THE INFLUENCE OF ORGANIZATIONAL CULTURE AND MOTIVATION ON EMPLOYEE PERFORMANCE

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Abstract: The main purpose of the study is to investigate the impact of "X" Company's culture and motivation on its employees' performance. 30 employees of "X" Company were the subjects of this investigation. Quantitative approaches were used in this study. A questionnaire was utilized to gather the information. The SPSS version 22 program for Windows was utilized to do the multiple linear regression data analysis in this study. As shown in the findings of this study, both organizational culture and employee motivation have a positive and significant impact on employee performance. A further finding of the R² indicates that 92.4% of the factors of employee performance is, while the remaining 7.6% is due to factors beyond the scope of this study.

Keywords: Organizational Culture, Motivation, Employee Performance

1. Introduction

Every company expects its employees to achieve achievement since high-performing employees will contribute the most to the company. Furthermore, having high-performing personnel can help the organization operate better. The quality and amount of work performed by an employee in carrying out his or her responsibilities in accordance with the obligations assigned to him or her is defined by (Mangkunegara, 2009) Click or tap here to enter text. as performance. In other words, a company's long-term sustainability is defined by its people. The output produced by the factors of a profession or employment within a given time period is referred to as performance (Wirawan, 2009).

In Sitepu (2013), Dessler (2010) highlights that an employee's actual accomplishments as compared to their expected ones are referred to as their performance. Employees are expected to perform at a certain level based on the standards that have been established for their position in relation to the standards that have been established for the task that has been set in order to achieve the greatest effectiveness. Employee performance is defined by the quality and amount of work they produce while fulfilling the tasks assigned to them, as stated by (Mangkunegara, 2009). Performance is measured by how well an employee does the duties assigned to them.

Naturally, an organization or firm has a personality, and that personality is embodied in the organization. According to Robbins and Judge (in Taurisa & Ratnawati, 2012), organizational culture reflects the members' shared perceptions. Organizational culture is a critical component of empowering people in a company. Organizational culture can be utilized to manage personnel beginning with how they collaborate as well as serve as the foundation for all members of the
organization to do their duties. Additionally, organizational culture is a manner for employees to communicate with one another. It is also likely that a positive organizational culture will have a positive impact on the overall success of the corporation (Arianty, 2012).

In Tampubolon (2012), Randolph and Blackbum define organization culture as a collection of fundamental values, beliefs, and understandings developed by and for organizational members. Susanto (in Nawawi, 2014) defines organizational culture as “the values that influence human resources in carrying out their responsibilities and behaving appropriately within the organization.” These values will determine if an activity is correct or incorrect, as well as whether the behavior is suggested or not, and therefore serving as a basis.

Along with organizational culture, motivation is another aspect that can affect employee performance. Motivation is essentially a mechanism that influences the amount of effort that will be expended on completing tasks. According to Siagan (in Suwati, 2013), employers can utilize motivation to get employees to do things like mobilize their talents, energy, and time to achieve tasks that are part of their responsibilities and obligations. According to Gibson and Stoner (Notoatmodjo, 2015), motivation is a factor that determines an employee's or workforce's performance.

According to Rivai and Sagla (2009) motivation is the result of beliefs and attitudes that inspire people to attain specific goals. Individuals possess certain attitudes and values, which motivate them to act in order to achieve their goals. Basically, to achieve best performance with specified aims, a corporation must urge employees to commit their energy and thoughts to work. The problem of employee motivation is not easy because every employee has different desires, needs and expectations. Therefore, if management can understand motivational issues and overcome them, the company will get optimal employee performance.

Robbins, and Judge (2013) motivation is defined as the desire to do something as well as a readiness to put in a lot of work towards achieving a goal. Meanwhile, Mangunegara (2011) argue that motivation stems from the word motive, which is an encouragement of requirements in employees that must be met in order to adapt to their surroundings. Thus, motivation is a state that motivates employees to attain their goals. Furthermore, motivation is an incentive to accomplish or do an activity or task well in order to succeed.

