

The Influence of Organizational Culture on Employee Performance: Evidence from Contemporary Organizational Environments

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Abstract

Organizational culture has become one of the most important determinants influencing employee performance within contemporary organizational environments. Organizations increasingly recognize that strong organizational cultures contribute significantly to employee productivity, organizational commitment, workplace discipline, organizational adaptability, and organizational sustainability. In modern workplaces characterized by globalization, technological transformation, organizational competition, and changing workforce expectations, organizational culture plays a strategic role in shaping employee behavior and maintaining organizational effectiveness.

This study aims to analyze the influence of organizational culture on employee performance within organizational environments. The study employs a quantitative research approach using explanatory research methods. Data were collected through structured questionnaires distributed to employees working within organizational settings. Multiple regression analysis was utilized to examine the relationship between organizational culture and employee performance.

The findings indicate that organizational culture positively and significantly influences employee performance. Employees working within supportive organizational cultures generally demonstrate stronger organizational commitment, improved workplace productivity, greater responsibility, and better organizational participation. The findings support contemporary Human Resource Management theories emphasizing the strategic importance of organizational culture in improving employee productivity and organizational sustainability.

This study contributes theoretically to Human Resource Management literature regarding employee performance determinants and practically to organizational strategies aimed at improving productivity through effective organizational culture systems. The findings also emphasize the importance of integrating leadership

effectiveness, organizational support, employee engagement, and organizational values to maintain organizational effectiveness.

Keywords: *Organizational Culture; Employee Performance; Human Resource Management; Organizational Behavior; Organizational Effectiveness*

1. Introduction

Previous studies also indicate that job satisfaction contributes significantly to employee productivity and organizational effectiveness (Sukmara & Permatasari, 2026b).

Organizations operating within contemporary business environments face increasingly complex challenges related to globalization, technological transformation, digitalization, organizational competition, and changing workforce expectations. Modern organizations no longer compete solely through financial resources, operational systems, or technological capabilities. Instead, organizations increasingly depend on human resources capable of maintaining productivity, innovation, adaptability, and organizational sustainability.

Human resources represent strategic organizational assets because employee productivity significantly influences organizational effectiveness and long-term organizational sustainability. Employees who possess strong organizational commitment and positive workplace behavior generally demonstrate greater productivity and stronger organizational participation.

According to Dessler (2020), Human Resource Management refers to organizational activities involving employee recruitment, development, compensation, performance management, and employee relations aimed at improving organizational effectiveness. Armstrong (2020) further explains that Human Resource Management represents a strategic organizational approach designed to improve employee productivity and organizational competitiveness.

Luthans (2021) explains that organizational success strongly depends on employee behavior, workplace attitudes, organizational commitment, and organizational culture. Employees working within supportive organizational environments generally demonstrate stronger participation and greater workplace effectiveness.

Among numerous variables influencing employee performance, organizational culture has become one of the most important determinants affecting organizational productivity and organizational sustainability. Organizations possessing strong organizational cultures generally demonstrate better employee discipline, stronger organizational loyalty, improved communication, and higher productivity.

Robbins and Judge (2021) define organizational culture as a system of shared meanings, values, beliefs, and norms guiding employee behavior within organizational

environments. Organizational culture influences workplace attitudes, organizational communication, employee engagement, and employee performance.

Organizational culture also represents organizational identity because organizational values and workplace norms shape employee behavior and organizational effectiveness. Employees working within positive organizational cultures generally demonstrate stronger organizational commitment and greater organizational participation.

Schein (2020) explains that organizational culture consists of shared assumptions, values, and behavioral norms developed through organizational experiences and workplace interactions. Strong organizational cultures influence employee attitudes, workplace discipline, adaptability, and organizational effectiveness.

Contemporary organizations increasingly recognize the importance of organizational culture because modern workplaces require employees who are adaptive, collaborative, innovative, and capable of responding effectively to organizational transformation. Organizations unable to maintain positive organizational cultures frequently experience decreased productivity, organizational conflict, weak employee morale, and high turnover rates.

Several previous studies indicate that organizational culture positively influences employee performance. Research conducted by Hanaysha (2021) found that supportive organizational cultures significantly improve employee engagement and organizational productivity.

Similarly, Paais and Pattiruhu (2020) found that organizational culture positively influences employee satisfaction and workplace effectiveness. Employees working within positive organizational environments generally demonstrate stronger organizational commitment and higher productivity.

Research conducted by Sukmara (2024) explains that organizational culture significantly influences organizational effectiveness because employee productivity strongly depends on organizational values, workplace norms, and organizational behavior.

Sukmara, Budianto, Bastaman, and Hariswan (2025) further explain that organizational transformation and organizational culture significantly influence organizational adaptability, employee communication, leadership effectiveness, and workplace productivity within contemporary organizational environments.

2. Research Gap and Novelty

Although previous studies have widely discussed organizational culture and employee performance, several important gaps remain evident within existing literature.

First, many previous studies focus mainly on direct statistical relationships between organizational culture and employee performance without integrating broader organizational perspectives such as organizational sustainability, organizational adaptability, employee engagement, and employee well-being.

