

The Influence of Organizational Culture and Work Ethic on Employee Performance

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ABSTRACT

The purpose of this study was to determine the effect of Organizational Culture and Work Ethic on Employee Performance at the Riau Province Regional Revenue Agency. Respondents in this study amounted to 96 people using the random sampling method. With data analysis in this study is quantitative using multiple linear regression methods and the data is analyzed using the Statistic for Product and Service Solution (SPSS) version 26 program. Based on the results of this research, it shows that organizational culture affects the performance of employees of the Riau Province Regional Revenue Agency. Work ethic affects the performance of employees of the Riau Province Regional Revenue Agency. Simultaneously, organizational culture and work ethic variables have a significant effect on employee performance variables of the Riau Province Regional Revenue Agency. The R Square value of 0.581 or 58.1% means that the employee performance variable is influenced by organizational culture and work ethic while the remaining 41.9% is influenced by other variables not used in this study.

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INTRODUCTION

A very important factor in an organization or company is human resources, which are the driving force, inspiration, and brains of the organization or company. The performance of an organization or company depends on the quality of its human resources. Conversely, if human resources are better, the performance of the organization or company will be worse.

According to Sinambela (Sinambela, 2021), without the presence of human resources, various other potential resources (finance, raw materials, machines, systems, markets) will be wasted. This is done considering that these various resources are managed by the human resources department itself. Despite the development of the current digital era and the use of sophisticated technology, without professional and reliable human resources, everything is meaningless. Quality employees are employees who are encouraged and managed well and professionally to continue to improve the efficiency and effectiveness of their work so that they can achieve the goals set by the organization.

Law of the Republic of Indonesia Number 43 of 1999 concerning Amendments to Law Number 8 of 1974 concerning Personnel Policy explains that Civil Servants are state officials who are the human resources that determine the success or failure of government and national development. According to this statement, the maturity of state institutions, especially Civil Servants, is very important for the fulfillment of national duties and the smooth running of national development.

All government departments need to improve the performance of their staff to face the challenges and problems facing the government as a whole. The government always requires its employees to carry out their duties and responsibilities well. Efficiency refers to whether the expected results are achieved. Efficiency is the result of the level of performance of a particular task that needs to be completed. Effectiveness, on the other hand, depends on how well the various contributions are implemented. According to Widodo (Widodo, 2023), personal achievement also defines the level of achievement and individual work results of goals that need to be achieved or tasks that need to be completed within a certain period.

The Regional Revenue Agency (BAPENDA) of Riau Province is responsible for assisting the governor in implementing decentralization initiatives and responsibilities in connection with Law no. 28 of 2009 concerning Regional Taxes and Regional Levies need to be refined by developments in the situation and the implementation of fiscal decentralization. BAPENDA must have strong cooperation to realize its vision and mission. Employees with a strong work ethic will be better able to carry out their duties and fulfill their obligations effectively and efficiently while maintaining high standards of performance and quality.

Sedarmayanti (Sedarmayanti, 2018) states that work ethic is a measure to assess the level of determination and effort made to achieve optimal results in every job

undertaken. In this case, the work ethic referred to is a productive work ethic, both from the perspective of productivity in general and itself.

If an employee can carry out their duties well, and the results can influence organizational culture and a good work ethic, the employee's performance is said to be good.

Table 1. Tax Target and Realization Data for 2018-2022

Year	Target	Realization	Percentage
2018	995.110.774.084.48	1.049.350.992.438.00	105,45 %
2019	1.062.771.147.543.09	1.129.336.200.214.00	106,26%
2020	1.020.766.765.232.00	1.109.838.807.024.00	108,73%
2021	1.276.770.171.663.00	1.224.103.784.037.00	95,88%
2022	1.317.737.567.028.00	1.236.423.928.750.00	93,82%

Source: Regional Revenue Agency of Riau Province (BAPENDA), 2022

Based on Table 1, it can be seen that target achievement and tax realization from the last 5 years, seen from percentages, shows that there is a decrease in targets not being achieved in 2021 with a percentage of 95.88%, and in 2022 with a percentage of 93.82%. The impact on the government and development of reducing the achieved tax target is that it allows development programs and government spending to stagnate. Thus, it can be concluded that the Regional Revenue Agency of Riau Province is experiencing problems in achieving targets due to one of the low work ethics of an employee.