Organization culture has an important role in building employee performance and productivity. In order to promote efficiency and effectiveness, improve consistency, resolve conflicts, and facilitate coordination and control, organizational culture molds employee behavior and fosters a mix of fundamental beliefs (dominant values). Organizational culture will increase employees’ work motivation by giving them a feeling of belonging, loyalty, trust and values and encouraging them to think positively about themselves and the organization. Thus, the organization maximizes the potential of employees and wins the competition. At some point, organizational culture will also serve as a motivation for employees in the course of their jobs.

The culture of organization in "X" Company intend to create values regarding mutual respect, mutual trust, responsibility, honesty and foster employee creativity and innovation for mutual convenience. With this culture, it also encourages the development of the company to the current state, but in its development, the level of employee stability brings back consequences for the culture itself, thus affecting the performance of its employees at “X” Company.

The application of organizational culture in "X" Company has been well embedded in employees. The company has special values of organizational culture which aims to enable every
member of the organization to work together to achieve goals efficiently, both in the division of tasks and also the sense of responsibility given. This indication of the leadership role in creating harmonious communication between employees and providing employee coaching, will cause the level of employee performance to increase. Likewise, employee motivation, such as discipline in coming to work, being diligent at work will cause employee performance to increase. The organizational culture at “X” Company can be seen from the interaction between fellow employees and good communication between divisions or other sections. Because collaboration and cooperation are needed in organizations, so that companies can achieve optimal performance.

Motivating employees is critical in every business. Employees that are highly motivated at work will be able to motivate other employees to work more energetically and will be able to contribute positively to the task that has been assigned to them. In "X," Company motivation is provided by rewards of incentives and career opportunities for those who perform well and efficiently. In addition, the provision of salaries and allowances is adjusted to the work, the existence of health insurance, tourism activities to further familiarize interpersonal relationships and cooperation that fosters feelings of being recognized and appreciated, and training to increase and improve employee skills. With such motivation, it is hoped that employees will compete in a healthy manner to show their achievements with the skills they have.

Based on research conducted by Sinaga (2009) entitled the “influence of organizational culture on employee performance at the regional secretariat of the district of North Sumatra”, it was found that organizational culture has a positive and significant influence on employee performance. In addition, according to Marliana B. Winanti (2012) entitled “the influence of organizational culture and motivation on employee performance at PT. Atri Distribution”, shows that there is a positive and significant influence of organizational culture on employee performance.

Rika Wulanda et al. (2013) in her research entitled “the influence of the level of education and training motivation and organizational culture on the performance of civil servants at the regional secretariat of Wakatobi Regency”, showing that there is a positive and significant influence of organizational culture and motivation on employee performance. Further research by Syafitri Diah Kusumawati (2014) entitled “the influence of organizational culture and work motivation on employee performance at Regional Office 1 of the Yogyakarta State Civil Service Agency”, shows that there is a positive and significant influence of organizational culture on employee performance. Moreover, according to Susandi Prihayanto & Ratnawati (2011) entitled “the analysis of the influence of organizational culture and motivation on the performance of study employees at PT. Telekomunikasi Indonesia tbk. Regional IV Central Java – DIY”, shows that there is a positive and significant influence of organizational culture on employee performance.

It is necessary to analyze "X" Company's organizational culture and motivation in order to assess the impact on employee performance. Employees will be motivated to perform their duties and obligations if the workplace has a positive work culture and high levels of motivation. Employee performance is also largely determined by individual factors, which include motivation, either directly or indirectly. By directing good employees of “X” Company then employees can work and solve problems according to applicable rules and can innovate in completing their work and duties, through the creation of organizational culture, motivation, and maximum employee performance.
The author conducted a study with the title "Influence of Organizational Culture and Motivation on Employee Performance at "X" Company" based on the background of the issues supported by the theories in the preceding discussion, as well as the formulation of problems: Does organizational culture affect the performance of Employees of “X” Company?; Does motivation affect the performance of “X” Company employees? Whether organizational culture and motivation significantly affect the performance of “X” Company employees?.

