



THE INFLUENCE OF WORK ETHIC AND ORGANIZATIONAL CULTURE ON EMPLOYEE PERFORMANCE AT PT XYZ

Edhu Enriadis Adilingga
Universitas Telkom
Email: edhuenriadis@gmail.com

ABSTRAK

Human resources play an important role in achieving organizational or company goals. Rapid changes in the business environment and full of uncertainty make companies strive to produce high-performance employees. At PT XYZ throughout 2020-2022, there was a decrease in employee performance. The decline in performance is influenced by various factors, one of which is the internal factor of employees in the form of work ethic. In addition to work ethic, organizational culture factors also affect employee performance. This study aims to find out how about work ethic, organizational culture and performance at PT. XYZ Bandung, and how much influence work ethic and organizational culture have on employee performance at PT. XYZ Bandung either partially or simultaneously. The type of research used is quantitative, causal relationship with descriptive and verifiative approaches. The sample in this study was 139 respondents. Data collection techniques through the distribution of questionnaires, and data analysis using PLS structural equation modeling (SEM). The results showed that the work ethic of PT XYZ employees resulted in an average of 562.8 (81%) being in the high category. The organizational culture of PT XYZ resulted in an average of 530.8 (76.4%) being in the strong category. Hypothesis testing shows that partially and simultaneously work ethic and organizational culture have a significant effect on the performance of PT XYZ employees. The amount of influence of work ethic and organizational culture on employee performance is 0.588 or 58.8%. The results of the study provide an overview of the condition of PT XYZ Company. And the results of this research will provide a foundation in employee development at PT XYZ to be able to improve employee performance

Keywords: work ethic, organizational culture, employee performance

INTRODUCTION

1.1 Overview of the Research Object

PT. XYZ was established in 2003, by starting its business in animal husbandry, microcredit and information technology. Over time from 2010-2017, the company grew into various business lines, including umrah tour and travel, vehicle rental, education, health, infrastructure, property, energy, advertising and hospitality. In 2018, the Company consolidated, considering the need to focus on industries that will be built in the long term by tidying up the existing portfolio. This starts with tidying up the Holding structure, consolidating financial statements, and building the company's medium-term plan until 2023 by only focusing on 3 major industry groups: Service, Food and Consumer, and Infrastructure. The company's vision is to become a leading business holding that is able to contribute highly towards a religious, independent and prosperous Indonesia. With the company's mission:

- Encourage every line of business to develop into the best in class
- Developing professional corporate governance supported by an integrated information system
- Provide high benefits for stakeholders and the environment.

Here is an overview of PT XYZ's Business Structure

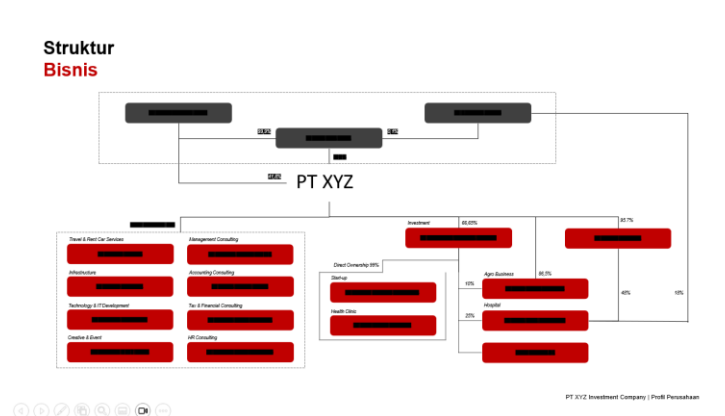


Figure 1. 1 Business Structure of PT XYZ

1.2 Background to the problem

Human Resources (HR) plays an important role in achieving organizational / business goals because HR carries out all activities in the organization (Kuntadi & Puspasari, 2023). Human physical and intellectual abilities are at stake to maintain the continuity and success of an organization or business (Maddox-Daines, 2023). The business environment can change rapidly and is full of uncertainty, this forces organizations in various industrial fields to continue to strive to improve their performance, so in this condition the role of quality human resources is needed in order to run the organization (Yuliati et al., 2023). Good performance of employees is directly proportional to good results in the business development of the company. But poor results also have a negative impact on business (Bambang et al., 2023).

