider than one's personal self-interest. Culture increases the stability of social systems, meaning that culture becomes the social glue that can unite the organization by providing appropriate standards for what employees should say and do.

According to Robbins in Wibowo's book (2010: 51) the function of culture is to: Have boundary-defining roles, namely to create differences between one organization and another. Conveys a sense of identity to organizational members. Culture facilitates the generation of commitment to something greater than individual self-interest. Increase the stability of the social system. Culture is the social glue that helps hold organizations together by providing appropriate standards for what workers say and do. Culture serves as a sense-making and control mechanism that guides and shapes employee attitudes and behavior.

Impact of Organizational Culture

According to Rivai and Mulyadi (2012: 375), that: Culture has a stronger and greater impact on organizational performance, including: Corporate culture can have a significant impact on a company's economic performance in the long term. Company culture may even be a more important factor in determining the success or failure of a company in the future. Corporate cultures that hinder strong financial performance over the long term are common and they develop easily. Although difficult to change, corporate culture can be made to further enhance performance."

Employee Performance

According to Sedarmayanti (2011: 260) reveals that: "Performance is a translation of performance which means the results of the work of an employee, a management process or an organization as a whole, where the results of the work must be shown in concrete and measurable evidence (compared to standards set by has been determined)."

Performance is the ability of individuals or groups to provide satisfactory results where they work in certain parts of work (Duha, 2018: 43). Meanwhile, according to Hariandja (2012: 195), performance is the result of work produced by employees or real behavior that is displayed according to their role in the organization. Then according to Robbins, in Bryan (2014: 05) defines performance, namely a result achieved by employees in their work according to certain criteria that apply to a job.

According to Mangkunegara (2011: 67), performance is the result of work in quality and quantity achieved by an employee in carrying out his duties in accordance with the responsibilities given to him. Performance is the result of work achieved by someone in carrying out their duties on skills, effort and opportunity (Hasibuan, 2012: 160). According to Mangkunegara (2013: 67) that performance (work achievement) is the result of work in quality and quantity achieved by an employee in carrying out his duties in accordance with the responsibilities given to him.

According to Sunyoto (2012: 18) performance or work performance is something that is achieved by someone in carrying out the completion of the work assigned to him. Meanwhile, according to Bernardin and Russel in Sutrisno (2014: 150) providing a definition of achievement is a record of the results obtained from certain job functions or activities over a certain period of time.

METHODS

This research uses quantitative methods. Processing and hypothesis testing using SPSS version 25. The research location is a government institution in Riau Province. The population in the study were all office employees. In this study, sampling used a saturated sample, that is, according to if the population

is smaller than 100 people, then the population is used as a sample, so the number of samples studied is 35 ASN employees at the Food Security Service in Bengkalis Regency.

RESULTS AND DISCUSSION

This study raises the issue of the Influence of Organizational Culture on the Performance of the State Civil Apparatus (ASN) at the Bengkalis Regency Food Security Service. Respondents used as many as 35 employees, questionnaires distributed were as many as 35 copies.

Questionnaires collected as many as 35 respondents. Respondents who have filled out the questionnaire will then be identified based on gender, age, education and length of work. This identification was carried out to determine the general characteristics of the research respondents.

5.1.1 Respondents by Gender

An overview of the respondents can be seen by gender group, which can be seen in the following table:

Table 1 Respondents' Gender Group

Gender of Respondents	Amount	percentage
Man	14	40%
Woman	21	60%
Age	Amount	percentage
< 25 years	0	0
25-30 years	9	25.71%
31-44 years	19	54.29%
>45 years	7	20%
Length of work	Amount	percentage
< 10 years	7	20%
11-20 years	20	57.14%
> 21 years	8	22.86%

Based on table 1 above, it can be seen that there were 14 male respondents (40%) and 21 female respondents (60%). It is known that based on the age of the respondents, there were no respondents aged <25 years and under, 9 respondents aged 25-30 years (25.71%), 19 respondents aged 31-44 years (54.29%), and respondents aged > 45 years and over as many as 7 people (20%). It is known that based on the education of the respondents, there were 9 respondents with high school/equivalent education (25.71%), 1 respondent with a D-3 education (2.86%), 21 respondents with an undergraduate education (60%)) and 4 respondents with a Masters degree (11.43%). Based on table 1 above, it is known that based on the respondent's length of work,

Validity test

The validity test is used to determine whether the indicator instruments of each variable can be used to measure research variables.