2. Literature Review

2.1. Organizational Culture

Organizational culture is a concept that is one of the cornerstones to an organization's success in achieving common goals. Employees can work carefully because organizational culture is useful for new employees as a basis for correcting their perceptions, thoughts, and feelings in problem-solving relationships, according to Wagner and Hollenbeek as cited in Tampubolon (2012). In essence, organizational culture guides all employees or team members in attaining the organization's goals, and it can help maintain employee behavior consistency in carrying out organizational responsibilities.

When it comes to organizational culture, Owens & Schein (1990) in Ehtesham et al. (2011) defines it as a pattern of shared values and beliefs that are adopted from the problem-solving process and result in behavioral norms that are believed and shared by all employees from time to time. While Hofstede (1980) in Jarad et al. (2010) said that organizational culture refers to the collective thinking patterns of values and practices that distinguish one organization from another and are shared by all employees. Organizational culture informally according to Wagner (2005) in Jarad et al. (2010) can be interpreted as a shared meaning that arises from understanding themselves and membership in organizations that bind them together and the influence that occurs on themselves and their work. Rousseau (1990) in Jerome (2013) states that organizational culture is a system of shared meaning of values and norms that are accepted, believed and understood through learning, socialization and sharing among members of the organization.

Defined by Schein (1985) in Laksmi (2011) organizational culture is a set of basic assumptions that a group finds, creates, or develops in order to learn to overcome or overcome problems that arise as a result of external adaptation and internal integration. An organization's culture is built to overcome future obstacles. Organization is an input and output with a body and a personality (Mangkunegara, 2015).

Instead, Robbins (2013) describes organizational culture as a system of shared meanings held by individuals that distinguishes the organization from others. Furthermore, Wibowo (2011) in Bukhori (2014) define organizational culture as the basic philosophy of an organization that incorporates common views, conventions, and values that are the key features of how things are done in an organization. Thus, with a shared core concept serving as a common guideline, it is envisaged that organizational members will be able to behave more effectively in achieving organizational goals.

2.2. Motivation

Robbins, and Judge (2013) argue that motivation is the desire to do, as well as a process that helps decide the intensity, direction, and individual tenacity in an effort to achieve goals, that is conditioned by motivation. While Mangkunegara (2011) motivation derives from the word
motive, which encourages employees to fulfill their own requirements in order to adapt to their work environment. In other words, motivation is a condition that drives employees to attain the goals they set for themselves.

Rivai and Sagla (2009) motivation as a set of beliefs and attitudes that drive people to attain specific goals. Individuals possess certain attitudes and values, which motivate them to act in order to achieve their goals.

As’ad (2008) in Rosyadi (2012) motivation as encouragement. Motivation is a driving force that motivates people to perform in ways that have a purpose. Meanwhile, motivation is the state of directing one's energy and willpower towards achieving certain results or goals. The results in question can be in the form of productivity, attendance or other creative work behaviors (Sopiah, 2008). According to the views of various experts, the researcher believes that motivation is a state of mind that inspires, stimulates, or encourages someone to do something or engage in an activity in order to accomplish his or her objectives.

Meanwhile, according to Siagian in (Suwati, 2013) employees are given motivation as a motive force to exert their talent, expertise, skills, energy, and time in carrying out various actions that are their responsibility and obligations, in order for the organization's goals and objectives to be met.

Researchers employed Maslow's motivation factors in this investigation. Abraham Maslow proposed the Maslow’s need hierarchy theory of motivation. Maslow proposes five levels of human needs in Hasibuan (2009):

1) Physiological-needs;
2) Safety needs;
3) Social needs;
4) Esteem-need;
5) Self-actualization need;

2.3. Employee Performance
The quality and amount of an employee's duties and obligations determine their performance (or work achievement) (Mangkunegara, 2009). A performance's success can be measured in terms of both its quantitative and qualitative components. Siswanto (in Sandy, 2015) notes that a person's performance is defined as the results he or she achieves in completing the duties and work that have been allotted to him.