Every organization that strives to move forward needs to empower and develop its employees. Work ethic is one of the media to improve the quality of employees (Nisa & Faradiba,

2023). A strong work ethic is often a key factor in an individual's success and leads to greater opportunities for advancement within an organization.

In addition, organizational culture is another factor that influences a company's efforts to improve employee performance. (Robbins, 2023) states that work culture is a shared value system in an organization that determines the level of employee performance to achieve organizational goals. In addition, according to (Indriyati et al., 2023) organizational culture is fundamental, containing beliefs, shared core values and core traits that are believed and practiced by all members of the organization. Research from (Qomariah & Utamy, n.d.) that organizational culture has a significant influence on performance. Organizational culture is a model of a common perspective of certain groups learning to overcome problems, adjustment and external integration (Barjak & Heimsch, 2023).

Meanwhile, the facts in the field at PT XYZ there is a decrease in employee performance (Arianti et al., 2023). PT XYZ conducts performance appraisals every six months periodically in the middle and end of the semester conducted by direct supervisors (Aprisa et al., 2023). The relevant immediate supervisor is the person directly responsible for the work of his subordinates (Kim et al., 2023). The purpose of this study is to evaluate how performance development at PT XYZ. The assessment is carried out by means of Performance appraisal which assesses Performance Contract and behavior.

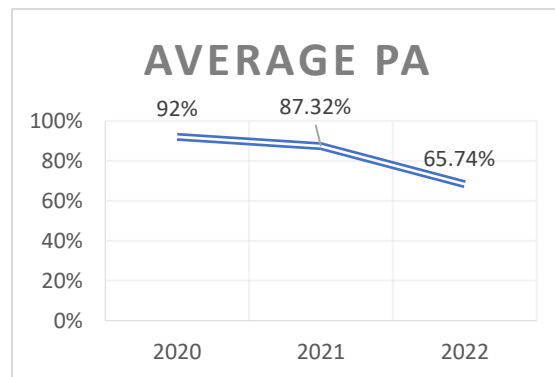


Figure 1. 2 Average Performance Appraisal

From the data above, it can be seen that the average value of the Average Performance Appraisal (PA) for 2020 – 2022 can be seen. The assessment categories used have the following categories:



Figure 1. 3 Performance Appraisal value categories

With this category, data sourced from the Human Capital department recapitulates for the last 3 years with the following data:

Table 1. 1 Performance Appraisal Value per Category

	2020	2021	2022
Excellent	8%	4%	10%
Good	58%	48%	41%
Average	31%	29%	19%
Need Improvement	3%	19%	30%

In the last three years, the "Need Improvement" category has experienced a significant increase in performance. The "Good" and "Average" categories have remained stable over the past three years. For Excellent there was an increase but it fell in 2021. It is interesting to investigate further to understand the factors that contributed to this decline and increase.

On the internal side, work ethic factors can affect employee performance. Work ethic is defined by (Wahyudi et al., 2023) as a concept that views devotion and dedication to work as very valuable values. The survey that led to work ethic was conducted in 2022, there are two big points that have low scores, namely the point "team needs that do not match job demands" with 3.75 points and the next point is "believe the compensation obtained is the same when compared to others in the same job" with 3.87 points. This phenomenon is interesting to study more deeply how the work ethic at PT XYZ in Bandung.

In addition to work ethic, PT XYZ also builds an organizational culture, namely SIAP, which is internalized every morning through an activity called Morning Inspiration. An explanation of PT XYZ's corporate culture can be seen in the table below.

1.3 Problem Statement

1. What is the work ethic at PT. XYZ Bandung?
2. What is the organizational culture at PT. XYZ Bandung?
3. How much influence work ethic and organizational culture have on employee performance at PT. XYZ Bandung either partially or simultaneously?

