

The Influence of Organizational Culture on Employee Performance with Organizational Commitment as an Intervening Variable

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Keywords

Organizational Culture; Employee Performance; Organizational Commitment.

ABSTRACT

Organizational culture encompasses the values, norms, and beliefs shared by organizational members and can play a crucial role in shaping individual behavior and performance. In a competitive business environment, a deep understanding of the relationship between organizational culture, organizational commitment, and employee performance is key to achieving competitive advantage. This study examined organizational culture's effect on employee performance with organizational commitment as a mediating variable. This study uses quantitative research methods with a survey approach. Research data were collected using a questionnaire. The data that has been collected is then statistically analyzed with the help of the SPSS program. The results showed that organizational culture positively and significantly affects employee performance through organizational commitment. Therefore, organizations need to create an organizational culture that supports employee performance.

INTRODUCTION

In the organizational world, each entity has its characteristics that make up what is known as organizational culture. Organizational culture includes norms, shared values, and perspectives and behaviors espoused by its members. Organizational culture is the main pillar that shapes an organization's unique identity and character. Organizational culture is the main foundation that shapes organizational norms, values, and behaviors (Saebah & Merthayasa, 2023; Spicer, 2020). Organizational culture plays a crucial role in shaping employee attitudes and behavior, which can affect employee performance. Employee performance includes how individuals in an organization achieve their goals and responsibilities. Various methods can measure this performance, including goal achievement, productivity, quality of work, initiative, and contribution to the team or organization. In organizations, employee performance is an important indicator to assess the effectiveness and efficiency of human resources (Saebah et al., 2023; Silaen et al., 2021).

Uncertainty and continuous change in the modern business world require organizations to have employees who work efficiently and attach and are dedicated to the organization's vision and values, also called organizational commitment. Organizational commitment refers to the extent to which an individual feels attached, committed, and loyal to their organization (Bagis et al., 2021; Pamungkas et al., 2023). This commitment involves an emotional and cognitive connection between employees and the organization, reflected in the desire to keep working long-term, actively participate, and contribute maximally to organizational goals (Fidyah & Setiawati, 2020; Setrojoyo et al., 2023). Therefore, this research becomes relevant as an effort to provide a better understanding of the way organizational culture and organizational commitment interact with each other, as well as their impact on employee performance.

Previous research by Iskandar and Anggraeni (2018) showed that organizations positively affect organizational commitment and employee performance. In addition, organizational commitment positively affects employee performance and mediates the causal relationship between organizational culture and employee performance. The results of this study are expected to have implications for the Ciamis Regional Police in improving the performance of its apparatus. Another study by Budiono (2016) shows a significant influence between organizational culture and employee performance. Organizational commitment does not have a significant effect on employee performance. Organizational culture has a significant effect on organizational commitment. However, organizational culture on employee performance through organizational commitment as an intervening variable proved to have no effect.

The research gap makes the study interested in reviewing the influence of organizational culture on employee performance with organizational commitment as a mediating variable in a private company in Bandung. This research guides organizations to understand the critical role of organizational culture and commitment to improving employee performance. Organizational management can use these findings to design more effective management policies and practices, including developing a supportive organizational culture and strategies to increase employee commitment. Implementing these practices will optimize employee productivity and performance, increase job satisfaction, and ultimately achieve organizational goals. This study aimed to examine organizational culture's influence on employee performance with organizational commitment as a mediating variable.