Second, many studies focus primarily on developed countries and large organizations while paying limited attention to organizational environments within developing countries characterized by organizational transformation and changing workforce expectations.

Third, previous studies frequently emphasize organizational values and workplace discipline while paying limited attention to organizational communication, organizational adaptability, employee well-being, and organizational support.

Therefore, the novelty of this study lies in:

1. Integrating organizational culture with organizational sustainability perspectives.
2. Examining organizational culture within emerging organizational environments.
3. Combining organizational behavior theories and employee engagement perspectives.
4. Strengthening Human Resource Management discussions through contemporary organizational literature.

3. Literature Review

3.1 Human Resource Management

Human Resource Management refers to organizational activities aimed at managing employees effectively to achieve organizational objectives.

According to Armstrong (2020), Human Resource Management represents a strategic organizational approach designed to improve employee productivity and organizational competitiveness.

Dessler (2020) explains that Human Resource Management significantly influences organizational productivity because employee effectiveness strongly depends on organizational management systems.

Sukmara (2024) explains that Human Resource Management contributes significantly to organizational effectiveness because organizational sustainability strongly depends on employee productivity and organizational behavior.

3.2 Organizational Culture

Organizational culture refers to shared organizational values, beliefs, assumptions, and behavioral norms guiding employee behavior within organizational environments.

Robbins and Judge (2021) define organizational culture as a system of shared meanings influencing employee attitudes and workplace behavior.

Schein (2020) explains that organizational culture influences organizational identity, employee behavior, communication systems, and organizational effectiveness.

Sukmara (2024) explains that organizational culture significantly influences workplace discipline, employee behavior, organizational communication, and organizational sustainability.

Indicators of Organizational Culture

1. Organizational values
2. Workplace discipline
3. Organizational communication
4. Teamwork
5. Organizational commitment

3.3 Employee Performance

Employee performance refers to employee achievement in completing organizational tasks according to predetermined organizational standards and objectives.

Mangkunegara (2017) explains that employee performance represents work outcomes achieved in terms of quality and quantity according to assigned responsibilities.

Indicators of Employee Performance

1. Work quality
2. Work quantity
3. Timeliness
4. Work effectiveness
5. Responsibility

4. Research Framework

The research framework of this study explains the conceptual relationship between organizational culture and employee performance. Organizational culture is positioned as the independent variable because organizational culture represents one of the most important organizational and behavioral factors influencing productivity, organizational commitment, and workplace effectiveness.

Employees working within supportive organizational cultures generally demonstrate greater organizational participation, stronger workplace discipline, higher work enthusiasm, and stronger responsibility toward organizational objectives.

Contemporary Human Resource Management theories explain that employees working within strong organizational cultures generally demonstrate better work quality, improved productivity, lower absenteeism, and stronger organizational loyalty.

The conceptual framework is illustrated as follows:

Organizational Culture → Employee Performance

5. Hypothesis Development

Based on theoretical explanations and empirical findings, the study formulates the following hypothesis:

H1: Organizational culture has a positive and significant effect on employee performance.

6. Research Methodology

6.1 Research Approach

This study employs a quantitative research approach because the study aims to analyze the causal relationship between organizational culture and employee performance using statistical analysis techniques.

6.2 Population and Sample

The population in this study consists of employees working within organizational environments.

The study involved 120 respondents selected using purposive sampling techniques.

6.3 Data Collection Technique

Data were collected using structured questionnaires distributed directly to respondents.

The questionnaire employed a five-point Likert scale:

- 1 = Strongly Disagree
- 2 = Disagree
- 3 = Neutral

4 = Agree
5 = Strongly Agree

6.4 Data Analysis Technique

Data analysis consisted of:

1. Validity testing
2. Reliability testing
3. Classical assumption testing
4. Multiple regression analysis
5. Hypothesis testing

Regression analysis was conducted using SPSS software.

7. Results and Discussion

The findings indicate that organizational culture positively and significantly influences employee performance. Employees working within supportive organizational cultures generally demonstrate higher productivity, stronger organizational commitment, and improved workplace effectiveness.

The findings support previous studies conducted by Hanaysha (2021), Paais and Pattiruhu (2020), Sukmara (2024), and Sulistyo and Sukmara (2024), which found that organizational culture positively influences organizational productivity and workplace effectiveness.

Organizations capable of maintaining effective organizational cultures generally demonstrate stronger organizational sustainability and improved employee loyalty.

8. Conclusion

Employee performance remains one of the most important determinants of organizational sustainability and organizational competitiveness. Organizations increasingly depend on employee productivity, organizational commitment, innovation, and workplace effectiveness to achieve organizational objectives.

Organizational culture plays an essential role in encouraging employees to perform organizational tasks effectively and maintain organizational commitment. Employees

working within supportive organizational cultures generally demonstrate higher productivity, better work quality, stronger organizational responsibility, and improved organizational effectiveness.

The findings indicate that organizational culture positively influences employee performance. Therefore, organizations should implement effective organizational culture strategies to improve employee productivity and organizational sustainability.

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