Table 2: Validity of Organizational Behavior Variables (X)

No Item Statement	r count	r table	Information
Item 1	0.668	0.3338	Valid
Item 2	0.773	0.3338	Valid
Item 3	0.733	0.3338	Valid
Item 4	0.693	0.3338	Valid
Item 5	0.769	0.3338	Valid
Item 6	0.847	0.3338	Valid

Item 7	0.511	0.3338	Valid
Item 8	0.642	0.3338	Valid
Item 9	0.769	0.3338	Valid
Item 10	0.844	0.3338	Valid

From table 2 above it can be seen that all the indicators used to measure indicators on the Organizational Behavior variable (X) have a greater correlation coefficient than the r table. From these results it shows that all indicators in the Organizational Behavior variable (X) are declared valid.

Furthermore, to test the validity of the Performance variable (Y) it can be seen from table 5.30 below:

Table 3: Performance Variable Validity Test Results (Y)

No Item Item	r count	r table	Information
Item 1	0.594	0.3338	Valid
Item 2	0.696	0.3338	Valid
Item 3	0.620	0.3338	Valid
Item 4	0.435	0.3338	Valid
Item 5	0.746	0.3338	Valid
Item 6	0.760	0.3338	Valid
Item 7	0.637	0.3338	Valid
Item 8	0.775	0.3338	Valid
Item 9	0.553	0.3338	Valid
Item 10	0.459	0.3338	Valid
Item 11	0.536	0.3338	Valid
Item 12	0.590	0.3338	Valid

From table 5.30 it can be seen that all the indicators used to measure indicators on the Performance variable (Y) have a greater correlation coefficient than the r table. From these results it shows that all indicators on the Performance variable (Y) are declared valid.

Reliability Test

Reliability is an index number that indicates the extent to which a measuring device is trusted or reliable. In other words, reliability shows a consistency of a measuring device in measuring the same symptom. Reliability testing is to determine the consistency of variable measurement results.

Table 4: Research Variable Reliability Test Results

Variable	Cronbach's Alpha	Question Items	Information
Organizational Behavior (X)	0.892	10	Reliable
Performance (Y)	0.853	12	Reliable

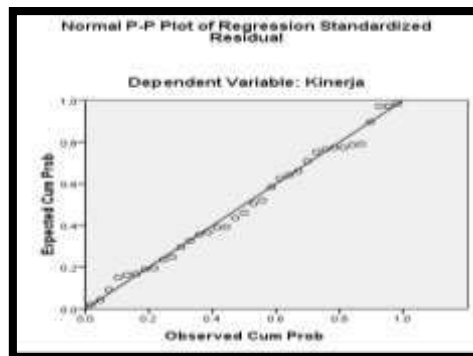
Based on table 3 it can be seen, Cronbach's Alpha for the Organizational Behavior variable (X) of 0.892 is greater than 0.6, and the Performance variable (Y) is 0.853 greater than 0.6 so it can be concluded that all research instruments are reliable because the value cronbach alpha is greater than the alpha coefficient value of 0.60,

Normality test

The goal is to test whether in a regression model, the dependent variable, independent variable or both are normal or not. A good regression model is one that is normal or close to normal.

