Organizational Culture Influences, Work Motivation on Employee Performance (Study at Kimpraswil (Regional Housing and Infrastructural Office) Agency of Riau Province)

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Abstract: This research objectives is to test and analyze the effect of organizational culture, work motivation on employee performance. This research presents some theoretical concept of organizational behavior, leadership, organizational culture, organization strategy, motivation and performance. Its sample consist of 120 respondents as public employee in the Regional Housing and Infrastructural Office environment, Province of Riau. Data analysis make use a Structural Equation Modeling (SEM), with application of the Analysis of Moment Structures (AMOS) 4.01. Results of the research between independent and dependent variables showed that (1) organizational culture has significant and positive impact on employee performance, (2) organizational culture has also significant and positive impact on employee performance.

Keywords: organizational culture, work motivation, and employee performance.

Local autonomy policy that is implemented based on Ac No 22/1999 (no 32/2004) has caused role shifting of state position from centralistic to decentralized. Decentralization not only on vertical direction (central and local government), but also decentralization of horizontal direction (government to private sector and civil society), at least has given contribution to societal life.

In local autonomy, each governmental organization is required to develop its human resource potentials and adapts with various changes. Either in the internal environment, or external environment of organization. It can not be denied that human resources is important element in organization, employee is the most valuable resource. The performance success only can be done by human being, in contrary, failure, waste in various form also caused by human being.

In organization it needs absolutely good understanding about acceptable conduct and behavior for organization. Abudallah (2004) stated that organization consist of structure and culture.

Almost all employees in organization think more to structure, structure based on rank ladder, position, function, and work variation. Too heavy concern to structure, so all opinions, comments, efforts and thought of employees in organization always directed to structure. The popular comments, when I get next rank, when I get next position, when I get more salary, so cause anxiousness. Whereas there is more important thing, that is how to manage organizational culture become productive culture that give emphasis on performance effectiveness. If the employees focus not to structure, but more to culture, all the thing become more relax and not to strained.

With culture like this, organization will become productive organization. Culture will influence individual and organizational performances, where the culture grows, Rivai (2005)

culture influence insignificantly to the employee performance.

Other factors that can influence the employees performance is motivation. Motivation is 'iron law' for the organization survival, Siahaan (2007). Strategy to motivate employee should be considered because become the determining factor for the organizational success. From the motivation, employees at all organizational lines directed to run their roles optimally to reach goals.

To know the employee performance level, it need employee work assessment. The goals of performance assessment is to evaluate and to train and develop the assessed employees. Because so many benefits of performance assessment for employees and that pertain the employee life, in contrary the performance assessment can be effective instruments and appropriate target (2007).

The things that will be discussed in the research 1) does organizational culture influence work motivation, 2) does organizational culture influence the employee work performance, 3) does work motivation influence the employee performance.

The research goals are 1) testing and analyzing the influence of organizational culture to work motivation, 2) testing and analyzing the influence of organizational culture to employee performance, 3) testing and analyzing the influence of work motivation to employee performance.

**Research hypotheses**

The research hypotheses model as in figure 1.

**Figure 1. Hypotheses model**

**Literature review**

**Organizational culture**

In simple, organizational culture is the way to conduct various activities in organization, Aris (2006). According to Siahaan (2007), organizational culture is meaning, values, norm and belief system that is hold together in certain organization that become guideline in action, influence the behavior as identity and that differentiate one organization with others. Organizational culture then become identity or main character of organization that is maintained and defended.

All organization has culture, culture including values, beliefs, attitudes, norm, personality, resistance and heroism that is followed together that depicting certain organization, David (2005). And each organization has different culture, so can be differentiated between one organization with other, there is view that organization culture is general perception that is held by organization members.

The prevailing organization culture should be obeyed and followed by all employees, so will penetrate, unite, and from individual values, attitudes, assumptions, and life. The value system that is followed together by all organizational member make it as culture. According to Robbins (1996), that organization culture as a collective perception that is followed by organization members and become a system from collective meaning. Collective meaning system become main characteristic that is valued by organization, then Robbins stated seven primary characteristics as essence of organization culture, that is (1) innovation and risk taking, that is: level where employee is encouraged to make innovation and take risk, (2) detailed concern, that is level where employees are expected to show accuracy, analysis, and attention to detail, (3) results oriented, that is: level where management give attention to results not to technique and process that be used to reach the results (4) human oriented, that is: level where management decision account for results effects to organization members, (5) team oriented, that is: level where the work activities are organized about team, not individual, (6) aggressiveness, that is: level where organization members have aggressive and
competitive character, and (7) stability, that is: level where organization desire to implement growth.

