

# **INFLUENCE OF ORGANIZATIONAL CULTURE ON EMPLOYEE PERFORMANCE (Study on Employees of PT Karya Indah Buana Surabaya)**

**Ika Widiastuti**  
Universitas Krisnadwipayana  
iwidiastuti86@gmail.com

**Abstract:** This study aims to explain the influence between the variables of the principle of intimacy and the principle of integrity as a variable of organizational culture on employee performance simultaneously and partially. This study uses an explanatory research method with a quantitative approach. The research sample used was a saturated sample, namely 56 employees of the administration of PT Karya Indah Buana Surabaya. The data analysis used is descriptive analysis and inferential statistical analysis. Simultaneously, the results showed that the principle of intimacy and the principle of integrity had a significant effect on employee performance. The sig.F value obtained is 0.000. The results of the study partially show that the principle of familiarity has a significant effect on employee performance with a sig.t value of 3.235. The results of the research partially show that the principle of integrity has a significant effect on employee performance with a sig.t value of 4.989. Based on the results of the study, it shows that the principle of integrity has a dominant influence on employee performance.

**Keywords:** Organizational Culture, Familiarity Principle, Integrity Principle, Employee Performance.

## **Preliminary**

The development of organizations in the increasingly rapid globalization era makes competition within an organization even tighter. Human resources have an important role in today's business competition. It is said that companies with good human resources will be able to compete with other companies. This proves that the quality of human resources also determines the quality and future of the company.

Keynecke (1997) in Liliweri (2014: 276) describes culture as a deposit of knowledge, experience, beliefs, values, attitudes, meanings, hierarchies, religion, records of time, roles, certain relationships, universe concepts, material objects, and recognized thoughts. by a group of humans which is then passed down from one generation to another. Culture will show the rules of the game that apply in a group or organization. Organizational culture allows for changes due to adjustments to the situation to the applicable rules of the game. The rules of the game are formed differently which then if it is deemed suitable to be carried out, it will be passed on to the next generation.

An organization is deemed necessary to take into account a strong organizational culture and in line with some applicable boundaries. As long as it has a strong organizational culture, has a good impact and can be implemented well by members of the organization, it can facilitate organizational activities. A strong organizational culture does not necessarily run easily, so there needs to be adjustments in it.

Organizations with a strong culture will affect the behavior and effectiveness of employee performance. Employee performance will run in accordance with the culture they adhere to in the organization. In addition, the application of culture in a company will also shape the character of its employees by itself in carrying out their duties and achieving the goals of the company.

Creating familiarity among members of the organization is also one of the factors supporting the success of good performance. This familiarity grows from a sense of comfort in individuals or groups in members of the organization. Then the company needs create an atmosphere of intimacy to support the company's psychological success.

The existence of management in the company must be honest and able to build a sense of trust in the company which is a reflection of the attitude of Integrity. Integrity creates confidence and trust that will support the achievement of work in the company without pressure and coercion.

Performance in modern companies today needs attention in managing it. If the performance of employees in a company is not managed properly, it will be one of the obstacles to the company's activities in achieving its goals. This performance arrangement of course also requires adjustments to the conditions or circumstances of the company in order to be able to compete with other companies in the current era of globalization.

The business world in the service sector is currently increasing and has also become a necessity for many people, both domestic and foreign. Service companies are closely related to the performance assessment they have achieved in meeting targets. One of them is PT Karya Indah Buana Surabaya, which has business areas spread over the islands of Java and Bali. The distribution

of PT Karya Indah Buana's business areas makes the company have its own complexity in controlling the performance of its employees who are in various areas in accordance with its organizational culture. This study aims to determine the influence of organizational culture on employee performance (Study on Employees of PT Karya Indah Buana Surabaya).

## Literature Review

### Organizational culture

Defined by Schein (1985) in Riani (2011: 6) organizational culture as a pattern of basic assumptions that are found, created, or developed by a particular group with the intention that the organization learns to overcome or overcome its problems that arise as a result of external adaptation. and internal integration that has gone well enough, that it needs to be taught to new members as the correct way to understand, think and feel with regard to these issues. Organizational culture is formed by an organizational group to move in overcoming future challenges.

### The principle of intimacy

Familiarity allows interaction with each other to exchange opinions and discuss with a pleasant atmosphere of intimacy. As explained by Tika (2012: 51), one way to strengthen intimacy within the organization is to form teamwork to carry out certain tasks. Meanwhile, the ability to work in teams and individuals is also affected by the atmosphere of intimacy created in the work environment.