The results of research using SPSS can be seen in the image below

Figure 5.1
Data normality Effect of organizational culture on performance



Based on pictures above, it can be seen that the distribution of the data is around the diagonal line and follows the diagonal line, because the regression model, the independent variable and the dependent variable fulfill the data normality assumption, this means that the data is normal and feasible to be tested. Thus statistical testing can be carried out in this study to fulfill the research hypothesis. To test the normality of the data the author also performs the One Sample Kolmogorov-Smirnov Test, this can be seen in the table below:

Table 5: Test Results One Sample Kolmogorov-Smirnov Test

		Unstandardized Residuals
N		35
Normal Parameters,,b	Means	.0000000
	std. Deviation	4.91232984
Most Extreme Differences	absolute	.090
	Positive	.090
	Negative	-.062
Kolmogorov-Smirnov Z		.532
asympt. Sig. (2-tailed)		.940

a. Test distribution is Normal.

b. Calculated from data.

Based on table 5.32 above, it is known that the significance value asympt. Sig. (2-tailed) of 0.940 is greater than 0.05, then according to the basis for decision making in the test One Sample Kolmogorov-Smirnov Test above, it can be concluded that the data is normally distributed. Thus the normality assumptions or requirements in the regression model have been fulfilled.

Hiptesys test (T test)

The results of the study using the t test can be seen in the table below:

Table 6 : Test Results t

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	std. Error	Betas		
1 (Constant)	26,359	6.690		3.940	.000
Organizational culture	,551	,59	.515	3.454	.002

a. Dependent Variable: Performance

To test the significance of the independent variable, seen by comparing t_{count} with t_{table} , if $t_{count} > t_{table}$ then the hypothesis is accepted, and if $t_{count} < t_{table}$ then the hypothesis is rejected, the amount of t_{count} can be seen from t table. From the t test results obtained the value t_{count} for variables Organizational culture of 3.454 (larger than t_{table} of 2.034), and P Value of (0.002 < 0.05) the results of this study indicate that Organizational culture has a significant effect on the performance.

Determination Test (R²).

To find out the magnitude of the influence of the independent variables can be seen in the following table:

Table 7 Coefficient of Determination (R²)

Model	R	R Square	Adjusted R Square	std. Error of the Estimate	Durbin-Watson
1	,515a	,266	,243	4,986	1,727

a. Predictors: (Constant), Culture. Organization

b. Dependent Variable: Performance

Based on the calculation of the above values, the correlation coefficient (R) value is 0.515, meaning that there is a strong influence between variables Organizational culture on Performance. Then the coefficient of determination R Square is 0.266. It means that variable Organizational culture contributed 26.6% to the performance of ASN employees at the Bengkalis Regency Food Security Service, the remaining 73.4% was influenced by factors not examined in this study.

The Effect of Organizational Culture on Performance

Having an organizational culture will make it easier for employees to adjust to the organizational environment, and help employees know what actions should be taken in accordance with the values that exist within the organization and uphold these values as guidelines for employees to behave in a manner that can be carried out in carry out their duties and work (Riani, 2011: 109). An organization is usually formed to achieve a certain goal through the performance of all human resources in the organization. However, the performance of human resources is largely determined by the internal and external environmental conditions of the organization, including organizational culture. Therefore, the ability to create an organization with a culture capable of encouraging performance is a necessity (Wibowo, 2010: 363)

According to Marwansyah (2016: 187) explains that organizational culture has a strong influence on employee performance and organizational performance. Although not easy to change, corporate culture can be created to improve performance. The importance of organizational culture in relation to employee performance is reinforced by Robbins's statement in Wardani, et al (2016: 60) in fact, one study of organizational culture suggests that employees in companies with strong cultures are more committed to their companies than employees in companies with weak cultures. . Companies with

strong cultures will also use their recruiting efforts and outreach practices to build employee commitment. And there is increasing evidence that strong culture is associated with high organizational performance.

CONCLUSION

Based on the results of this study, several conclusions were obtained which are briefly presented whereas the results indicated that Organizational culture significant effect on performance. From the coefficient of determination R Square of 0.266. It means that variable Organizational culture contributed 26.6% to the performance of ASN employees at the Bengkalis Regency Food Security Service, the remaining 73.4% was influenced by factors not examined in this study.