According to Rivai and Sagla (2009) motivation and skill determine performance. A person's willingness and ability to finish a task or job are required to do so. It takes more than just willingness and skill to accomplish something. Every employee's function in the organization requires them to perform. Employee productivity is critical to the company's success.

Dessler (2010) in Sitepu (2013) reveals that employee performance is the difference between actual and expected performance. Expected work performance is a standard performance that is compiled so employees can compare their performance to the standards made.

According to Sinambela (2012), employee performance is defined as their skill level. Employee performance is vital because it determines how well an employee can accomplish the responsibilities assigned to him. Thus, it is vital to establish explicit and quantitative standards.

According to Moeheriono (2012), performance is a term that refers to the degree to which an organization's goals, objectives, vision, and mission are realized through the implementation
of a program of activities or policies. According to different expert viewpoints, employee performance is the consequence of work performed by an individual within an organization in order to accomplish the organization's objectives and reduce losses.

3. Research Method

Quantitative research is the method employed in this paper. Quantitative research is the process of obtaining knowledge through the use of numerical data as a tool for obtaining the desired information (Darmawan, 2013). The main objective of this study is to investigate the impact of organizational culture and motivation on the performance of employees at the "X" Company.

Quantitative research is a positive teaching strategy that is used to investigate a population or sample. Random sampling is used to collect data, which is analyzed and transformed into quantitative or statistical data with the goal of testing the hypotheses that have been presented. Therefore, this research consists of three variables, namely Organizational Culture (X1), Motivation (X2), and Employee Performance (Y).

4. Results and Discussion

This study aims to determine the effect of organizational culture and motivation on employee performance at X Company. The discussion of each variable is as follows: The results of the study indicate that Organizational Culture has a positive and significant effect on employee performance. That is, if the support for organizational culture is increased, then employee performance will increase. This is shown by the value of t statistic 10.562 then the value in the distribution table is 5% (0.05) which is 1.703. Then the value of t statistic > t table (10.562 > 1.701), this is supported by the significance value (0.000 < 0.05) which means Ha is accepted and Ho is rejected.

The results of this study are in line with Kusumawati (2014) in this study which shows that organizational culture has an effect on employee performance. Measurement of the application of organizational culture at “X” Company by enforcing all the rules that must be obeyed by all employees without exception. Penalties for those who violate any applicable regulations. The enactment of these regulations is used as a control and guideline for members of the organization to behave and act both inside and outside the office. These controls and guidelines will become habits that are carried out by each individual, so that an attitude, values and norms are formed that are embedded into a culture.

The organizational culture in “X” Company is generally the same as other companies, namely the culture of serving. As a company that deserves to provide the best service to its clients, it is felt that it has been embedded in employees, so that it spurs the desire of employees to improve their performance. The influence of organizational culture is indicated by the level of responsibility when dealing with clients. This is because the attitude of awareness and preparedness is the main responsibility of an employee. Based on this explanation, it can be determined that organizational culture has a positive influence on employee performance at “X” Company.

The results of the analysis are also supported by Moh. Pabundu Tika (2006) that organizational culture can have a significant impact on long-term organizational performance, organizational culture can be a determinant of the long-term success of an organization because it can provide anticipation in the face of changes in tactics and strategies needed and also although difficult to change, organizational culture can be made to improve performance. The influence of
Organizational Culture on the performance of employees at “X” Company is 59.2% that is providing information that organizational culture affects the performance of employees of “X” Company. In an organization, the application of organizational culture needs to be considered to provide identity and distinctive features. It aims as a guideline for members of the organization to improve their performance.

The results showed that motivation had a positive and significant effect on employee performance. That means, if the support for motivation is increased, the employee's performance will also increase. This is indicated by the t-statistic value of the motivation variable of 4.302, then the value in the distribution table is 5% (0.05) which is 2.048. Then the value of t statistic > t table (4.302 > 1.703). This is supported by the significance value (0.000 < 0.05), which means Ha is accepted and Ho is rejected.

This supports previous research conducted by Prihayanto & Ratnawati (2011) with the results showing that motivation has a positive effect on employee performance. Motivation is an urge or willingness possessed by a person to work in order to achieve goals. With this motivation, employees can improve their performance because of the urge to do something, so that employee performance is in accordance with agency goals. Based on the results of this study, it is supported by the statement of Mangkunegara (2011), motivation is an encouragement of needs in employees that need to be fulfilled, so that employees can adapt to their environment.

Measurement of work motivation at “X” Company by giving awards to outstanding employees, salaries received and facilities that are constantly being developed to support and improve employee performance. There are two types of motivation in “X” Company namely positive motivation and negative motivation. The positive motivation given is in the form of awards based on work performance, so that employees can be motivated again to work better. While, negative motivation in the form of punishment or sanctions for employees who do not obey the rules, which is applied to provide a deterrent effect to employees who violate work regulations and are motivated to work better.

The influence of motivation on employee performance at “X” Company is 26.2% providing information that motivation affects the performance of an organization. In an organization, providing motivation to members of the organization is very important as an effort to improve performance in order to achieve common goals. Based on the results of the analysis above by comparing with several pre-existing theories, it can be concluded that motivation affects the performance of “X” Company employees.

The results of multiple regression analysis show $Y = 0.26.720 + 0.023 X1 + 0.167 X2$, the correlation coefficient (R) shows the results of 0.961 and the coefficient of determination ($R^2$) shows the results of 0.924. The results of the F test show that the F statistic is 167,847 which greater than the F table of 3.35 and sig less than the probability value of 0.05 or the value of 0.000 < 0.05, then the hypothesis is accepted. This shows that there is a positive and significant influence on organizational culture and motivation which together affect the performance of X Company employees. That is, if the support for organizational culture and motivation is increased simultaneously, it will also have an impact on increasing the performance of X Company employees. The impact of organizational culture and motivation on employee performance is 92.4 %, with the remaining 7.6 % being influenced by unobserved variables.

The results of this study are supported by the statement from Tika (2006) regarding a strong culture related to superior performance. According to Tika, there are 3 logical thoughts regarding
this matter, namely; 1) Unification of Goals, between all members of the organization because employees tend to follow the same commander; 2) A strong culture helps performance because it creates a tremendous level of motivation in employees. Shared values and behaviors make people feel comfortable at work. A sense of commitment or loyalty makes people try harder; 3) A strong culture helps performance because it provides the structure and control needed without having to rely on a stifling formal bureaucracy that can suppress the growth of motivation and innovation.

Another theory that supports this research is Siagian in (Suwati, 2013) motivation is given as a driving force for employees to mobilize abilities, expertise, skills, energy and time in carrying out various activities that are their responsibilities and obligations, so that the goal and organizational goals that have been set can be achieved. The performance of employees at “X” Company is influenced by the organizational culture that exists in “X” Company and the motivation that exists in employees. Employees who are highly motivated and work in a good organizational culture tend to have satisfactory performance results. This is because employees are encouraged to work as well as possible in order to produce maximum performance. On the other hand, employees who have low motivation and work in a poor organizational culture tend to show insufficient work results. This is because employees do not have the awareness and drive to work well.

5. Conclusion

There is a positive and significant influence of organizational culture on the performance of employees of X Company. It can be seen that the value of t statistic > t table that is 10,562 > 1,703 and the value is significantly smaller than the significance level (α) 0.05 (0.000 > 0.05). There is a positive and significant influence partially motivation on X Company. It can be seen that the value of t statistic > t table is 4.302 > 1,703, and the value is significantly smaller than the significance level (α) 0.05 (0.000 > 0.05). There is a positive and significant influence of organizational culture and motivation simultaneously on the performance of employees of X Company. It can be seen that the value of F statistic > F table is 167,847 > 3.35 and the sig value is smaller than the probability value of 0.05 or 0.000 value < 0.05.

Scientists and other researchers are expected to identify more factors which influence organizational culture, motivation, and work environment, all of which effect employee performance. Additionally, it is recommended to perform follow-up research by including additional variables in the study, so that known variables or factors affecting employee performance other than organizational culture, motivation, and work environment can be included.

Reference