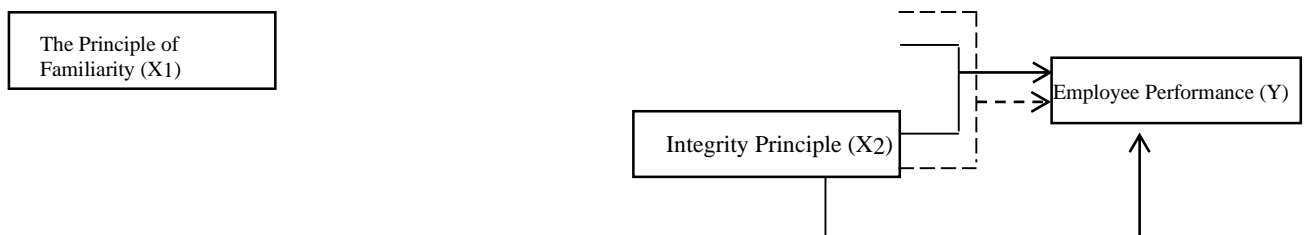
### Integrity Principle

Trust and confidence itself arises from the actions of superiors who have integrity, such as being honest, responsible, consistent, fair and capable (Sutrisno, 2013: 19). Organizations with integrity will earn trust. Integrity also creates synergies with external and internal modern companies in the current era of globalization.

### Employee performance

Employee performance is one of the benchmarks for evaluating an organization. How to do everything related companies with weak culture. Companies with strong cultures will also use their recruitment efforts and outreach practices to build employee commitment. And a growing body of evidence suggests that a strong culture is associated with high organizational performance.

## Hypothesis



**Figure 1. Hypothesis Model**

Figure 1 shows the hypothesis in the study as follows:

H1: It is suspected that there is a significant simultaneous effect from the variables of the principle of intimacy (X1) and the principle of integrity (X2) on employee performance (Y)

H2: It is suspected that there is a significant partial effect of the principle of intimacy (X1) and the principle of integrity (X2) on employee performance (Y).with a job, position or role in the organization is a form of employee performance that can be seen directly. Many factors also have a role in influencing performance. The definition of employee performance according to Kusriyanto (1991) in Mangkunegara (2012:9) is a comparison of the results achieved with the participation of the workforce per unit of time (usually per hour).

### Relationship between Organizational Culture and Employee Performance

The existence of a relationship between organizational culture and the performance of employees or members of the organization can be reflected in the behavior of the organization. When employees imitate behavior that is in accordance with their organizational culture, there will be satisfaction and even direct or indirect rewards. Organizational culture becomes a code of conduct for its members who are unconsciously applied in carrying out their activities.

The importance of organizational culture in relation to employee performance is reinforced by the statement by Robbins (2004:60) that 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 strong cultures.

H3: It is suspected that the Integrity Principle (X2) is the most influential (dominant) variable on Employee Performance (Y)

## Research Methods

The purpose of this study is to explain the influence of organizational culture on employee performance. So the type of research used is explanatory research with a quantitative approach, while data collection is done by distributing questionnaires and documentation.

The research sample is all employees of the administration of PT Karya Indah Buana Surabaya totaling 56 employees, the number is in accordance with the total population. Because the number of samples is less than 100 employees, it uses a saturated sample. This is in accordance with the opinion of Arikunto (2010:134) which states that if the research population is less than 100 then the sample used is entirely.

The Pearson Product Moment correlation formula is used to calculate the Validity Test, while the reliability test is calculated using the Cronbach Alpha formula. The data analysis technique in this study used descriptive analysis and inferential statistical analysis.

## RESEARCH RESULTS AND DISCUSSION

### Descriptive Analysis Research Results

The results of the descriptive statistical analysis revealed a total of 56 respondents. Based on the dominant gender in the female sex as many as 30 respondents while the male as many as 26 respondents. Based on the age of the respondents, most are in the range of 20-30 years, with the highest level of education at the SMA/SMK level. Respondents are in the working period < 1 – 4 years.