1.4 Research Objectives

1. To know and analyze how the work ethic at PT. XYZ Bandung
2. To know and analyze how the organizational culture at PT. XYZ Bandung
3. To find out how much influence work ethic and organizational culture have on employee performance at PT. XYZ Bandung

1.5 Research Benefits

The research conducted is expected to provide benefits or uses, namely:

1. For Writers

The results of this study can add insight and knowledge to the author, especially about human resource management related to work ethic and work culture on organizational performance.

2. For related parties

The results of this research are expected to provide benefits, information and input materials for PT. XYZ Bandung in an effort to improve the performance of its employees.

3. For Academics

This research can be material to increase insight and knowledge, and can be a comparison of the results of other research.

METHOD

The research method can be interpreted as a step to obtain data according to the specified objectives (Sugiyono, 2017: 2). There are 4 keywords in obtaining the data, namely scientific methods, data, goals and benefits. The method is adjusted to the needs of research so that this research method can be used as a reference in conducting research. Quantitative methods are based on the existence of objective phenomena to be used in researching or analyzing certain populations / samples (Mustafidah and Suwarsito, 200: 47). According to the purpose of his research using descriptive research. The descriptive method is a useful method for data analysis by describing the data collected without making generalizations (Sugiyono, 2017: 147).

This research is causal research. Causal research is research to examine that a causal variable is a variable and examine the relationship between variables that have a positive or negative influence Indrawati (2015: 117). Based on research involvement, researchers do not manipulate or interfere with data because researchers process data based on information received from respondents without additional research. This study used the cross sectional method according to Indrawati (2015: 117) data collection with the cross-sectional method was carried out in one period, after which the available information was processed, analyzed and conclusions drawn.

RESULTS AND DISCUSSION

Characteristics of Respondents

The characteristics of these respondents are divided into gender and length of work. The identification of respondent characteristics in this study will be explained in Table 4.3:

Table 1. 2 Characteristics of Respondents

No.	Category		Sum	%
1	Gender	Law - Law	51	36,7%
		Woman	88	63,3%
2	Length of working	0 - 6 bulan	9	6,5%
		7 – 12 bulan	19	13,7%
		1 - 5 tahun	34	24,5%
		5-10 tahun	49	35,3%
		>11 tahun	28	20,1%
3		Master Degree (S2)	5	4%

Level of education	Bachelor Degree (S1)	
		71
	Associate Degree 4 (D4)	
	4	3%
	Associate Degree 3 (D3)	
	16	11%
	Associate Degree 1 (D1)	
	1	1%
	Senior High School	
	30	22%
	Vocational High School	
	9	7%
	Junior High School	
	1	1%
	Elementary School	
	1	0%

Source: processed questionnaire, 2023

Based on Table 4.3, the majority of respondents were women as many as 88 people (63.3%). According to the length of work, the longest respondent is 5-10 years as many as 49 people (35.3%), meaning that some of the employees already have high loyalty to continue working at the company. The dominating level of education at PT XYZ is S1 at 51% and high school at 22%.

Descriptive Analysis

Descriptive analysis is carried out to obtain an overview of the results of respondents' responses to the variables they studied, while the results of descriptive analysis are as follows.

A. Descriptive Analysis of Work Ethic Variables

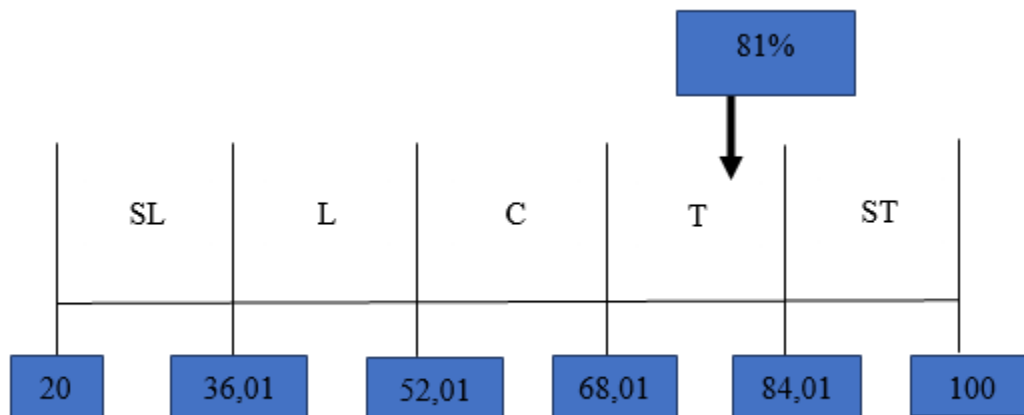
Respondents' responses regarding work ethic variables are shown in Table 4.4:

Table 1. 3 Descriptive Analysis of Work Ethic Variables

Variable	Indicator	Code	Answer					Score	Percentage
			STS	TS	CS	S	SS		
Work Ethic (X1)	Work smart full of creativity	EK1	1	5	32	71	30	541	78%
	Work diligently with excellence	EK2	0	7	32	72	28	538	77%
	Work hard, full of passion	EK3	1	2	29	79	28	548	79%
	Work hard full of responsibility	EK4	1	2	10	63	63	602	87%

Work sincerely and gratefully	EK5	1	2	15	60	61	595	86%
Work seriously full of love	EK6	2	3	31	63	40	553	80%
Total							3377	
War - War							562,8	
Persentase (%)							81%	
Category							Tinggi	

Source: researcher's processed data, 2023



Based on Table 4.4, the results of the descriptive analysis of work ethic variables are categorized as "High" with an average of 562.8 (81%) in the interval 68.01% – 84.01%. The indicator with the lowest score was "working diligently with excellence" at 538 while the highest indicator was "working hard full of responsibility" at 602.

B. Descriptive Analysis of Organizational Culture Variables

Respondents' responses regarding organizational culture variables are shown in Table 4.5:

Table 1. 4 Descriptive Analysis of Organizational Culture Variables

Variabel	Indicator	Code	Answer					Score	Percentage
			STS	TS	CS	S	SS		
Organizational culture (X2)	Encouragement to Innovate	BO1	1	16	44	61	17	494	71%
	Encouragement to challenges	BO2	5	15	52	47	20	479	69%

Thoroughness in doing work	BO3	5	6	26	61	41	544	78%
Tasks given in detail	BO4	2	9	37	67	24	519	75%
Target achievement	BO5	0	9	30	69	31	539	78%
Institutional support in the form of work facilities	BO6	2	9	29	63	36	539	78%
Can grow	BO7	0	12	26	76	25	531	76%
Have a job according to ability	BO8	5	11	12	60	51	558	80%
Establish good communication between employees	BO9	5	6	19	66	43	553	80%
Teamwork	BO10	4	2	28	71	34	546	79%
Freedom to criticize	BO11	4	8	31	79	17	514	74%
Willingness of employees to improve themselves	BO12	4	2	11	69	53	582	84%
Putting forward the company's vision	BO13	2	5	33	64	35	542	78%
Comfort of enterprise conditions	BO14	7	11	42	59	20	491	71%
Total							7431	
War - War							530,8	
Percentage (%)							76,4%	
Category							Kuat	

Source: researcher's processed data, 2023

C. Work ethic at PT. XYZ Bandung.

The results of descriptive analysis on work ethic variables based on Table 4.4 resulted in an average of 6 indicators of 562.8 (81%) with the category "High". This means that the work ethic shown by PT XYZ employees has been high. Work ethic is an important part that determines a person's success at work, employees with a high work ethic will help him in achieving maximum performance. The indicator with the lowest score is "working diligently with excellence" with a percentage of 77%. Despite having the lowest score, the indicator is still included in the "High" category because it is still in the range of 68.01 – 84.01. The indicator that has the largest score is 'working hard full of responsibility' with a percentage score of 87% this category is included in the "Very High" category because it is in the range of 84.01-100.

