

Research Article

# The Influence of Organizational Culture on Employee Performance at CV. Sumber Wangi, Makassar City

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## ABSTRACT

This study explores the relationship between organizational culture and employee performance at CV. Sumber Wangi in Makassar City. Utilizing a saturated sampling technique, the research involved all 30 members of the population as participants. Data collection methods included questionnaires, documentation, and direct interviews with relevant stakeholders. Hypothesis testing was conducted using the t-test (partial) and the coefficient of determination with the assistance of SPSS 25. Findings revealed that organizational culture positively and significantly influences employee performance both partially and simultaneously. This was substantiated by the t-test results, where a significance value of 0.047 ( $<0.05$ ) confirmed the effect of organizational culture on performance. Additionally, the coefficient of determination test showed that organizational culture accounts for 10.2% of the variance in employee performance, as indicated by an Adjusted R value of 0.102. These results underscore the importance of organizational culture in shaping employee performance, while also suggesting the presence of other factors that contribute to the remaining 89.8% of the variance.

**Keywords:** Organizational Culture; Employee Performance

## 1. INTRODUCTION

One of the important roles of values in organizational culture on employee performance is through increasing motivation. The relationship between maximum performance and organizational culture through motivation is clearly felt by companies that have a strong philosophy/essence of values both from the internal environment and the external environment of the company. Ariani (2023) states that organizational culture helps performance because it creates an extraordinary level of motivation for employees.

Paaais, & Pattiruhu, (2020), employees or workers as the driving force of organizational operations, if employee performance is good, then organizational performance will also increase. Many variables affect employee performance, one of which is organizational culture. Organizational culture as a general perception held by all members of the organization, so that every employee who is a member of the organization will have values, beliefs and behaviors in accordance with the organization. Shared values and behaviors make people feel comfortable working for a company. Organizational culture is one strategy to motivate employees to achieve maximum performance, because a good organizational culture will automatically provide a condition that is in accordance with employee behavior at work if the culture is very suitable and supports employees in developing their abilities and supporting their welfare in other words, organizational culture becomes an important factor in improving performance through work motivation obtained by employees in the company (Rachmad, Abubakar, Arief, Hartati, & Kristanti, 2023).

Organizational culture is the norms, values, assumptions, beliefs, philosophies, organizational habits, and so on (the content of organizational culture) that are developed over a long time by the founders, leaders, and members of the organization that are socialized and taught to new members and applied in organizational activities so as to influence the mindset, attitudes, and behavior of members of the organization in producing products, serving consumers, and achieving organizational goals (Tannady, & Budi, 2023). One of the companies that implements organizational culture is Sumber Wangi Makassar, namely a laundry service company, the Sumber Wangi company is required to always prioritize the best quality and quantity of performance. (Ekhsan, Parashakti, & Perkasa, 2023). Corporate Culture is the Identity of every person, Sumber Wangi everywhere. based on the results of research conducted by researchers over the past 5 (five) years, the performance data of Sumber Wangi Makassar Company has continued to experience significant improvement.

The increase in company performance is influenced by internal and external factors. Based on the assessment of the performance evaluation results of Sumber Wangi Company in Makassar City, employees have made a good contribution to the company. Wijayanti, & Tirtoprojo (2023) the implementation of organizational culture as a guideline contained in Sumber Wangi Makassar is certainly a challenge in itself that cannot be ignored. Real efforts, awareness and commitment of each individual in the company are needed, both from the lower to the upper levels to realize the company's goals. From the results of the observation, it was found that employee dissatisfaction and organizational culture factors are the factors that are considered to have the most influence on employee performance, as indicated by the very large number of responses (Aggarwal, & Agarwala, 2023).

Karmila, Romauli, Rahmawati, & Hakim (2024) this is in accordance with the results of several researchers who have tested the effect of job satisfaction on organizational culture on employee performance. proved that organizational culture and organizational commitment have a significant effect on employee performance at PT. Suara Merdeka Press Semarang. proved that organizational culture and job satisfaction have a positive effect on employee performance at PT Yogyakarta Tugu Television. Organizational culture has a strong influence on employee performance because when the prevailing organizational culture does not motivate or support employees, their performance will decline.

Job satisfaction has a positive effect on employee performance because employees assume that the company has provided appropriate salaries, the work given is in accordance with their expertise, and the relationship with superiors is going well, so this affects employee performance. However, there are also several studies that have found that organizational culture, job satisfaction, and organizational commitment do not have a significant effect on employee performance. For example, research conducted by Febrian, & Solihin, (2024); Febrian, & Solihin, (2024), and Harahap, Pratama, Diwyarthi, & Harsono, (2024). Organizational culture, job satisfaction, and organizational commitment do not have a significant effect on employee performance, this is because employees are aware of their respective responsibilities, they continue to work as well as possible even though negative things arise in the work environment.