**Table 1. Variable Mean Value**

No.	Variable	Items	Mark	Mean
			Items	Grand mean
1	The principle of intimacy	Trust among employees in the work environment	3.80	<b>3.89</b>
		Comfort in carrying out tasks	3.91	
		Interact well between individuals and the work environment	4.16	
		Attitude willing to sacrifice between individuals	3.84	
		Creating ideas creativity	3.77	
		Able to maximize talents and abilities	3.88	
2	Integrity Principle	Have trust in leaders and co-workers	4.16	<b>4.10</b>
		Able to work honestly in carrying out tasks	4.14	
		The emergence of confidence in the ability of superiors and colleagues work in completing tasks	3.93	
		There is consistency in completing tasks	4.05	
		Able to be responsible for the work done	4.45	
		Act fairly in all matters relating to the task work	3.86	
3	Performance Employee	Produce the number of jobs according to job standards	3.86	<b>3.82</b>
		Able to work on several units of work	3.61	
		Have certain quality requirements to produce profession	3.80	
		Able to minimize the number of errors	3.71	
		Completion of tasks in accordance with the accuracy of the task	3.84	
		Able to complete tasks on time	3.41	
		On time to start work	4.02	
		Able to maximize attendance during the period time certain	3.98	
		Maximizing presence and expertise when needed	3.88	
		Able to work together with other employees	4.00	
		Contribute to help other employees work	3.95	

Based on Table 1 shows that the item *grand mean* each independent variable and dependent variable.

### Inferential Statistical Analysis Classical Assumption Test

#### Multicollinearity Test

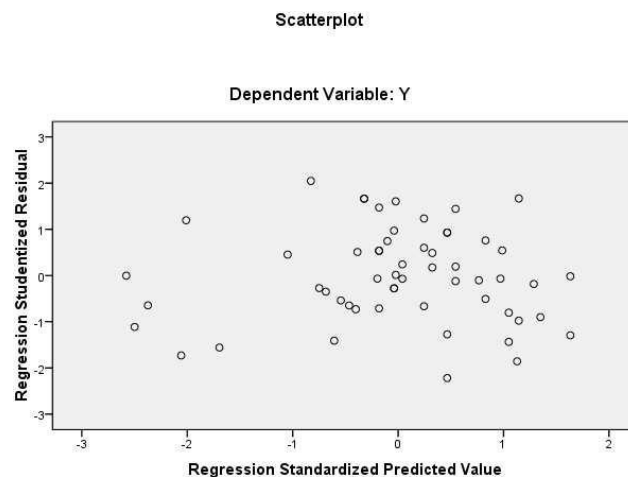
The value of the multicollinearity test results must have a tolerance value of  $< 0.8$ . Or compare the VIF (Variance Inflation Factor) value with the number 10. If the VIF value is 10, multicollinearity occurs. These two criteria are used as benchmarks for the multicollinearity test in this study. The following is a further explanation of the results of the multicorrelation test calculations presented in table 2.

**Table 2. Multicollinearity Test Results**

Coefficients <sup>a</sup>		
Model	Collinearity Statistics	
	ToleranceVIF	
(Constant)	1	X1
X2	0.584	1,713
	0.584	1,713

a. Dependent Variables:Y

#### Heteroscedasticity Test



**Figure 2. Heteroscedasticity Test Results**

The results of the heteroscedasticity test in this study interacting well between individuals and the work environment got the highest mean value of 4.16 from the principle of intimacy variable. Items capable of being responsible for the tasks they do get a mean value of 4.45 from the Integrity Principle variable. Items on time in starting work get a mean value of 4.02 from the Employee Performance variable.

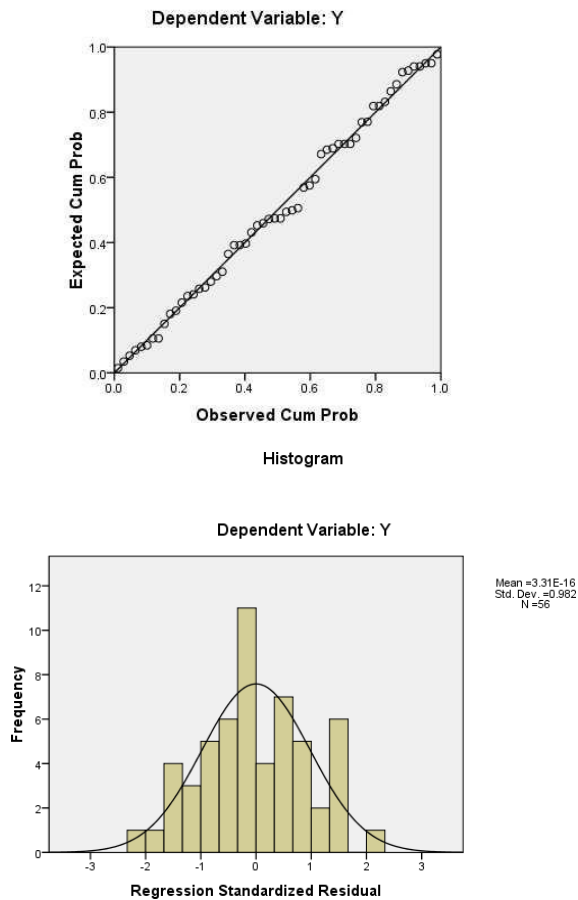
Table 1 shows the results of calculating the average or mean of each item and using the graphical method. In Figure 2 the results