The factors that influence the work ethic variables according to Priansa (2106) are Religion, Education, Motivation, and Gender for internal factors. Cultural, Socio-Political, Environmental conditions, Economic structure, level of welfare and Development of other nations are his external factors. Looking at the characteristics of respondents from the Education factor, PT XYZ is dominated by S1 at 51% and SMA at 22%. From the factor of working period dominated by 5-10 years of service with 35.3% which can be concluded employees have loyalty and a sufficient level of welfare. From the Gender factor in the dominance of Women by 63.3% So that the Work Ethic included in the "High" category is influenced by the characteristics of respondents who are dominated by women and have S-1 Education and a long working period. The indicator that has the smallest score on the work ethic variable is "working diligently full of excellence" meaning that there are still employees who are not good at showing work ethic in the form of perseverance to achieve excellence at work. Employees' efforts in achieving excellence when working are considered still lacking so that the indicator shows a lower value than other indicators.

D. Organizational Culture at PT. XYZ Bandung.

The results of descriptive analysis on organizational culture variables based on Table 4.5 resulted in an average of 14 indicators of 530.8 (76.4%) with the category "Strong". One indicator of an organization having a strong organizational culture is if the organization has characteristics where the values of organizational culture are embraced by all members of the organization (Indiyati, 2018). This means that PT XYZ Bandung has implemented an organizational culture in working well. The indicator with the lowest score is "encouragement to challenges" but still in the strong category at 69%, meaning that there are still employees who are not good at pushing themselves to get challenges at work.

Factors that influence Organizational Culture are Observed Behavioral Regularities, Norms, Dominant values, Philosophy and Rules (Robbins & Judge, 2013: 705). The characteristics of respondents who show a working period that is dominated by 5-10 years of work have a possibility of saturation so that the drive to challenge is low. This is supported by the highest indicator on the Organizational Culture variable is "Willingness of employees to improve themselves" with a score of 84% so that it is included in the "Strong" category almost close to the "Very Strong" category. From this discussion, PT XYZ Company has the opportunity to improve the Corporate Culture by facilitating the development of employees because employees already

have awareness for self-development but still need to be motivated and facilitated in order to be able to push themselves towards challenges.

E. The Great Influence of Work Ethic and Organizational Culture on Employee Performance at PT. XYZ Bandung.

The results of partial hypothesis testing show the t-statistic value of the work ethic variable of $8.099 > 1.96$ with a significance below 0.05, meaning that work ethic has a significant effect on the performance of PT XYZ Bandung employees. The t-statistic value for organizational culture is $5.719 > 1.96$ with significance below 0.05 meaning that organizational culture has a significant effect on the performance of PT XYZ Bandung employees. The magnitude of the influence of work ethic and organizational culture variables on employee performance is shown by the R-Square value of 0.588 or 58.8% while the remaining 41.2% is influenced by other factors that are not studied in this study.

The results of this study are in line with previous research conducted by (Susanti & Nasri, 2023), entitled "The Influence of Work Ethic and Organizational Culture on Employee Performance at the Regional Financial Management Agency of West Pasaman Regency". This study aims "to determine the effect of competence, individual characteristics and locus of control partially and simultaneously on the performance of employees of the Pariaman City DPRD Secretariat". The results showed "that the variables of work ethic and organizational culture affect the performance of employees at the Regional Financial Management Agency (BPKD) of West Pasaman Regency. With a coefficient of determination of 0.763 or 76.3% influenced by work ethic and organizational culture, while the remaining 23.7% was influenced by other factors not examined in this study."

As a comparison of the results of the study, there was a previous study conducted by (Ayu et al., 2023) entitled "The Influence of Organizational Culture, Work Motivation, Work Discipline, and Work Ethic on the Performance of the Widyaiswara Human Resources Development Agency of Bali Province". With the research objective "knowing the influence of organizational culture, work motivation, work discipline, and work ethic on performance at the Widyaiswara Human Resources Development Agency of Bali Province". The results of this study are "Organizational culture (X1), work motivation (X2), work discipline (X3), and work ethic (X4) have a direct effect on Widyaiswara's performance (Y) at the Human Resources Development Agency of Bali Province Organizational culture with a coefficient of determination of 73.7%".

In this study, the magnitude of the influence of work ethic and organizational culture variables on employee performance was shown by the R-Square value of 0.588 or 58.8%, while in previous studies that had more independent variables, namely "Organizational culture (X1), work motivation (X2), work discipline (X3), and work ethic (X4) had a determination coefficient of 73.7%. This difference has the opportunity for PT XYZ to conduct further research in the form of variables of work motivation and work discipline to find 41.2% that affect performance at PT XYZ.