REFERENCE

- Abdullahi, M., Raman, K., & Solarin, S. (2021). Effect of Organizational Culture on Employee Performance: A Mediating Role of Employee Engagement in Malaysia Educational Sector. *International Journal of Supply and Operations Management*, 8(3), 232–246. <https://doi.org/10.22034/IJSOM.2021.3.1>
- Adam, A., Yuniarsih, T., Ahman, E., & Kusnendi, K. (2020). The Mediation Effect of Organizational Commitment in the Relation of Organization Culture and Employee Performance. 260–264. <https://doi.org/10.2991/aebmr.k.200131.056>
- Adu, J., & Nawangsari, L. C. (2022). Build Organizational Citizenship Behavior Toward Environment Through Organizational Culture, Organizational Commitment and Mediated Self-efficacy. *International Journal of Indonesian Business Review*, 1(1), Article 1. <https://doi.org/10.54099/ijibr.v1i1.251>
- Bryan J. Tampi. 2014, Pengaruh Gaya Kepemimpinan dan Motivasi Terhadap Kinerja Karyawan Pada PT. Bank Negara Indonesia (Regional Sales Manado), *Jurnal “Acta Diurna”* Volume III. No.4, 1-20
- Duha, Timotius. 2018, “Perilaku Organisasi”, Ed.1. Yogyakarta: Deepublish
- Dunggio, Swastiani. 2020. Pengaruh Budaya Organisasi Terhadap Kinerja Pegawai Di Kantor Camat Duingi Kota Gorontalo. *PUBLIK: Jurnal Manajemen Sumber Daya Manusia, Adminstrasi dan Pelayanan Publik Sekolah Tinggi Ilmu Administrasi Bina Taruna Gorontalo*
- Ekosusilo, M. (2020). The impact of organizational culture, compensation on job satisfaction, and work motivation on school principal performance in Indonesia: Mediating role of supply chain practices. *International Journal of Supply Chain Management*, 9(1), 765–773.
- Fahmi, Irham. 2016. *Manajemen Sumber Daya Manusia Teori dan Aplikasi*. Bandung: Alfabeta
- Hasibuan, Malayu S.P., 2012. *Manajemen Sumber Daya Manusia*. Bumi Aksara, Jakarta
- Hasibuan, P. W., & Bangun, S. (2020). The Influence of Organizational Compensation and Culture on Employee Performance in PT. Artatel Indokarya. *Journal of Research in Business, Economics, and Education*, 2(3), 612–622.
- Hasmin, Ely. 2016. Pengaruh Budaya Organisasi Terhadap Kinerja Pegawai Di Kantor Sekretariat Daerah (SETDA) Kota Tarakan. *Jurnal Imiah BONGAYA (Manajemen & Akuntansi)* April 2016, No.XIX ISSN : 1907 – 5480
- Iskamto, D. (2012). Persoalan sumber daya manusia dalam pengembangan ekonomi Islam. *Eko Dan Bisnis (Riau Economics and Business Review)*, 3(1).
- Iskamto, D. (2021). Stress and Its Impact on Employee Performance. *International Journal of Social and Management Studies*, 2, Article 3. <https://doi.org/10.5555/ijosmas.v2i3.42>
- Jufrizen, J., Mukmin, M., Nurmala, D., & Jasin, H. (2021). Effect of Moderation of Work Motivation on the Influence of Organizational Culture On Organizational Commitment and Employee Performance. *International Journal of Business Economics (IJBE)*, 2(2), Article 2. <https://doi.org/10.30596/ijbe.v2i2.6710>
- Marwansyah. 2016. *Manajemen Sumber Daya Manusia*. Edisi Dua. Cetakan keempat. Bandung: Alfabeta, CV