Work ethic greatly influences organizational performance. Employees with a high work ethic will always improve the quality of themselves and their work to achieve the desired performance, while employees with a low work ethic will result in low company performance. People who have a work ethic tend to do everything optimally and perfectly in every aspect of their work, and they become more courageous to be better in the future.

According to several experts, work ethic can be defined as work ethics, work enthusiasm, morals, and much more. The author looks at the problem of employee work ethic at the Riau Province Regional Revenue Agency (BAPENDA) Office; some employees don't seem to have enthusiasm for work because their superiors don't supervise them at work, but they look enthusiastic when their superiors supervise them. Some employees procrastinate on their tasks, leading to a lot of unfinished work and a lack of initiative to complete tasks directly. An example is the process of inputting and realizing tax target data which is delayed or not completed on time. Because it is not by work ethic principles, this hurts employee performance and causes work not to be completed on time.

The Riau Province Regional Revenue Agency (BAPENDA) uses the 5S organizational culture, namely smile, greeting, greeting, politeness and politeness. Bapenda's vision is to become a Trustworthy Riau Province Revenue Manager (BAPENDA) with an orientation towards satisfying public services and creating an independent, dynamic, and prosperous society. BAPENDA's mission is to increase regional income and organize and improve services.

According to Sudaryono, 2017 (in (Purnomo, 2022)), organizational culture consists of collective values and practices that motivate and inspire employees to do their best in their work. A strong culture supports organizational goals, while a weak or negative culture hinders or conflicts with organizational goals. Strong organizational values drive strong behavior and build a strong culture.

Some of the problems with the implementation of organizational culture in BAPENDA Riau Province are that some employees lack confidence in their ability to carry out their duties, lack the initiative to do it themselves, and wait more for clear instructions before starting work, and are not disciplined in obeying the clock and out of office. These factors make the employee's job more difficult.

METHODOLOGY

This research uses quantitative research methods. The subjects of this research were employees of the Provincial Regional Revenue Agency (BAPENDA) of Riau Province. Types and sources of data using primary and secondary data. Primary data sources were obtained from distributing questionnaires in the form of a list of questions relating to the variables studied and the results of respondents' responses. Meanwhile, secondary data sources were obtained through literature sources, papers, research results, or reports from various sources related to this research.

The entire population of this study were employees of the Provincial Regional Financial Agency (BAPENDA) of Riau Province, totaling 127 people. The sampling technique is a simple random sampling technique where all respondents have the same opportunity to receive the sample. The sample size for this research was 96 respondents and was determined based on Slovin's (2013) formula.

Multiple linear regression analysis was used for data analysis. According to Ghozali (Ghozali, 2016), multiple regression analysis is used to analyze the influence of the independent (dependent) variable on the dependent (independent) variable. To find out the direction and find out whether organizational culture and work ethic influence employee performance, a multiple linear regression analysis was carried out.

RESULTS AND DISCUSSION

Description of Respondent Characteristics

The characteristics of respondents based on age were dominated by those aged 41-50 years with the number of respondents being 46 (47.9%) respondents who worked at the Regional Revenue Agency of Riau Province. Then, respondents based on educational background were dominated by employees with a bachelor's degree, namely 81 (84.4%) respondents. The characteristics of respondents based on length of service were dominated by employees with a service period of >10 years, namely 47 (48.9%) respondents.

Descriptive Analysis of Research

The results of respondents' responses regarding employee performance variables are shown in Table 2 below.

Table 2. Recapitulation of Respondent Responses Regarding Employee Performance Variables (Y)

No	Statement	Alternative Answers				
		Strongly Agree	Agree	Neutral	Don't Agree	Strongly Disagree
		5	4	3	2	1
1	I complete the work according to the standards set by the agency	53	39	1	3	0
		55,2%	40.60%	1%	3%	0
2	I can complete the work with the targets that have been set	58	35	2	1	0
		60,4%	36.40%	2%	1%	0
3	I try to complete work on time	49	41	2	4	0
		51%	42.70%	2%	4%	0
4	I am willing to be directed to achieve agency goals	54	35	6	1	0
		56.20%	36.40%	6.20%	1%	0
5	I can work together in a team to achieve work targets	53	35	7	1	0
		55.20%	36.40%	7.20%	1%	0
6	I work according to my competencies	56	37	1	2	0
		58.30%	35.50%	1%	2%	0
7	I feel satisfied with the targets that have been achieved	48	37	8	3	0
		50%	38.50%	8.30%	3%	0

Source: Processed Data of SPSS 26, 2023

The results of respondents' responses regarding the organizational crocodile variable are shown in Table 3 below.

Table 3. Recapitulation of Respondents' Responses Regarding Organizational Culture Variables (X1)

No	Statement	Alternative Answers				
		Strongly Agree	Agree	Neutral	Don't Agree	Strongly Disagree
		5	4	3	2	1
1	I am motivated to complete work targets on time	63	25	7	1	0
		66%	26%	7.20%	1%	0
2	I am required to complete the work by the provisions set by the agency	52	31	11	2	0
		54.10%	32.20%	11%	2%	0
3	I can collaborate with employees in achieving agency goals	51	28	11	6	0
		53.10%	29.10%	11.40%	6%	0
4	In my work, I will work effectively and efficiently	64	24	7	1	0
		66.60%	25%	7.20%	1%	0
5	I comply with the rules in the agency	50	30	12	4	0
		52%	31.20%	12.50%	4.10%	0
6	I will communicate to work together	39	34	17	6	0
		40.60%	35.41%	17.70%	6.20%	0
7	I will communicate to work together	59	25	9	3	0
		61.40%	26%	9.30%	3%	0

Source: Processed Data of SPSS 26, 2023

The results of respondents' responses regarding organizational culture variables can be seen in Table 4 below.

Table 4. Recapitulation of Respondents' Responses Regarding Work Ethic Variables (X2)

No	Statement	Alternative Answers				
		Strongly Agree	Agree	Neutral	Don't Agree	Strongly Disagree
		5	4	3	2	1
1	I believe that work morality is paramount in the agency	65	28	2	1	0
		68%	29.30%	2%	1%	0
2	I do my work with passion	51	39	3	3	0
		53.20%	40.60%	3.10%	3.10%	0
3		62	28	5	1	0

	I can create creativity in my work	64.50%	29.16%	5.20%	1%	0
4	I work hard to get the job done	53	32	9	2	0
		55.20%	33.30%	9.30%	2%	0
5	I do my work without waiting for orders	59	31	3	3	0
		61.40%	32.20%	3.10%	3.10%	0
6	I work with a full sense of responsibility	47	32	13	4	0
		48.90%	33.30%	13.50%	4.10%	0
7	I don't waste time when working	50	31	14	1	0
		52%	32.20%	14.50%	1%	0

Source: Processed Data of SPSS 26, 2023

Multiple Linear Regression Analysis

The analysis used is multiple linear regression with the relationship between employee performance (Y) as the dependent variable and the independent variables are Organizational Culture (X1) and Work Ethic (X2) as follows. The results of data processing using SPSS 26 For Windows can be presented in Table 5.