The greater the influence caused by the work ethic of employees at work will certainly improve employee performance to achieve company goals (Sujila et al., 2023). Similarly, organizational culture, which is a guideline held by employees in working by always adhering to organizational culture, it is expected that employees will be able to achieve maximum performance (Isensee et al., 2023).

One of the work ethic is honesty at work, every agency requires its employees to have an honest spirit because honesty can produce good performance and improve performance to achieve goals. Work ethic is also said to be strongly influenced by the values that a person has in carrying out his work, while the values themselves continue to develop and develop (Taghavi & Segalla, 2023).

Work ethic can create conditions and motivate employees to be able to achieve set goals (Chaudhary et al., 2023). Through work motivation, there will be encouragement in employees and have an impact on employee work attitudes such as morale to achieve company goals (Pasulu et al., 2023). There needs to be approaches to carry out tasks so that it can be said that the work ethic of employees is effective and able to improve the performance of their employees.

Organizational culture is a view or perception that is firmly held by all employees in which there are values, beliefs and consistent behavior in the organization (Bagga et al., 2023). Quoting Robbins' opinion (2016: 189) "that a strong organizational culture is needed to increase job satisfaction as well as employee performance". Therefore, it is necessary to build a strong organizational culture so that organizational performance values can be achieved.

CONCLUSION

The conclusions from the research results of the influence of work ethic and organizational culture on employee performance are as follows: 1) The work ethic of PT XYZ Bandung as a whole is categorized as "high" meaning that PT XYZ Bandung employees already have a high work ethic in carrying out their work. 2) The work culture at PT XYZ Bandung as a whole is categorized as "strong" meaning that PT XYZ Bandung has implemented a strong organizational culture in working. 3) Partially or simultaneously, work ethic and organizational culture have a significant effect on the performance of PT XYZ employees. The greater the influence caused by work ethic and work culture at work will certainly improve employee performance to achieve company goals.

BIBLIOGRAFI

-
- Aprisa, N. R., Muis, M., & Reni, A. (2023). The Influence Of Leadership, Work Environment, And Remuneration On Employee Performance Through Work Discipline At The Attorney's Office Of High Sulawesi. *SEIKO: Journal of Management & Business*, 6(2), 194–206.
- Arianti, N., Rismayadi, B., & Sumarni, N. (2023). THE EFFECT OF MOTIVATION AND WORK ENVIRONMENT ON EMPLOYEE PRODUCTIVITY OF PT XYZ (Case Study in Assembly Plant C Department). *Jurnal Ekonomi*, 12(02), 1409–1416.
- Ayu, P., Mudita, I. W., & Rammang, N. (2023). KEANEKARAGAMAN JENIS–JENIS TUMBUHAN MARGA FICUS DI PESISIR SELATAN KABUPATEN TIMOR TENGAH SELATAN, PROVINSI NUSA TENGGARA TIMUR. *Wana Lestari*, 7(01), 118–131.
- Bagga, S. K., Gera, S., & Haque, S. N. (2023). The mediating role of organizational culture: Transformational leadership and change management in virtual teams. *Asia Pacific Management Review*, 28(2), 120–131.
- Bambang, B., Takdir, J. L., & Della, N. D. T. (2023). Penggunaan Macro Visual Basic Untuk Penggabungan File dan Pembuatan Ledger. *Jurnal Abdimas Independen*, 4(1), 1–8.
- Barjak, F., & Heimsch, F. (2023). Understanding the relationship between organizational culture and inbound open innovation. *European Journal of Innovation Management*, 26(3), 773–

797.