Each characteristic take place at continuum from low to high, so will be obtained from the organization culture. The picture become together understanding foundation that owned by organization member, how the problem be solved and member expected to behave.

The presence of culture in organization, Schein (1992) stated that organization culture at three level, that is artifacts, espoused values, and underlying assumptions.

![Figure 2. Model of three level culture](image)

At artifact level, organizational culture has traits, that is all structure and organization can be seen. It is explained that new member that enter organization has visible process and organizational structure and face (look, listen, and feel) new group that is strange for him. Because between one organization with others, their artifacts are different, then new comer should learn to give special attention to the organization culture.

At second level, that is espoused values, the organization members ask “what should be given to organization”. At this level, organization or organization members need strategy, goal, and philosophy from leader to act. According to Schein, mostly organization able to track again their espoused values to the founder of the cultures. The new comer able to learn from the espoused values, and learn the meaning in the organizational context.

At the basic underlying assumptions, contain some beliefs that organization taken for granted that they are accepted well to do something efficiently and effectively. The basic assumptions influence feeling, thought, perception. Belief, and unconscious thought of organization members.

Rivai (2005) stated that motivation is series attitudes and values that influence the individual to reach specific things suitable with the individual goals. Other opinion, motivation is results of some process that is internal and external in nature for individuals that cause the emerging enthusiasm and persistence in conducting certain activities, Gray (1984) in Winardi (2004).

Herzberg with two factors theory stated separate and special factors that related with work satisfaction and dissatisfaction, that related with reward, knowledge, work characteristic, responsibility, and progress, the factors related with results that is related with content of task that done. The factors also called by motivating factors, because each factor related with strong effort and good work. The second factor related with work dissatisfaction, that is related with organizational policy and administration, technical monitoring, salary, relation between individual and supervisor and work condition. The factor is the most often stated by employees to express the discontent feeling about work, the factors related with work context or environment. Also the factors called as hygiene factors.

According to Herzberg interpretation, individuals will be not dissatisfied with their work if have no complaints about hygiene factor, Winardi (2004). Basically, motivation able to trigger the employees to work hard so able to reach the goal. It will improve the employee productiveness so influence the organizational goal achievement. According to Rivai (2005) there are three factors of motivation sources (1) possibility to develop (2) work type, and (3) whether the employee able to be proud become the part of organization where they work. Beside that, there are some aspects that influence to the work motivation, that is: security feeling in work, get fair and competitive salary, pleasure work environment, reward for work achievement and fair treatment. In involving employees in the decision making, please challenging work, group and peers, and success standard clarity, proud for the work and organization able to trigger the employee work.

The meaning of performance or work achievement is work results qualitatively and quantitatively suitable with the responsibility that given to him, Gani (2006). While according to Prawiro:...
the performance if work results that can be reached by someone or group in organization, suitable with authority and responsible of each, in effort to reach organization goal legally, not violate the law and suitable with norm and ethics.

Other opinion about performance, that performance is defined as comparison between real results that are achieved with determined standard, Simanjuntak (1985). If the achieved results greater than the standard the performance is got but in contrast if lower than standard that it can be said as not good. While according to Munasep (1983), stated that performance is someone ability in effort to reach better work results. The work result appearance not only limited at person that take the structural or functional positions, but also to entire that involved in the work implementation activities in organization. High performance is a step to reach organization goal, because of that it need efforts to improve performance. Siagian (1995) stated that there were some factors that influence someone performance, such as: aggressive characteristic, high creativity, high confidence, and ability to control the work quality and many initiatives.

Method

The research is explanatory research with survey approach

The population is civil servant of Kimprawwil Agency of Riau Province, of 627 persons. The sample with Slovin formula get 114. The collected data are primary and secondary data, with internal and external data sources. The used data analysis is validity and reliability test.