Heteroscedasticity test, the Scatter graph does not form a certain pattern and also seems to spread irregularly above and below the value 0 on the Y axis. It can be concluded that there is no heteroscedasticity relationship or in other words  $H_0$  is accepted.

#### Normality test

Normality test carried out with using the PP Plot graph analysis test.

The results of the tests carried out are then seen in the form of graphic images. The normal probability plot graph spreads around the diagonal line and follows the direction of the diagonal line. The two images of the results of the normality test of this study can be said to meet the requirements of the classical assumption test in the normality test carried out. The presentation of the results of the research normality test can be seen in Figure 3.



**Figure 3. Normality Test Results**

#### Autocorrelation Test

The condition used is that  $dW$  is between  $dU$  and  $dL$  ( $dU < dW < dL$ ) by looking at the Durbin Watson value. Based on the explanation in table 3, it is known that the value of  $dU < dW < dL$  is  $1.601 < 2.055 < 2.399$ . This value meets the requirements for the calculation of the autocorrelation test and indicates that there is no autocorrelation. Autocorrelation test results in table 3.

**Table 3. Autocorrelation Test Results**  
**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.803a	0.645	0.631	3.238	2.055

a. Predictors: (Constant), X2, X1

b. Dependent Variable: Y

#### Linearity Test

The standard of measurement used in the linearity test of this study is to see the significance value must be greater than 0.05. The criteria for making decisions with the Normal PP Plot are as follows:

- (a) If the data spreads around the diagonal line and follows the diagonal direction, then the regression model does not meet the assumption of normality
- (b) If the data spreads far from the diagonal line or does not follow the diagonal direction, then the regression model has met the assumption of normality. (Priyatno, 2009:59)

The results of the linearity test of this study are in table 4 below.

**Table 4. Linearity Test Results**

<b>ANOVA Table</b>					
	Sum of Squares	df	mean Square	F	Sig.
* Y Between (Combined) Groups	336,849	17	19,815	4.377	0
linearity	243.22	1	243.22	53.732	0
Deviation from linearity	93.628	16	5.852	1.293	0.251
Within Groups	172008	38	4,527		
Total	508,857	55			

<b>ANOVA Table</b>					
	Sum of Squares	df	mean Square	F	Sig.
* Y Between (Combined) Groups	341.362	17	20.08	4.824	0
linearity	287,065	1	287,065	68,957	0
Deviation from linearity	54,297	16	3.394	0.815	0.661
Within Groups	158,192	38	4.163		
Total	499,554	55			

Both significance values ( $0.251 > 0.05$  and  $0.661 > 0.05$ ) explains that there is a significant linear relationship between the variables of the principle of intimacy ( $X_1$ ) and the principle of integrity ( $X_2$ ) and the variable of employee performance ( $Y$ ).

### Multiple Linear Regression Analysis

Knowing the effect of the independent variables (Familiarity Principle ( $X_1$ ) and Integrity Principle ( $X_2$ )) on the dependent variable Employee Performance ( $Y$ ) used multiple linear regression analysis processed with SPSS for Windows. Table 5 presents the recapitulation of Multiple Linear Regression results.

**Table 5. Recapitulation of Multiple Linear Regression Results**

<b>Coefficientsa</b>					
<b>Model</b>	<b>Unstandardized</b>		<b>Standardized</b>	<b>t</b>	<b>Sig.</b>
	<b>B</b>	<b>Std.</b>	<b>Beta (<math>\beta</math>)</b>		
(Constant)	4,596	3.845		1.195	0.237
1 $X_1$	0.608	0.188	0.347	3.235	0.002
$X_2$	0.946	0.190	0.534	4.989	0.000
R	: 0.803	F count		: 48,104	
R square ( $R^2$ )	: 0.645	Probability F count		: 0.000	
Adjusted $R^2$	: 0.631	t table		: 1.195	

Based on table 5, the regression equation is obtained as follows:

$$Y = 4.596 + 0.608 X_1 + 0.946 X_2 + e$$

Table 5 shows the value of the correlation coefficient

( $R$ ) of 0.803 indicates a very strong relationship. While the results of  $R^2$  are 0.645, which means that 64.5% of Employee Performance variables are influenced by independent variables, namely the principle of intimacy ( $X_1$ ) and the principle of integrity ( $X_2$ ) in this study.