- Chaudhary, A., Islam, T., Ali, H. F., & Jamil, S. (2023). Can paternalistic leaders enhance knowledge sharing? The roles of organizational commitment and Islamic work ethics. *Global Knowledge, Memory and Communication*, 72(1/2), 98–118.
- Indiyati, D. (2018). The role of organisational culture, intellectual capital and competitive advantage in supporting the government policies in education. *International Journal of Economic Policy in Emerging Economies*, 11(1–2), 68–82.
- Indriyati, I., Ethelbert, Y. K., & Saputra, B. (2023). “ Garugiwa In Line” A Portrait of The Success of Local Wisdom-Based Population Administration Service Innovation in Ende District. *Jurnal Manajemen Dan Ilmu Administrasi Publik (JMIAP)*, 5(3), 291–298.
- Isensee, C., Teuteberg, F., & Griese, K. (2023). How can corporate culture contribute to emission reduction in the construction sector? An SME case study on beliefs, actions, and outcomes. *Corporate Social Responsibility and Environmental Management*, 30(2), 1005–1022.
- Kim, S. S., Pak, J., & Son, S. Y. (2023). Do calling-oriented employees take charge in organizations? The role of supervisor close monitoring, intrinsic motivation, and organizational commitment. *Journal of Vocational Behavior*, 140, 103812.
- Kuntadi, C., & Puspasari, L. (2023). Budget Absorption’s Effectiveness: Budget Implementation Commitment, Human Resource Capabilities, And Budget Planning Accuracy. *Jurnal Akuntansi Dan Keuangan*, 11(1), 81–88.
- Maddox-Daines, K. L. (2023). Delivering well-being through the coronavirus pandemic: the role of human resources (HR) in managing a healthy workforce. *Personnel Review*, 52(6), 1693–1707.
- Nisa, F., & Faradiba, S. S. (2023). Pelatihan media pembelajaran menggunakan Aplikasi Geogebra pada materi luas permukaan dan volume tabung. *KACANEGARA Jurnal Pengabdian Pada Masyarakat*, 6(2), 253–260.
- Pasulu, M., Irfan, A., Pahmi, A. A., & Thalib, L. (2023). The Effect of Job Satisfaction and Work Motivation on Employee Performance through Work Discipline at the Regional Secretariat of East Luwu Regency. *Rahmawanti, NP (2014). Pengaruh Lingkungan Kerja Terhadap Kinerja Karyawan (Studi Pada Karyawan Kantor Pelayanan Pajak Pratama Malang Utara)(Doctoral Dissertation, Brawijaya University)*.
- Qomariah, N., & Utamy, N. P. (n.d.). *The Role of Competence, Work Discipline and Work Environment Improving Employee Performance in Cooperatives in Jember Regency*.
- Robbins, B. D. (2023). Getting a Grip on Normativity: A Phenomenological Response to Maslow’s Call for a “Humanistic Biology.” *Journal of Humanistic Psychology*, 00221678221147957.
- Sujila, K., Prijati, P., & Santoso, B. H. (2023). The Effect Of Work Environment And Work Discipline On Employee Performance Through Emotional Intelligence. *JHSS (JOURNAL OF HUMANITIES AND SOCIAL STUDIES)*, 7(2), 511–517.
- Susanti, F., & Nasri, R. J. (2023). PENGARUH KUALITAS PRODUK DAN HARGA TERHADAP KEPUTUSAN PEMBELIAN SEPEDA MOTOR SCOOPY PADA PT MENARA AGUNG KOTA PADANG. *Jurnal Valuasi: Jurnal Ilmiah Ilmu Manajemen Dan Kewirausahaan*, 3(1), 399–411.
- Taghavi, S., & Segalla, M. (2023). Is Work an Act of Worship? The Impact of Implicit Religious Beliefs on Work Ethic in Secular vs. Religious Cultures. *Journal of Business Ethics*, 1–23.
- Wahyudi, N., Podungge, Y., & Nurlaily, S. (2023). AKSI BERGIZI REMAJA DI ERA TRANSFORMASI KESEHATAN. *JMM (Jurnal Masyarakat Mandiri)*, 7(5), 4185–4194.

Yuliati, Y., Sumiarsih, E., Efawani, E., Mulyani, I., & El Fajri, N. (2023). The assessment of status of Sibam River and Air Hitam River Pekanbaru city Riau Province using pollution index. *Depik*, 12(2), 229–235.

Copyright holder:

Edhu Enriadis Adilingga (2023)

First publication rights:

[Syntax Transformation Journal](#)

This article is licensed under:

