

Employee Performance Improvement As An Impact of Applying Organizational Culture

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Abstract

This research is motivated by problems related to how companies can maintain and improve performance to support the company's goals. This study aims to determine and analyze the influence of organizational culture on employee performance at State-Owned Bank in Indonesia, Bandung City. The research method used in this research is quantitative method with descriptive-causality research type. Sampling was done by non-probability sampling technique used is simple random sampling with 54 respondents employees. The data analysis technique used was descriptive analysis and simple regression analysis. Based on descriptive analysis, organizational culture is included within the good category. Employee performance is included within the excellent category. The study results indicate that organizational culture has a positive and significant effect on employee performance by 42.6%.

Keywords

Organizational Culture, Employee Performance, Human Resource Management

1. Introduction

Individual performance determines whether employees have the required ability to work on projects or not. Performance depends on a combination of ability, effort, and opportunity (Hasibuan, 2016). Performance is the result or output of a process (Dessler, 2020). Effective employee performance can be measured based on the quantity of work, timely completion that has been determined, as well as good quality of work, to achieve this requires a common view of the vision, mission, and goals. Human resources with competent management are one of an organization's success criteria. As a result, employees play an important part in achieving organization goals (Fakhri et al., 2021). Employees have to take an active role in helping the organization achieve its goals with their ideas and passion. In order to fulfill company goals, better human resource management is a necessity, which includes paying attention to how employees are able to adapt with organizational culture.

Previous studies mention that an understanding of organizational culture among employees is affecting their performance thus, it also aligns with company's goal (Augustrianto et al., 2019; Balaji et al., 2020). A preliminary survey is held on employees of the state-owned bank, which yielded 57 percent of respondents perceive that organization culture is not relevant. Company's cannot ignore these circumstances for the reason that they will affect the company's performance. According to Robbins and Judge (2017), organizational culture can help performance because it creates an additional motivation for the employees. Mutual values and behaviors can create a comfortable situation in a work environment. Organizational culture is built as one of the strategies to motivate employees to achieve better performance. Thus, a good organizational culture will support the employees in exhibiting their best behavior at work and developing their abilities (Bakker & Schaufeli, 2008). Organizational culture normally represents employee's cultivated behavior. Sometimes it appears in the form of an anagram to represent each value (Cameron & Quinn, 1999). The POLA PRIMA represents the values every employee of this state-owned bank comprises the value of optimum services wherein employee must perform with friendly and politely, innovation with perfection, being an exemplary employee, professional and responsible, integrity, and cooperation. However, based on the interview outcome, there are several values not executed properly. This situation will draw attention, especially to the corporation that demands the best from their employees to achieve organizational goals.

2. Literature Review

According to Robbins and Judge (2017), organizational culture is a system of shared meaning on the primary values, which creates a clear distinction between one organization and another, and also it creates a particular identity for members of the organization. Organizational culture facilitates the collective commitment of organization members, increases the social system stability, and generates control mechanisms to shape organizational members' attitudes and behavior.

Organizational culture is a framework that guides members' behavior to make decisions and direct their actions to achieve organizational goals. Organizational culture is a pattern of basic assumptions found, created or developed by a certain group with the intention that the organization can overcome every problem that arise inside and outside the organization. Every organization member needs to be taught to apply the culture to the community in an expected way, thus they can understand and be a part of the stakeholder. (Cascio, 2015). Organizational culture is a set of system values, beliefs or norms preserved, agreed and followed by members of an organization as a guidance for their behavior to solve organization problems (Cameron & Quinn, 2011). Organizational culture can help overcome the problem of external adaptation and internal integration. Problems related to external adaptation can be solved by developing an understanding of the mission and organization's strategy, the organization's primary objective, and performance measurement. Meanwhile, problems related to internal integration can be settled with communication, employee criteria, setting standards for incentives (rewards) and sanctions (punishments), and carrying out internal control of the organization (Cascio, 2015).

Hasibuan (2016) describes employee performance as a work result that a person can achieve in carrying out the tasks assigned to him based on skills, experience, and ability to manage work time. Employee performance is a combination of three important factors: the ability and interest of a worker, the ability and acceptance of task delegation, and level of worker motivation. Thus if the three factors are increase, it will affect the performance as well. Dessler (2020) stated that performance results from the quality and quantity of work achieved by an employee carrying out the duties under the given responsibilities.

Employee performance defines as the last indicator of an employee's success in performing their job (Sutrisno, 2016). Meanwhile, Saragih et al. (2018) define performance as the outcome of work connected to organizational goals such as quality, efficiency, and other work effectiveness factors. Armstrong (2019) asserts that performance is frequently viewed solely as an output obtained or as a record of one's accomplishments and measured by the quality and quantity of work completed according to the organization's predefined correctness, completeness, cost, and velocity. If an employee's behavior results in work that meets the organization's requirements or criteria, the employee's performance is categorized as good, and vice versa. If an employee's behavior results in work results that are less than or inconsistent with the organization's standards, the employee's performance can be considered less than satisfactory.

3. Methodology

The study conducted is descriptive and associative research methods. Descriptive research is the study of a situation or occurrence. Descriptive analysis is not looking for or explaining relationships nor testing hypotheses, or making predictions. Meanwhile, associative research is used to determine the association between two or more factors. Correlational research is used to determine the relationship between two or more variables. The relationship between the variables is causal, i.e. cause and effect.