### Hypothesis testing

- T test between  $X_1$  (Familiarity Principle) with  $Y$  (Employee Performance) shows the value of sig t ( $0.002 < 0.05$ ) then the influence of the principle of familiarity ( $X_1$ ) on Employee Performance ( $Y$ ) is significant. This means  $H_0$  is rejected so it can be concluded that Employee Performance ( $Y$ ) can significantly affect the Familiarity Principle ( $X_1$ ).
- T test between  $X_2$  (Principle of Integrity) with  $Y$  (Employee Performance) shows the value of sig t ( $0.000 < 0.05$ ) then the effect of the Integrity Principle ( $X_2$ ) on Employee Performance ( $Y$ ) is significant at 5% alpha. This means  $H_0$  rejected so that it can be concluded that Employee Performance ( $Y$ ) can be significantly influenced by the Integrity Principle ( $X_2$ ).
- The value of sig F ( $0.000 < 0.05$ ), it is known that the influence of the independent variable on the principle of intimacy ( $X_1$ ) and the Principle of Integrity ( $X_2$ ) to the variable tied to Employee Performance ( $Y$ ) together is significant.

## **Discussion of Research Results**

### **Influence of the Variable Principle of Familiarity (X1) And the Principle of Integrity (X2) Against Performance Employee (Y) Simultaneously**

This study shows the results that the Integrity Principle (X1) and Integrity Principle (X2) variables simultaneously (together) have a significant effect on the Employee Performance variable (Y) at PT Karya Indah Buana. This is indicated by the sig.F value of  $0.000 < 0.05$  so that  $H_0$  is rejected, then the first hypothesis in this study can be accepted. Thus, from the variables there is a significant influence between the principle of intimacy and the principle of integrity simultaneously on the performance of PT Karya Indah Buana employees.

The principle of intimacy and the principle of integrity are components of organizational culture. Kotter and Haskett (1992) in Tika (2012:140) stated that organizational culture may become an even more important factor in determining the success or failure of a company in the decades to come. This statement strengthens the contribution of organizational culture to employee performance.

The conclusion is that by supporting the components of the principle of intimacy and the principle of integrity which is a reflection of corporate culture in this study, it can improve employee performance in the company. Cultivating the principle of intimacy and the principle of integrity will foster the performance of employees who are able to achieve the company's goals well. This will bring the progress and success of the company. On the other hand, if the principle of intimacy and the principle of integrity are not properly instilled in employees, it is possible that the company will fail in carrying out its activities.

### **Influence of the Variable Principle of Familiarity (X1) And the Principle of Integrity (X2) on Employee Performance (Y) Partially**

The results of the t-test between the variables of Familiarity Principle and Employee Performance showed a significant t of 3.235 with probability  $(0.002) < 0.05$ . The value of sig.t is 4.989 with probability  $(0.000) < 0.05$ . These results meet the requirements of the variable influence test partially.

The results of the calculations in this study get a probability value  $< 0.05$  then  $H_0$  is rejected. This means that the independent variable has a partial effect on the dependent variable. So from this study it shows that the variables of the principle of intimacy (X1) and the principle of integrity (X2) as independent variables partially have a significant effect on the employee performance variable (Y) as the dependent variable on employees of the administration of PT Karya Indah Buana Surabaya.

### **Integrity Principle Variable (X2) Dominant Effect on Employee Performance Variables (Y)**

According to the results of partial regression analysis, it can be seen that the Integrity Principle variable (X2) has a dominant influence on Employee Performance (Y). This can be seen in table 5 which shows that the Integrity Principle variable (X2) has the largest value with a coefficient of 0.534 and a t count of 4.989. This value is greater than the value of the Intimacy Principle variable (X1).

Variable Principle of Familiarity (X1) itself only has a coefficient of 0.347 and t count is 3.235. This value is not greater than the value of the Integrity Principle variable (X2). Therefore, the Integrity Principle variable (X1) is not more dominant than the Integrity Principle variable (X2).