Analysis technique by statistic descriptive. The used model is Structural Equation Modeling (SEM), SEM processing by using Analyses of Moment Structure (AMOS) 4.01

RESULTS

Research results

Validity and reliability test

The validity test results and variable reliability of organization culture, presented at table 1.

Validity and reliability test results of employees performance in table 3.

Table 1. Validity and reliability test results of organizational culture

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Estimation</th>
<th>P</th>
<th>Explanation</th>
<th>GFI</th>
<th>Construct reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovation and risk taking</td>
<td>1.00</td>
<td>Fix</td>
<td>Valid</td>
<td>0.93 valid unidimensional</td>
<td>0.94 reliable</td>
</tr>
<tr>
<td>Detail attention</td>
<td>1.70</td>
<td>0</td>
<td>Valid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Results oriented</td>
<td>0.94</td>
<td>0</td>
<td>Valid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>People oriented</td>
<td>1.14</td>
<td>0</td>
<td>Valid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Team oriented</td>
<td>1.20</td>
<td>0</td>
<td>Valid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aggressiveness</td>
<td>1.67</td>
<td>0</td>
<td>Valid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stability</td>
<td>0.72</td>
<td>0</td>
<td>Valid</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Source: primary data, processing results (2006))

Table 2. Validity and reliability test results of work motivation

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Estimation</th>
<th>P</th>
<th>Explanation</th>
<th>GFI</th>
<th>Construct reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extrinsic motivation</td>
<td>1.00</td>
<td>Fix</td>
<td>Valid</td>
<td>1.00 valid unidimensional</td>
<td>0.88 reliable</td>
</tr>
<tr>
<td>Intrinsic motivation</td>
<td>1.00</td>
<td>Fix</td>
<td>Valid</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Source: primary data, processing results (2006))
Table 3. Validity and reliability test results of employees performance.

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Estimation</th>
<th>P</th>
<th>Explanation</th>
<th>GFI</th>
<th>Construct reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality</td>
<td>1.00</td>
<td>1.00</td>
<td>valid</td>
<td></td>
<td>0.73</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>uni-dimensional</td>
<td></td>
<td>reliable</td>
</tr>
</tbody>
</table>

(Source: primary data, processing results (2006)).

Table 4. Linearity assumptions testing

<table>
<thead>
<tr>
<th>Independent variables</th>
<th>Dependent variables</th>
<th>Testing results (≤0.05)</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational culture</td>
<td>Work motivation</td>
<td>Significant linear</td>
<td>Linear</td>
</tr>
<tr>
<td>Organizational culture</td>
<td>Employees</td>
<td>Significant linear</td>
<td>Linear</td>
</tr>
<tr>
<td>Work motivation</td>
<td>Employees</td>
<td>Significant linear</td>
<td>Linear</td>
</tr>
</tbody>
</table>

Assumptions test that underlie SEM

The results of linearity testing of relation among variables presented in table 4.

Final SEM analysis test

Final test of model completely presented in figure 3.

Figure 3. Final stage model test results
(Source: primary data, processing results (2007))

The results of model test is evaluated based on goodness of fit indices, presented in table 6.

From model evaluation showed that the model can be accepted or suitable with data.

Hypotheses testing results

Hypotheses testing results presented in table 7.

The hypotheses testing obtained:

- Organizational culture influence significantly to work motivation
- Organizational culture influence not significantly to employee performance
- Work motivation influence significantly to the employee performance

DISCUSSION

The influence of organizational culture to the work motivation

The hypotheses research results (1) stated that organizational culture influence significantly positively to work motivation, it means the better detail attention culture and results oriented, then the better motivation. The established organizational culture such as work with high precision, conduct analysis and concern to detail and more results oriented able to improve work motivation.

Organizational culture basically represent the behavior norms that followed by organizational members, including for those in the organizational hierarchy, so organization culture is important in support the effective organization. Organization culture has role in creating identity, develop private unity with organization and give guideline for employee behavior.

Organizational culture reflects characters and traits in work environment and emerges because of activities in organization, that done consciously or unconsciously, and considered influence behavior so the existing culture at organization can be considered
as organizational personality, so it means that in improving work motivation the things that needed by organization are, solidarity, trust, respect and friendship.

