

## Employee Performance at PT Agri First Indonesia in Relation to Organisational Culture and Organisational Commitment

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Keywords	The objective of this study is to examine the impact of organisational culture and organisational commitment on employee performance within the context of PT Agri First Indonesia. The importance of organisational culture and organisational commitment on employee performance in a business setting has been widely recognised. The research methodology employed in this study adopts a quantitative approach, utilising data gathering techniques in the form of questionnaires issued to staff working in the Human Resource Development (HRD) department at PT Agri First Indonesia. The data that has been gathered will be subjected to regression analysis methods in order to assess the correlation between organisational culture, organisational commitment, and employee performance. The findings indicated that the organisational culture had a partially positive and statistically significant impact on the performance of employees within the HRD department at PT Agri First Indonesia. Additionally, it was observed that organisational commitment also had a partially positive and statistically significant influence on employee performance within the same department at PT Agri First Indonesia. The performance of employees at PT Agri First Indonesia is influenced by both organisational culture and organisational commitment concurrently. The research findings have practical applications that might aid firm management in identifying areas for change to enhance employee performance and overall organisational effectiveness.
Organizational Culture, Organizational Commitment, Employee Performance	

### 1. INTRODUCTION

In the contemporary era, the business sector has witnessed a remarkable surge in expansion, characterized by the emergence of prominent corporations engaged in fierce competition. According to Hadi et al. (2020), the performance of employees has become a critical factor in determining the success of a company. The function of human resources within organizations is of utmost importance, underscoring the imperative for enterprises to discern and leverage the abilities inherent in their personnel as a means to enhance their overall performance (Sembiring & Sitorus, 2023). This phenomenon also presents a potential avenue for organizations to cultivate a broader scope of competitive advantage (Mathis & Jackson, 2011). In the present environment, the corporation greatly values the support of its employees, since it is directly linked to the attainment of performance outcomes. According to Mangkunegara (2010), performance can be defined as the attainment of outcomes, encompassing both the quality and amount of work accomplished by employees in fulfilling their assigned obligations.

The attainment of success in contemporary corporate competitiveness is contingent upon the attainment of excellence in the domains of human resources and service. Employee performance has a pivotal influence in the execution of diverse corporate processes (Kasmawati, 2017). The impact of competent and professional staff on business performance is substantial, leading to organizational continuity (Meutia & Andriani, 2017). Employee performance is an essential element in an organizational context, and one way to improve it is through performance evaluation or performance management (Wahyuningsih, 2021). Even though the business plan has been carefully designed, the quality and level of morale of the individuals who run it play a dominant role. Without qualified and highly dedicated individuals, well-planned plans can be ineffective (Riniwati, 2016)

Organizational culture is believed to be a significant determinant of employee performance. According to Wibowo (2012), the establishment of organizations is driven by the objective of attaining goals through the effective utilization of human resources inside them. The performance of individuals inside an organization is subject to the influence of several environmental factors, encompassing both

internal and external elements, such as the organizational culture. Hence, the significance of establishing an organizational culture that fosters employee performance is undeniably substantial (Sembiring & Sofyan, 2021). One of the concerns pertaining to organizational culture inside the company pertains to the absence of exemplification by leaders with regards to adherence to working hours, thus leading to the establishment of a culture or routine among employees. Consequently, a significant number of employees failed to adhere to the designated work schedule. Hence, it is imperative for organizations to prioritize the establishment of a favorable corporate culture in order to effectively impact employee performance. The aforementioned perspective is further supported by the assertions made by Muis et al (2018), who contend that corporate culture is intricately linked to employees' perceptions of cultural attributes within the firm, rather than solely their own preferences towards the culture. Organizational culture can be defined as a comprehensive representation of the collective perceptions that are shared among the members of an organization.

Alongside the aspect of organizational culture, organizational commitment is identified as a significant determinant of performance. Organizational commitment refers to a work attitude that exhibits a clear correlation with employee engagement and their intention to remain employed by the firm. This attitude has a notable impact on employee performance, as shown by Yusuf and Syarif (2018). According to the findings of Schein's study conducted in 1990, it is evident that employees are more likely to experience job satisfaction and demonstrate increased dedication to their organization when their personal beliefs align with the ideals espoused by the company. According to Luthans (2006), organizational commitment may be broadly defined as an attitude exhibited by employees that reflects their loyalty and is characterized by an ongoing process by which individuals within an organization demonstrate their dedication and investment in the organization's success and well-being. Commitment is regarded as a value orientation towards the company, indicating that individuals hold a high regard for and prioritize their work and the organization. According to Pusparani (2021), individuals will do their utmost effort in order to contribute towards the attainment of the organization's objectives.