METHODS

This study used quantitative research methods with a survey approach. Quantitative research is a type of scientific research that collects and analyzes data in numbers or numerical data to answer research questions and test hypotheses. The quantitative approach uses statistical methods and measurement techniques to describe and analyze the relationship between variables (Unaradjan, 2019). The research data were collected using a questionnaire with a Likert scale. The study population is employees in one of the private companies in Bandung City. The study sample consisted of 30 employees randomly selected using a random sampling technique. Random sampling is a method that gives every element in a population an equal chance to be part of the sample. In this technique, each member of the population has the same probability of being selected as part of the sample, thus ensuring that the resulting sample represents the diversity and variation within the population (Sumargo, 2020). The collected data is then analyzed statistically using the help of the SPSS program. Based on this, the following research framework was obtained:

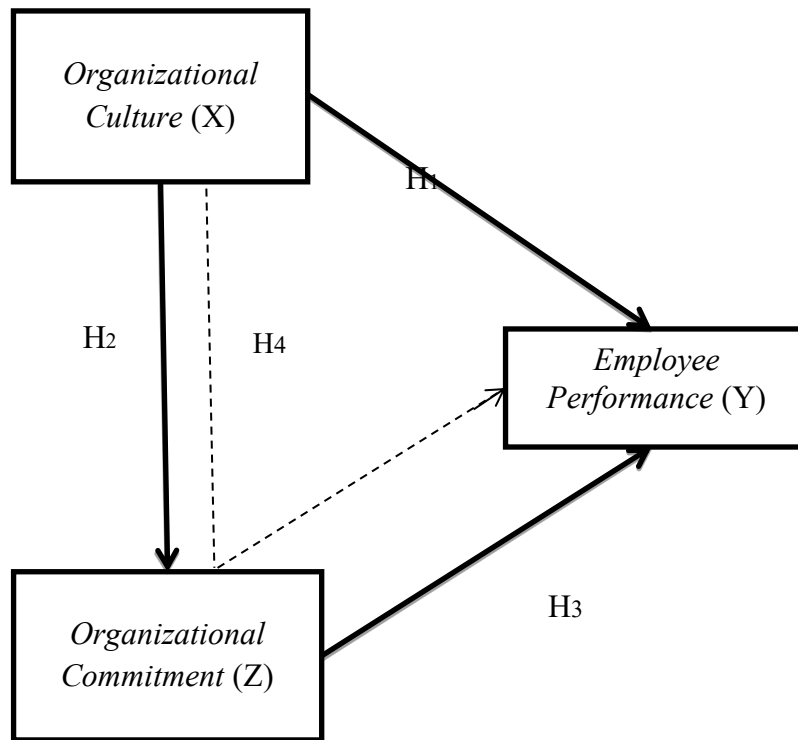


Figure 1. Research Framework

Hipotesis:

H1: Organizational culture affects employee performance.

H2: Organizational culture affects organizational commitment.

H3: Organizational commitment affects employee performance.

H4: Organizational commitment mediates the influence of corporate culture on employee performance.

RESULTS

Validity Test

A validity test is a method or technique used to assess the extent to which an instrument or measuring device can measure what should be measured or measure the construct in question accurately.

Table 1. Validity Test

		Correlations			
		Organizational Culture	Employee Performance	Organizational Commitment	Total
Organizational Culture	Pearson Correlation	1	.536**	.267	.831**
	Sig. (2-tailed)		.002	.153	<.001
	N	30	30	30	30
Employee Performance	Pearson Correlation	.536**	1	.387*	.868**
	Sig. (2-tailed)	.002		.035	<.001
	N	30	30	30	30
Organizational Commitment	Pearson Correlation	.267	.387*	1	.589**
	Sig. (2-tailed)	.153	.035		<.001
	N	30	30	30	30
Total	Pearson Correlation	.831**	.868**	.589**	1
	Sig. (2-tailed)	<.001	<.001	<.001	
	N	30	30	30	30

Based on the data in table 1, it can be observed that each instrument shows a Pearson correlation coefficient that surpasses the Table's r value of 0.361 (N=30), and the significance value (2-tailed) of the correlation for all items is below 0.05. In conclusion, all statements in the questionnaire are considered statistically valid, which can be considered valid for use in this study.

Reliability Test

Reliability testing measures the extent to which a measuring instrument can provide consistent and reliable results when used repeatedly.