The results support argument of Schein (1992), Nimran (2004), Gani (2006), that organization culture is basic assumption pattern and formation, finding, or development by groups that has worked well to overcome external or internal adaptation problems, so it needs to be taught to new member as appropriate effort in viewing, thinking, and feeling about the faced problem. According to Schein that organization culture will motivate employee to cooperate productively to reach and embody the determined goals.

### The organizational culture influence to employee performance

The research results of hypothesis (2) stated that organizational culture influence not significantly negatively to the employee performance, means that employee performance is not determined by organizational culture.

Organizational culture does not influence to the employee performance caused by detail attention culture does not give optimal contribution to employee performance.

The results support the previous finding that done by Gani (2006), Oemar (2007) that stated organizational culture does not influence significantly to employee performance. But the research results does not support previous researcher Ouchi (1992), Deal and Kennedy (1982), Miller (1982), Dennison (1990), Kotter and Haskett (1992) in Gani (2006) that stated organizational culture influence to individual performance, group and organization, so big the organizational culture influence so it can be said more than other factors.

So the research results correct previous research results that stated organizational culture influence positively and significantly to employee performance.

The research results showed that organizational culture gives indirect influence significantly to the employee performance through work motivation, it means that with organizational culture, the detail attention helped by work motivation is effective in improving employees performance.

Schein stated that organizational culture will motivate employee to work productively to reach and embody the determined goals.

Intrinsic work motivation (sourced from the employees themselves) is main factor that help detail attention culture to improve employee performance.
It is suitable with the Rivai (2003) opinion, that basically work motivation able to trigger employee to work hard so able to reach the determined goals, then it is stated that work motivation will improve employee performance so influence the organizational goal achievement.

**Work motivation influence to employee performance**

The hypothesis research results (3) stated that work motivation influence positively significantly to the employee performance, means the level of employee performance determined by work motivation.


The motivation giving to employees related directly with the goal achievement and various organizational target, motivation giving only effective if the employee has belief with the organizational goal achievement, objectives, the personal goal of the employees will be reached also. It is important because the main support and important thing for employee is the presence of perception and hope that by entering organization, various personal interest will be protected and various needs will be fulfilled, Siagian (2004). Employee will always relate the motivation giving with personal interest and goal, although still in effort to reach organizational goals.

Motivation is willing to direct the effort to higher level to reach organizational goal. The willing to direct the effort is depend heavily to the employee ability to satisfy various needs. If employee be motivated then the employee will try hard to do something. Siagian (2004) stated that the thing that related with motivation is need, need is internal state of someone that cause the certain effort results become interesting. The unsatisfied needs create strains that will produce encouragement in someone. So the motivated employee actually in strained milieu. To remove the strains then they will do certain effort.

In the research, work motivation consist of two dimension, that is: first, motivation that sourced from employees themselves, and also known as internal or intrinsic motivation such as: success to reach something, obtained knowledge, the nature of done work, responsibility, progress in career, and professional and intellectual growth. The factors make employee will be motivated.

The results support two factors theory from Herzberg. According to Herzberg in Siagian (2004), that someone relation with his work is fundamental and because of that someone attitude to the work determine the success and failure.

**CONCLUSIONS AND SUGGESTION**

**Conclusions**

Conclusions from the research 1) organizational culture that has been formed, such as work in high precision, detail, and focus to detail and work with results oriented able to influence work motivation and influence the employee performance. 2) work motivation that consist of intrinsic and extrinsic motivation able to determine employee performance. Extrinsic motivation that sourced from outside of employee, not motivated in nature and only create composure and stability of organization. While factor that make employee be motivated is that come from the employee himself.

**Suggestions**

Suggestions that can be given for further research 1) it need re-investigation to the insignificant variable relationship and that is contrary with previous research. The goals is to more understand the theories that related with organizational culture variable, work motivation, and employee performance, it is better to use other indicator to create the variable that has been researched 2) research object done at Riau Province, especially at work unit of Kimprawagi Agency, it need further research at regency/city level at the Riau Province, even wider at government and private organizations in or outside of Riau Province, to produce better results especially that related with organizational structure because each organization has their
own culture, so whether the research results will generalize various culture 3) to make employee produce optimal performance in work unit, it is suggested employee still directed and motivated to produce output effectively and efficiently, to create productive and comfortable milieu, and improved and socialized the preciseness and carefulness in work, create creativity and courageous to take risk.

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