PT. Agri First Indonesia is a manufacturing company engaged in the production of wheat flour food ingredients. With a commitment to provide the best company performance, PT. Agri First Indonesia, is inseparable from the challenges of ensuring that employee performance remains optimal. In this context, factors such as organizational culture and employee commitment become important concerns. This study aims to analyze the effect of organizational culture and organizational commitment on employee performance at PT Agri First Indonesia. Strong organizational culture and high employee commitment are believed to have a positive impact on individual and overall company performance. Through this research, it is hoped that it can be understood how the organizational culture that exists in the company and the level of employee commitment contributes to their performance.

## 2. LITERATURE REVIEWS

### A. Employee performance

The topic of discussion is Mangkunegara (2010). Performance can be defined as the outcome of an employee's efforts in terms of both the quality and quantity of work accomplished while fulfilling their assigned responsibilities. According to Rivai and Sagala (2011), the concept of employee performance refers to the observable actions and behaviors exhibited by individuals in relation to their assigned responsibilities within an organization. In accordance with the findings of Mathis and Jackson (2011), performance can be defined as the observable behaviors and actions exhibited or not exhibited by employees. Dessler (2009) asserts that employee performance refers to the expected level of achievement from employees in their work.

In the scholarly work of Mondy (2008), it is asserted that employee performance serves as a metric for evaluating the outcomes achieved through the execution of tasks and responsibilities. The performance of employees is generally influenced by both internal and external influences. Optimal employee performance can be influenced by internal characteristics that originate from within the person, such as job satisfaction, work motivation, and organizational commitment, among others. External factors refer to the factors originating from sources external to the employee that serve to promote optimal employee performance.

## **B. Organizational culture**

Organizational culture is concerned with how employees perceive the qualities of an organization's culture, rather than whether or not they like that culture. In other words, culture is a descriptive phrase. Organizational culture is a shared perception shared by all organization members. According to Luthans (2006), "organizational culture is the norms and values that guide the behavior of organization members." Each member will act in accordance with the dominant culture in order to be accepted by their surroundings." Furthermore, according to Druicker (1992), organizational culture is the subject of overcoming external and internal problems through consistent implementation by a group, which then bequeaths to new members as the correct way to comprehend, think, and feel about linked challenges such as on.

Sutrisno (2010) defines organizational culture as "a system of values, or beliefs, assumptions, or norms that have long been in effect, agreed upon, and followed by members of an organization as a guideline of behavior and problem solving." Organizational culture has a critical role in encouraging and improving the efficacy of organizational performance, particularly personnel performance, both short and long term. Organizational culture serves as a tool for identifying the organization's direction, directing what can and cannot be done, allocating organizational resources, and dealing with issues and opportunities in the organizational environment.

## **C. Organizational Commitment**

Organizational commitment, in a broad sense, refers to a collective agreement among all members of an organization regarding the principles, execution, and shared objectives to be pursued in the future. Organizational commitment encompasses a multitude of concepts, with variations arising from the perspectives of different experts. According to Porter's (1976) conceptualization, organizational commitment refers to the degree to which an individual acknowledges and engages with a specific organization. In the study conducted by Swailes (2002), organizational commitment is defined as the inclination to remain engaged in a continuous course of action due to the consideration of the associated costs of discontinuing said action, such as ceasing labor.

Mathis and Jackson (2011) define organizational commitment as the extent to which employees hold firm beliefs in and embrace the aims of the organization, hence influencing their inclination to remain with or depart from the organization. In summary, the aforementioned experts' definitions of organizational commitment have a common emphasis on the process through which individuals (workers) align themselves with the values, regulations, and goals of the business. In the realm of employment, an individual's dedication to a business entity frequently holds significant significance. The significance of this matter is such that several firms are willing to incorporate a need of dedication as a prerequisite for occupying a position advertised in job postings. Regrettably, their comprehension of the concept of commitment remains lacking. The comprehension of this concept holds significant importance in establishing a very favorable working environment, so enabling the organization to operate with optimal effectiveness and efficiency.

## **3. METHODS**

The present study employs a quantitative technique to investigate causal associations. Causal associative study refers to a type of investigation that seeks to establish the causal relationship between two or more variables (Sugiyono, 2011). This study encompassed the entire population of employees within the HRD sector at PT Agri First Indonesia, consisting of a total of 10 individuals who held permanent positions. This study employed a sample size of 10 individuals selected from the overall population. The data collection process involved the utilization of a questionnaire administered through the implementation of a Google Form. The methodology employed in this research included the utilization of multiple linear regression analysis. This methodology is employed to ascertain the relationship between the independent factors and the dependent variable. In order to streamline the process of data administration, the utilization of computational tools is employed, specifically the SPSS 25 software for the Windows operating system.

#### 4. RESULTS AND DISCUSSION

##### Multiple linear regression test results

Multiple linear regression analysis can be used to examine the impact of organizational culture and organizational commitment on employee performance in employees of PT Agri First Indonesia's HRD unit. The table below shows the findings of the analysis:

Table 1. Multiple linear regression test results

Model	Coefficients <sup>a</sup>		Standardized Coefficient Betas	t	Sig.
	Unstandardized Coefficient b	std. error			
	1. Constant	2.460			
Organizational culture (X1)	.274	.451	.237	3,021	.011
Organizational commitment (X2)	.507	.022	.583	3,686	.003

a. Dependent Variable: Employee performance

Table 1 presents the regression coefficients for each variable, derived using the statistical software SPSS. These coefficients were used to formulate the multiple linear regression equation, which may be expressed as follows: The equation can be represented as  $Y = 2.460 + 0.274X1 + 0.507X2$ . Moreover, the aforementioned multiple linear regression analysis yields the following interpretations:

- 1) A fixed value of 2.46 indicates that, when the variables of organizational culture (X1) and organizational commitment (X2) are held constant, there is an increase of 2.460 in the employee performance variable.
- 2) The coefficient for the organizational culture variable (X1) is 0.274, indicating that a 1% increase in the work environment is associated with a 0.274 rise in employee performance. The positive coefficient indicates a positive correlation between organizational culture and employee performance, suggesting a unidirectional relationship between these two variables.
- 3) The coefficient for the variable Organizational Commitment (X2) is 0.507, indicating that a 1% increase in motivation will result in a corresponding 0.507 increase in employee performance. The coefficient exhibits a positive value.

##### f Test (Simultaneous)

The F test (simultaneous) is employed to ascertain whether the independent factors collectively have an impact on the dependent variable. If the calculated F-value is greater than the critical F-value at a significance level of 0.05, it can be concluded that there is a statistically significant relationship between the independent variable and the dependent variable. Conversely, if the calculated F-value is less than the critical F-value, it can be concluded that there is no statistically significant relationship between the independent variable and the dependent variable. The outcomes of the simultaneous F test in this investigation are presented as follows:

Table 2. F Test Results

ANOVA <sup>a</sup>					
Model	Sum of Square	df	MeanSquare	F	Square <sup>b</sup>
Regression	288.135	2	144.067	6.451	.000 <sup>b</sup>
residual	156.259	7	22.320		
<b>Total</b>	<b>444.397</b>	<b>9</b>			

Based on table 2, it shows that the Ftable value is 4.46. Based on the table above, it is known that the Fcount value is 6.454, so Fcount > Ftable (6.451 > 4.46), with a significant value of 0.000 < 0.05 meaning that there is a jointly significant effect between the independent variables on the dependent variable.

### t test (Partial)

The t-test is employed to assess the specific impact of the independent variable on the dependent variable within the context of multiple linear regression. If the calculated T-value is greater than the critical T-value or the significance level is less than 0.05, it can be concluded that the independent variables have a partial or individual effect on the dependent variable. The value of the t-table in the equation is 2.365.

Table 3 T test results  
Coefficients<sup>a</sup>

Model	Unstandardized		Standardized	t	Sig.
	Coefficient b	std. error	Coefficient Betas		
2. Constant	2,460	10,801		0.225	.823
Organizational culture (X1)	.274	.451	.237	3,021	011
Organizational commitment (X2)	.507	022	.583	3,686	003

b. Dependent Variable: Employee performance

Based on table 3 it can be seen that the value of Ttable on the variable Organizational culture (X1) is 3.021 so that the requirements in this test are Tcount > Ttable (3.021 > 2.365) and a significant value of 0.011 < 0.05, it can be concluded that this variable has a partial or individual significance to the variable dependent employee performance (Y). while there is an organizational commitment variable (X2) which is 3.686 so that the requirements in this test are Tcount > Ttable (3.686 > 2.365) and a significant value of 0.003 < 0.05, it can be concluded that this variable has a partial or individual significance to the dependent variable, namely employee performance (Y).

## Discussion

### The Effect of Organizational Culture on Employee Performance

The function of organizational culture in shaping a productive and peaceful work environment within diverse firms is of significant importance. The findings of a study conducted at PT Agri First Indonesia provide empirical evidence supporting the notion that organizational culture exerts a favorable and statistically significant impact on employee performance. The data analysis results indicate that the computed t value of 3.021 exceeds the critical t value (2.365) at a significance level of 0.011, which is lower than the predetermined significance threshold of 0.05. Therefore, it may be concluded that the first hypothesis, which posits that organizational culture has a favorable impact on employee performance, is deemed valid.