- Novziransyah, Nanda. 2017. Pengaruh Budaya Organisasi Terhadap Kinerja Karyawan PT. PLN (PERSERO) Kantor Wilayah Sumatera Utara Medan. Jurnal: Jumanantik Volume 2 nomor 1
- Nurdin, Ismail dan Sri Hartati. 2019. Metodologi Penelitian Sosial. Surabaya: Media Sahabat Cendekia PP (Peraturan Pemerintah) No 30 tahun 2019. Penilaian Kinerja Pegawai.
- Priyatno, Dwi. 2014, Mandiri Belajar Analisis Data dengan Spss (Yogyakarta: Mediakom)
- Riani, A Laksmi. (2011). Budaya Organisasi. Yogyakarta: Graha Ilmu.
- Rivai, Veithzal dan Deddy Mulyadi. 2012. Kepemimpinan dan Perilaku Organisasi (Edisi Ketiga). Jakarta: PT. Rajagrafindo Persada.
- Rivai, Veithzal. 2011. Corporate Performance Management dari Teori Ke Praktek, Raja Grafindo Persada, Jakarta.
- Robbins, P. Stephen dan Mary Coulter. 2010. Manajemen, diterjemahkan oleh Bob Sabran, Wibi Hardani. Erlangga: Jakarta.
- Sedarmayanti, 2015. Manajemen Sumber Daya Manusia, Reformasi Birokrasi Dan Manajemen Pegawai Negeri Sipil. Bandung: Refika Aditama.
- Sedarmayanti. 2011. Manajemen Sumber Daya Manusia. Reformasi Birokrasi dan Manajemen Pegawai Negeri Sipil, Cetakan Kelima, PT Refika Aditama, Bandung.
- Simamora, Henry. (2014). Manajemen Sumber Daya Manusia. Yogyakarta: Bagian Penerbitan Sekolah Tinggi Ilmu Ekonomi YKPN
- Sugiyono, 2009, Metode Penelitian Bisnis (Pendekatan Kuantitatif, dan R&D). Alfabeta, Bandung.
- Sugiyono, 2012. Memahami Penelitian Kualitatif, Bandung: Alfabeta.
- Sugiyono. 2012. Metode Penelitian Kuantitatif Kualitatif dan R&D. Bandung: Alfabeta.
- Sugiyono. 2013. Metode Penelitian Kuantitatif, Kualitatif dan R&D. Bandung : Alfabeta
- Sulaksono, Hari. 2015. Budaya Organisasi dan Kinerja. Yogyakarta: DEEPUBLISH
- Sunyoto, Danang. 2012. Manajemen Sumber Daya Manusia. Jakarta: PT Buku Seru.
- Supranto, J, 2009, Statistik : Teori dan Aplikasi, Jilid I, Edisi 7, Erlangga, Jakarta.
- Sutrisno, Edy, 2014. Manajemen Sumber Daya Manusia. Cetak Ke Enam. Pranada Media Group, Jakarta.
- Sutrisno, Edy. 2015. Manajemen Sumber Daya Manusia. (Cetakan ke tujuh). Jakarta: Kencana Prenada Media Group
- Triatna, Cepi. 2015. Perilaku Organisasi. Bandung: PT. Remaja Rosdakarya.
- Umar, Husein, 2011, Metode Penelitian untuk Skripsi dan Tesis Bisnis, Rajawali Pers, Jakarta.
- Umi, Zahriah Wita, Hamidah Nayati Utami, Ika Ruhana. 2015. "Pengaruh Budaya Organisasi Terhadap Kinerja Karyawan Pada PT. PLN (Persero) Distribusi Jawa Timur Area Malang". Jurnal Administrasi Bisnis (JAB). Vol. 2 No. 1
- Wardiah, Lasmi M. (2016). Teori Perilaku dan Budaya Organisasi. Bandung: Pustaka Setia
- Wibowo, 2016. Manajemen Kinerja, Edisi Kelima, PT. Rajagrafindo Persada Jakarta-14240.
- Wibowo. 2010. Budaya Organisasi. Jakarta : PT. Raja Grafindo Persada.
- Wirawan, 2015. Evaluasi Kinerja Sumber Daya Manusia (Teori, Aplikasi, dan Penelitian). Jakarta: Salemba Empat.