Table 5. Results of Multiple Linear Regression Analysis

		Coefficients				
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
Model		B	Std. Error	Beta		
1	(Constant)	1,857	2,615		0,710	0,479
	Organizational Culture	0,258	0,074	0,264	3,500	0,001
	Work Ethic	0,689	0,086	0,605	8,014	0,000

a. Dependent Variable: Employee Performance

Source: Processed Data of SPSS 26, 2023

Looking at Table 5, the results of the multiple regression above, the resulting regression equation is:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + e$$

$$Y = 1,857 + 0,258 X_1 + 0,689 X_2 + e$$

Based on the regression equation above, it can be explained as follows:

1. The constant value (α) is 1,857. This means that if organizational culture and work ethic are assumed to be zero (0), employee performance will remain at 1,857.

2. The regression coefficient value for the organizational culture variable is 0,258, explaining that if organizational culture increases by 1 unit, employee performance will increase by 0,258.
3. The regression coefficient value for the work ethic variable of 0,689 explains that if work ethic increases by 1 unit, employee performance will increase by 0,689.
4. The standard error (e) is a random variable and has a probability distribution that represents all factors that influence Y but are not included in the equation.

Hypothesis testing

Table 6. Partial Test (t-Test)

		Coefficients			t	Sig.
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta		
1	(Constant)	1,857	2,615		0,710	0,479
	Organizational Culture	0,258	0,074	0,264	3,500	0,001
	Work Ethic	0,689	0,086	0,605	8,014	0,000

a. Dependent Variable: Employee Performance

Source: Processed Data of SPSS 26, 2023

Then for this test, it is necessary to calculate the t table with an error rate of 5%.

T table = $n - k - 1$; 0,05/2

T table = 96-2-1 ; 0,025

T table = 93 ; 0,025

T table =1,985

Information:

n = Number of samples

k = Number of independent variables

I = Constant

Based on table 6. it can be seen as follows:

1. Organizational culture is known as t-count (3,500) > t table (1,985) and sig. (0.001) < (0.05). This means that organizational culture partially and significantly influences the employee performance of the Riau Province Regional Revenue Agency.
2. Work ethic is known as t-count (10,840) > t table (8,014) and Sig. (0,000) < (0,05). This means that work ethic partially and significantly influences the employee performance of the Riau Province Regional Revenue Agency.

Table 7. Simultaneous Test (f Test)

ANOVA^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	605,447	2	302,724	64,349	0,000 ^b
	Residual	437,511	93	4,704		
	Total	1.040,958	95			

a. Dependent Variable: EMPLOYEE PERFORMANCE

b. Predictors: (Constant), WORK ETHIC, ORGANIZATIONAL CULTURE

Source: *Processed Data of SPSS 26, 2023*

Looking at Table 7, it is known that the F-count is 64,349 with a significance of 0,000 and the total F-table statistic is 3.09. Thus, it can be seen that F-count is (64.349) > F-table (3.09) with a significance of 0.000 < 0.05. This means that simultaneously organizational culture and work ethic have a positive and significant influence on the employee performance of Riau Province Regional Revenue Agency.

Table 8. Coefficient of Determination Test (R²)

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0,762 ^a	0,581	0,571	2,16897

a. Predictors: (Constant), WORK ETHIC, ORGANIZATIONAL CULTURE

b. Dependent Variable: EMPLOYEE PERFORMANCE

Source: *Processed Data of SPSS 26, 2023*

Based on Table 8, it can be concluded that the correlation value (R) obtained is 0,762 and it can be concluded that there is a strong influence between the independent variable and the dependent. The R square value of 0,581 or 58,1% shows that the influence of organizational culture and work ethic in influencing employee performance is 58,1%, while the remaining 41,9% is influenced by other variables that were not included and were not used by researchers in this research.

Discussion

The Influence of Organizational Culture on Employee Performance

The results of this research show that organizational culture variables influence employee performance with a calculated t value (3,500) > t table (1,985) and sig. (0.001) < (0.05). This means that the organizational culture variable (X1) partially has a significant effect on the employee performance variable (Y) of the Regional Revenue Agency of Riau Province. According to the results of the employees' statements, they felt that the work environment they received was not good, the noise and minimal lighting

were caused by factory machines and lighting that disturbed employees in carrying out their work.