The criteria for the Integrity Principle variable are factors that influence employees to provide the best performance to the company. This does not mean that the principle of familiarity variable (X1) has no effect. In this case the X1 variable has a positive influence on employee performance, but the effect is smaller when compared to the X2 variable.

## **Conclusions And Suggestions**

### **Conclusion**

The results of the analysis and research conducted by researchers regarding the influence of Organizational Culture (X) on Employee Performance (Y) on employees of the administration of PT Karya Indah Buana Surabaya, the following conclusions are obtained:

1. The simultaneous influence (together) of the independent variables of this study, namely the principle of intimacy (X1) and the Principle of Integrity (X2) on Employee Performance (Y) based on the results of the F test. The significant value of the multiple linear regression analysis is 0.000, which means it has a value less than 0.05. So the regression model of this study is significant. Based on these results, it can be concluded that testing the research hypothesis which states that there is a simultaneous influence of the Intimacy Principle variable (X1) and the Integrity Principle variable (X2) to the Performance variable Employee (Y) can be accepted because it is proven true.
2. The partial effect was carried out based on the results of the t test of the Intimacy Principle

variable (X<sub>1</sub>) and the Principle of Integrity (X<sub>2</sub>) on Performance Employee (Y). The research that has been done proves that there is a partially significant effect. This can be seen from the significant value of the two independent variables, namely X<sub>1</sub> of 0.002 < 0.05 and X<sub>2</sub> of 0.000 < 0.05. Based on the results it can be concluded that testing the hypothesis which states that there is a partial influence of the Intimacy Principle variable (X<sub>1</sub>) and the Integrity Principle variable (X<sub>2</sub>) to Employee performance (Y) is proven correct so that it can be accepted.

3. The results of the t-test also concluded that the Integrity Principle variable (X<sub>2</sub>) is the most influential (dominant) variable on Employee Performance (Y) in this study. This dominant statement is compared with the Intimacy Principle variable (X<sub>1</sub>) on Employee Performance (Y). This is because it has a value of t-count and the largest beta coefficients, namely 3.235 and 0.347 on the X variable<sup>2</sup>. Based on the results The third hypothesis in this study is accepted because it can be proven true.
4. The results of the analysis of the coefficient of determination (R<sup>2</sup>) on the Integrity Principle and Integrity Principle variables indicate an influence on employee performance of 64.5%. While the remaining 35.5%, Employee Performance variable is influenced by other variables not examined in this study.

### Suggestion

The researcher hopes that the results of this research can make a positive contribution to the company and to further research. The following are research suggestions that can be realized by the company and by further research:

1. For PT Karya Indah Buana Surabaya Conducting work coordination training within the company by conducting employee training at a certain period of time. This is because there are still weaknesses in professional points as an applied organizational culture. This method aims to train and provide employees with an understanding of good and regular work coordination according to organizational culture which applied to PT Karya Indah Buana Surabaya. That way the performance of employees will run effectively and efficiently but do not forget the organizational culture in serving its customers. For further research
2. Researchers realize that there are still many shortcomings in this study. Researchers also understand that organizational culture does not only affect employee performance improvement. But there are still many things that can be influenced by organizational culture factors. Given that the function of organizational culture is, among others, as a differentiator, as identity, grow commitment/loyalty as well as the stability of the social system. This makes researchers expect the development of research on these factors so that research on organizational culture can keep up with the times.

### Bibliography

1. Arikunto, Suharsimi. 2010. Research Procedures, A Practical Approach. Revised Edition. Jakarta : Rineka Cipta
2. Liliweri, Hello. 2014. Sociology and Organizational Communication. Jakarta : Earth Literacy
3. Mangkunegara, AP 2012. Evaluation of HR Performance.
4. Bandung : Refika Aditama
5. Priyatno, Duwi. 2009. SPSS for Correlation, Regression, and Multivariate analysis. Yogyakarta : Gava Media Publisher
6. Riani, Asri Laksmi. 2011. Organizational Culture.
7. Yogyakarta : Graha Ilmu
8. Robbins, Stephen P. 2004. Management. Jakarta : Index
9. Sutrisno, Eddie. 2013. Organizational Culture. Jakarta: Kencana
10. Tika, Moh. Pabundu. 2012. Organizational Culture and Employee Performance Improvement. Jakarta: Earth Literacy