4. Result and Discussion

a. Normality test

Normality test of the data described in Table 1

Table 1. One-Sample Kolmogorov-Smirnov Test

		Unstandardized Predicted Value
N		54
Normal Parameters ^{a,b}	Mean	4.7126852
	Std. Deviation	.32492041
Most Extreme Differences	Absolute	.092
	Positive	.086

	Negative	-.092
Kolmogorov-Smirnov Z		.674
Asymp. Sig. (2-tailed)		.754

- a. Test distribution is Normal.
- b. Calculated from data.

According to Table 1, the data indicates that the value is significantly bigger than alpha ($0.754 > 0.05$). As a result, it can be stated that all variables' data are regularly distributed. The Kolmogorof-Smirnov test is used solely to reinforce the reading of histogram and normality graphs discussed previously.

b. Heteroscedasticity Test

The heteroscedasticity test was used to determine whether the variance of one residual observation was greater than the variance of another residual observation. A regression model that satisfies the conditions is one in which the variance of the residuals of one observation is similar to the variance of the residuals of another observation. The heteroscedasticity test is represented in Figure 1.

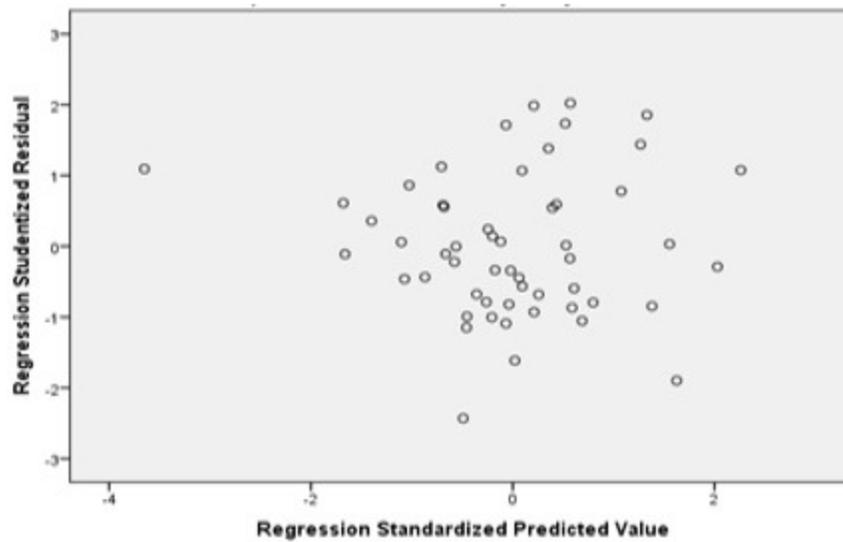


Figure 1. Heteroscedasticity result

c. Simple regression result

Simple linear regression analysis is used to determine the independent variable's direct effect on the dependent variable. The conclusions are described in Table 2:

Table 2. Simple regression result

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.501	.519		2.890	.006
Organizational Culture	.679	.109	.653	6.217	.000

- a. Dependent Variable: Employee performance

d. Hypothesis test

According to the t-test, shown in Table 3, the t-value is 10,611, and the significance value is 0.000. Since t-value is (10.611) is higher than t-table (1.67528), H0 is rejected and H1 is accepted. Thus, the organizational culture affects employee performance.

Table 3. T-Test value

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.501	.519		2.890	.006
Organziational culture	.679	.109	.653	6.217	.000

a. Dependent Variable: Employee performance

e. Coefficient determination

The influence of organizational culture on employee performance is reflected by the correlation coefficient (r) of 0.653. The amount of organizational culture that has an impact on employee performance is shown by the coefficient of determination calculated using the following formula:

$$\begin{aligned}
 KD &= r^2 \times 100\% \\
 &= 0,426 \times 100\%
 \end{aligned}$$

Discussion

The percentage value of 83.50 percent as the descriptive result from respondents' responses to organizational culture is within good category. As a result of this variable, it can be concluded that the organizational culture employee state-owned bank is appropriately applied. The most significant percentage result was attained on the tenth statement item on the professionalism dimension, at 93.3 percent. This tenth statement item refers to the company's emphasis on each employee's competence. Meanwhile, the fourteenth statement item is the lowest within organizational culture, focusing on the dimension about the spirit to reach greatness has the lowest percentage value at 61.4 percent. This fourteenth statement item refers to the encouragement of all employees to have a passionate attitude toward work, which shows that employees are not as excited about the existing job.

The percentage value of the descriptive result is 84.32 percent resulting from respondents' responses to employee performance is within very good category. The highest percentage value was found on the fourth statement item on the quantitative aspect dimension, at 87.1 percent. This fourth statement item refers to the maximum number of customers served in an hour of operation. This demonstrates that personnel can provide excellent service to 12 consumers in a single hour of work. Meanwhile, the sixth statement item on the qualitative component dimension has the lowest percentage value at 80.7 percent. This sixth statement item refers to the quality of service offered by each employee to clients, yet the percentage achieved implies that the employee is always trying to maintain excellent service quality, despite the lowest percentage value presented. Hypothesis test shows that t-value (10.611) > t-table (1.67528) with a significance level of 0.000 < 0.05, which inferred that the organizational culture (X) affects significantly on employee performance (Y).

5. Conclusion

Based on the results of research and discussion of the influence of organizational culture on employee performance at state-owned bank employees in Bandung area stated as follows:

- a. Organizational Culture at state-owned bank employees is in a good category.
- b. Employee performance at state-owned bank employees is in a very good category.
- c. Based on the t-test results, organizational culture and work motivation significantly affect employee performance at state-owned bank employees.

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