The results of this research are by research conducted by Desi Diana, Ahiruddin, and Sri Andayani (Diana et al., 2023) with the title "The Influence of Organizational Culture and Work Ethic on the Performance of Employees of the Investment and One-Stop Integrated Services Department of Tulang Bawang Regency" which states that organizational culture has an influence partially and simultaneously positive impact on employee performance.

The Influence of Work Ethics on Employee Performance

The results of this research show that the work ethic variable influences employee performance with a calculated t value (10,840) > t table (1.978) and Sig. (0.000) < (0.05). This means that the work ethic variable (X2) partially has a significant effect on the employee performance variable (Y). By the results of the employee's statement, they feel that the work environment they receive is not good, noise and minimal lighting are caused by factory machines and lighting that disturbs employees in carrying out their work.

The results of this research are by research conducted by Desi Diana, Ahiruddin, and Sri Andayani (Diana et al., 2023) with the title "The Influence of Organizational Culture and Work Ethic on the Performance of Employees of the Investment and One-Stop Integrated Services Service of Tulang Bawang Regency" which states that work ethic has an influence partially and simultaneously positive impact on employee performance.

The Influence of Organizational Culture and Work Ethic on Employee Performance

After carrying out the simultaneous test, it can be seen that the F-count value is 64,349 with a significance of 0.000 and the total F-table statistic is 3.09. Thus, it can be seen that F-count is (64,349) > F-table (3.09) with a significance of 0.000 < 0.05. This means that simultaneously organizational culture and work ethic have a positive and significant influence on the performance of Riau Province Regional Revenue Agency employees.

It can be seen that the value is 64,349, so it can be concluded that a strong relationship was found between the independent variable and the dependent variable. Meanwhile, the adjusted R square value is 0.581. This shows that overall, the variables of organizational culture and work ethic have a significant influence of 58.1% on employee performance, while the remaining r of 49.1% is influenced by other variables that were not included and used by researchers in this research.

The results of this research are by research conducted by Desi Diana, Ahiruddin, and Sri Andayani (Diana et al., 2023) with the title "The Influence of Organizational Culture and Work Ethic on the Performance of Employees of the Investment and One-Stop Integrated Services Service of Tulang Bawang Regency" which states organizational culture and work ethic simultaneously has a positive effect on employee performance.

CONCLUSION

Based on the results of research that has been carried out, the conclusion that can be drawn based on the results of this research is that the regression coefficient for the organizational culture variable is 0.258, stating that if organizational culture increases by 1 unit, employee performance will increase by 0.258. It is known that the calculated t value (3,500) > t table (1,985) and sig. (0.001) < (0.05). This means that organizational culture partially and significantly influences the performance of Riau Province Regional Revenue Agency employees.

The regression coefficient for the work ethic variable of 0.689 explains that if work ethic increases by 1 unit, employee performance will increase by 0.689. It is known that the calculated t value (10,840) > t table (1.978) and Sig. (0.000) < (0.05). This means that work ethic partially and significantly influences the performance of Riau Province Regional Revenue Agency employees.

Simultaneously, it is known that the F-count value is 64,349 with a significance of 0.000 and the statistical F-table number is 3.09. Thus, it can be seen that F-count is (64,349) > F-table (3.09) with a significance of 0.000 < 0.05. This means that simultaneously organizational culture and work ethic have a positive and significant influence on the performance of Riau Province Regional Revenue Agency employees.

The correlation value (R) obtained is 0.762 and it can be concluded that there is a strong influence between the independent variable and the dependent. The R square value of 0.581 or 58.1% shows that the influence of organizational culture and work ethic in influencing employee performance is 58.1%, while the remaining 41.9% is influenced by other variables that were not included and were not used by researchers in this research.

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