Table 2. Reliability Test
Reliability Statistics

Cronbach's Alpha	N of Items
.654	3

Based on the reliability analysis results listed in table 2, a Cronbach Alpha value of 0.654 was obtained. This number crossed the 0.600 threshold, indicating that the questionnaire showed a high level of consistency and could reliably be used in future studies.

Uji Regresi Linear

Linear regression tests understand and measure the linear relationship between one dependent variable and one or more independent variables. This test helps determine the extent to which changes in the independent variable can predict changes in the dependent variable.

Table 3. Linear Regression Test

Coefficient						
Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
	B	Std. Error	Beta			
1 (Constant)	2.884	4.578			.630	.534
Organizational Culture	.550	.164	.536		3.359	.002

Based on table 3, regression analysis shows that organizational culture has a positive and significant effect on employee performance with a significance value of 0.002, which is smaller than 0.05.

Test Mediation

The mediation test assesses whether a third variable can explain or mediate the relationship between two variables. This helps understand the pathways or mechanisms through which one variable affects another.

Table 4. Test Mediation

Model Summary					
Model	Coeff	herself	t	p	
constant	2.7665	1.6272	1.4211	.0733	
X	.4783	.0603	4.3740	.0000	
M	.5028	.1535	3.0313	.0004	

Based on the results in table 4, a p-value of < 0.05 mediation test was obtained to conclude that organizational commitment mediates the influence of corporate culture on employee performance.

Coefficient of Determination Test

The Coefficient of Determination, or R-squared test, evaluates how well a linear regression model can account for variations in the dependent variable. The coefficient of determination ranges between 0 and 1, and the closer to 1, the better the model can explain data variations.

Table 5. Coefficient of Determination Test

Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	
1	.536a	.287	.262	1.52507	

Table 5 shows that the coefficient of determination (R Square) has a value of 0.287, which is equivalent to 28.7%. This indicates that organizational culture has a positive and significant effect through organizational commitment of 28.7% to employee performance. The remaining 71.3% were influenced by other factors that were not the focus of the study.

Discussion

Organizational culture affects employee performance

The results showed that organizational culture affects employee performance. Organizational culture has a significant impact on employee performance. Organizational culture includes the norms, values, and attitudes held by the organization's members. Employees tend to feel motivated, committed and engaged in a work environment dominated by a positive culture. Conversely, a negative organizational culture can create dissatisfaction, lack of motivation, and instability in the work team. An organizational culture that supports employee performance creates a work environment conducive to individual growth and development. When employees feel aligned with the organization's values, they are likelier to make maximum contributions, collaborate effectively, and achieve common goals. Therefore, understanding and instilling a positive organizational culture can effectively improve employee performance and productivity.

The results of this study align with previous research by Wardani et al. (2016), showing that simultaneously, it is known that the Familiarity Principle and the Integrity Principle have a significant effect on Employee Performance. Sig value. The F obtained is 0.000. The study's results partially showed that the Familiarity Principle significantly affected Employee Performance with a sig.t value of 3,235. The study's results partially revealed that the integrity principle significantly affected employee performance, with a significance value of 4,989. Based on the study results, the Principle of Integrity has a dominant influence on employee performance. Another study by Arianty (2014) shows a significant influence between organizational culture and employee performance. Similar research by Rosvita et al (2017) shows that partially organizational culture variables significantly affect employee performance variables. Organizational culture variables affect employee performance with a termination coefficient value of 0.827.

Organizational culture affects organizational commitment

The data in Table 1 reveals a positive and statistically significant correlation (0.267) between organizational culture and organizational commitment. This suggests that there is empirical evidence supporting H1 – the assertion that organizational culture indeed impacts organizational commitment. Employees tend to feel more committed when they perceive a positive organizational culture. Shared values, norms, and a supportive work environment contribute to a sense of belonging and attachment, fostering organizational commitment. Organizations seeking to enhance organizational commitment should focus on cultivating a positive and inclusive organizational culture. Strategies that promote transparency, communication, and values alignment may contribute to stronger organizational commitment among employees.