## 2. RESEARCH METHOD

This research was conducted at CV. Sumber Wangi, Makassar, the main objective of this study was to examine the influence of organizational culture on employee performance with a quantitative approach through the causal associative method. This method is used to explain the relationship between the influence of two variables, namely organizational culture (independent variable) and employee performance (dependent variable) (Hadi, Hakim, Setyawati, Wahdiniawati, & Syafri, 2024). Organization culture is measured through indicators such as tolerance for conflict and communication patterns, while employee performance is assessed based on quality, quantity of work, effectiveness, and reliability. The study population involved all employees of CV. Sumber Wangi totaling 30 people, and the total sampling technique was used because the population was less than 100 people. Data were collected through questionnaires, interviews, literature studies, and documentation. Primary data were obtained directly from respondents, while secondary data were obtained from existing documents. In data analysis, various statistical tests were carried out, including normality tests, heteroscedasticity tests, and multicollinearity tests. In addition, simple linear regression analysis was used to measure the influence of organizational culture on employee performance (Pedraza-Rodríguez et al, 2023). Hypothesis testing was carried out through the t-test to determine whether organizational culture significantly affects performance. The coefficient of determination ( $R^2$ ) is also used to measure the extent to which the independent variable is able to explain the dependent variable, with the results of the analysis using the SPSS tool.

## 3. RESULTS AND DISCUSSION

### 3.1 Results

The t-test is conducted to determine whether individually (partially) the independent variables significantly affect the dependent variable or not.

**Table 1.** t-Test Results

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1	(Constant)	5.721	2.318	2.468	.020
	Organizational culture	-.158	.076	-.365	.047

Source: SPSS 2022 data processing results

The results of statistical testing with SPSS on variable X (Organizational culture) obtained a t-value of 2,074, and  $\text{sig} = 0.047 < 0.05$  so  $H_0$  is rejected  $H_1$  is accepted. So  $H_1$  which states that there is an influence of organizational culture on employee performance can be accepted Khaksar, Chu, Rozario, & Slade, (2023). To see the magnitude of the influence of the independent variable on the dependent variable as a whole, it can be seen in the following model summary table.

**Table 2.** Results of Determination Coefficient Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.365a	.133	.102	.54498

Predictors: (Constant), organizational culture

Dependent Variable: RES2

Source: SPSS 2022 data processing results

In the **Table 2**, the Adjusted  $R^2$  value is obtained =  $0.102 = 10.2\%$ . This means that the independent variable Organizational Culture influences the dependent variable Employee Performance by 10.2% and the rest is influenced by other variables that are not included in this study (Paschina, 2023).

### 3.2 Discussion

The results of the study indicate that the organizational culture variable is normally distributed to employee performance at CV. Sumber Wangi, Makassar City, as evidenced by the significance value in the normality test of  $0.224 < 0.05$ , then the variables in this study are normally distributed Alateeg, & Alhammadi, (2024). With the existence of an organizational culture in a company that is well established, it makes employees comfortable in working and increases employee performance. This means that if the organizational culture in the company increases, employee performance will also increase Wahab, & Wahyuningtyas, (2024). Organizational culture has an effect on employee performance as evidenced by the results of the coefficient table in the Simple linear regression test (t-test) where the calculated t value = 2,074, and  $\text{sig} = 0.047 < 0.05$  so  $H_0$  is rejected  $H_1$  is accepted. So  $H_1$  which states that there is an influence of organizational culture on employee performance, can be accepted. Organizational culture influences employee performance as evidenced by the results of the normality test output with Kolmogorov-Smirnov with a sig value =  $0.224 > 0.05$  which means that the variables are well distributed. Based on the results of the study seen from the results of the  $R^2$  test =  $0.102 = 10.2\%$  employee performance of CV. Sumber Wangi, Makassar City, it can be explained that organizational culture influences employee performance (Shahriari, Tajmir Riahi, Azizan, & Rasti-Barzoki, 2023).

### 4. CONCLUSION

The existence of organizational culture is very important for the continuity of employee work, because without a good culture, employees will misinterpret the values in the organization which can ultimately threaten the continuity of their careers or jobs. This is because, in addition to being influenced by the independent variable, namely organizational culture, employee performance is also influenced by other variables that are not examined in this study. Organizational culture affects employee performance at CV. Sumber Wangi Kota Makassar as evidenced by the results of the coefficient table where the t value = 2.074, and  $\text{sig} = 0.047 < 0.05$  so  $H_0$  is rejected  $H_1$  is accepted. So  $H_1$  which states that there is an influence of organizational culture on employee performance, can be accepted. Organizational culture has an effect on employee performance as evidenced by the results of the multiple determination test where to see how much influence the independent variable has on the dependent obtained the value of  $R = 0.102 = 10\%$ . It can be concluded that organizational culture has an effect on employee performance by 10%.

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