Organizational commitment affects employee performance

The results in Table 1 demonstrate a positive and statistically significant correlation (0.536) between organizational culture and employee performance. This supports H2, indicating that a positive organizational culture is associated with improved employee performance. Employees are likely to be more motivated and engaged in a positive work environment, leading to increased performance. A culture that supports collaboration, innovation, and employee well-being can positively influence overall job performance. Organizations aiming to boost employee performance should prioritize the development of a positive organizational culture. This involves fostering a work environment that encourages collaboration, provides growth opportunities, and aligns with employees' values.

Organizational commitment mediates the influence of organizational culture on employee performance.

The results from the mediation analysis in Table 4 confirm that organizational commitment mediates the influence of organizational culture on employee performance, supporting H4. This suggests that the positive impact of organizational culture on employee performance is channeled through the mediating factor of organizational commitment. When employees are committed to the organization, they are more likely to exhibit optimal performance. To improve employee performance, organizations should not only focus on enhancing organizational culture directly but also on fostering organizational commitment. Strategies aimed at increasing commitment, such as effective communication, employee recognition, and supportive leadership, may enhance the overall impact of organizational culture on performance.

The results showed that organizational commitment mediates the influence of organizational culture on employee performance. Organizational commitment is a significant intermediary between organizational culture and employee performance. Organizational culture, including values, norms, and attitudes in an organization, can provide a strong foundation for the formation of employee commitment to the company (Mulyani et al., 2019; Spicer, 2020). When employees feel a value alignment between themselves and the organizational culture, they are more likely to respond with a higher commitment to the organization. Organizational commitment, whether affective, normative, or continuous, creates emotional, moral, and instrumental attachments between employees and the organization. This attachment, in turn, provides additional motivation for employees to demonstrate optimal performance. Employees with a high level of commitment tend to be more diligent and productive and have strong intrinsic motivation to carry out their duties. Thus, organizational commitment is vital in translating organizational culture into quality employee performance (Silaen et al., 2021; Suwibawa et al., 2018).

This study's results align with previous research by Anggara et al. (2022), showing that the influence of organizational culture on organizational commitment was positive and significant. The results of the analysis of the influence of organizational culture on employee performance were found to be positive and insignificant. The results of the analysis of the role of organizational culture on employee performance with organizational commitment as an intervening variable of organizational commitment were found to be positive and significant. Another study by Korda and Rachmwati (2022) found that organizational culture influences and improves employee performance. It also affects organizational commitment and job satisfaction, which mediates culture to improve employee performance. In addition, employee performance can be improved by increasing job satisfaction and commitment. Job satisfaction also increases and influences employee commitment. Similar research by Arumi et al. (2019) shows that the contribution of organizational culture to organizations, including unique values, behaviors, and psychology, is needed by organizations. It also includes the organization's beliefs, experiences, ways of thinking, and expectations. Every organization must improve employee behavior into Organizational Citizenship Behavior (OCB). To bring OCB to employees, a well-formed commitment is required. The result found in this study is that mediators play the greatest role in influencing organizational culture and OCB.

The study provides robust support for the hypotheses, indicating a complex interplay between organizational culture, employee performance, and organizational commitment. The practical implications suggest that organizations can strategically leverage and enhance these relationships to create a positive, high-performing work environment. The findings contribute valuable insights for organizational leaders seeking to optimize organizational culture and improve employee outcomes.

CONCLUSION

Organizational culture plays a crucial role in shaping employee performance through organizational commitment. Human resource management research and practices show that a strong and positive organizational culture can positively and significantly impact employee commitment to the organization. This commitment, in turn, becomes the mediator that links corporate culture to employee

performance. Therefore, every organization must create and maintain a culture that supports, motivates, and builds employees' sense of attachment to organizational goals and values. By creating a work environment that nurtures a positive culture, organizations can improve employee commitment quality, improving individual and overall organizational performance.

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International Journal of Social Service and Research (IJSSR)

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