Within the given framework, the presence of a robust organizational culture exerts a beneficial influence on the attainment of corporate objectives. This organizational culture promotes and incentivizes employees to align their actions and behaviors with the collective values upheld by the firm. When employees possess a profound comprehension of these values and experience a sense of engagement in the pursuit of organizational objectives, they are inclined to exhibit heightened motivation and commitment towards attaining improved outcomes. Conversely, in instances where the organizational culture is feeble or in direct opposition to the objectives of the corporation, it can impede employee performance and diminish overall productivity.

Through this research, we can observe the conformity of the findings with previous research conducted by Novitasari & Rivai (2020), and Wagiman & Sutanto (2018). Similar findings from previous studies provide additional validity to the results of the current study. This support indicates that the relationship between organizational culture and employee performance is not an isolated phenomenon, but has been observed consistently in various contexts and organizations.

### The Effect of Organizational Commitment on .

The findings of a study conducted at PT Agri First Indonesia suggest that organizational commitment significantly influences employee performance, highlighting its crucial role in achieving

optimal outcomes. Based on the findings derived from the study, it can be concluded that the computed  $t$  value of 3.686 exceeds the critical  $t$  value (2.365) at a significance level of 0.003, which is significantly lower than the planned significance threshold of 0.05. Thus, the acceptance of the second hypothesis, which posits a positive relationship between corporate commitment and employee performance, might be warranted.

In the present context, organizational commitment encompasses a broader scope than mere formal engagement as an employee. This encompasses profound sentiments, including a strong sense of allegiance and alignment with the organization's ideals and objectives. Employees that possess a high level of commitment are inclined to exhibit a robust internal drive to actively contribute towards the attainment of organizational objectives. Individuals in this group typically have higher levels of motivation, dedication, and consistently produce work of commendable quality. Furthermore, this dedication is intricately linked to notions of loyalty and a profound sense of responsibility towards the business, hence fostering an environment that motivates individuals to exert their utmost efforts in their professional endeavors. Employees that exhibit a strong sense of commitment are more likely to approach their work with a high level of dedication and strive to attain favorable outcomes. Additionally, this can lead to a reduction in staff turnover rates as a result of their heightened sense of commitment towards the firm. On the contrary, when there is a lack of commitment, it might have a detrimental impact on individual performance. Insufficient motivation and engagement have been identified as factors that can contribute to subpar work performance and potentially elevate the likelihood of increased turnover rates.

This discovery aligns with the findings of prior studies conducted by Meutia and Husada (2019) as well as Girsang (2019). The constant nature of these data provides confirmation that the observed positive and significant correlation between organizational commitment and employee performance is not merely a chance occurrence, but rather reflects a regular pattern that holds true across many organizational contexts.

### **The Effect of Organizational Culture and Organizational Commitment on Employee Performance**

The  $F$  test findings indicate that the observed  $F$  value (6.451) above the critical  $F$  value (4.46), suggesting statistical significance. Additionally, the obtained  $p$ -value (0.000) is less than the predetermined significance level of 0.05. The simultaneous influence of organizational culture and organizational commitment on employee performance in PT Agri First Indonesia is evident. When the organizational culture and organizational commitment are effectively implemented, there is a positive correlation with increased employee performance. In order to ensure the effectiveness and efficiency of work, it is imperative to establish standards and implement performance measurement mechanisms. These mechanisms enable individuals or subordinates to assess their own performance or that of their team members. By comparing performance against established standards, one can ascertain compliance with existing regulations. Furthermore, it is essential to continuously evaluate the outcomes of activities to identify any deficiencies and determine the necessary corrective actions for future endeavors.

Therefore, these findings offer a more holistic perspective on the variables that may influence employee performance. Furthermore, this observation underscores the significance of the interplay between organizational culture and organizational commitment in the establishment of a favorable and efficient work milieu. The insights presented in this study can serve as a valuable foundation for leaders and managers at PT Agri First Indonesia to enhance their strategies in controlling organizational culture, reinforcing employee commitment, and establishing effective performance measurement and assessment mechanisms. The findings of this research are corroborated by Nathania's (2018) study.

## **5. CONCLUSION**

Based on the aforementioned research, it can be inferred that the organizational culture of PT Agri First Indonesia exerts a favorable and substantial influence on the employees' performance. The aforementioned findings suggest that the presence of a robust organizational culture, which fosters the harmonization of corporate values and objectives, serves as a catalyst for motivating employees to

actively and wholeheartedly participate in the pursuit of improved outcomes. The performance of employees at PT Agri First Indonesia is positively influenced by organizational commitment. Employees that demonstrate high levels of commitment exhibit great internal drive to actively pursue the achievement of corporate objectives. The relationship between organizational culture and organizational commitment has a collective impact on employee performance. These findings provide a comprehensive view of how these factors interact and the important role they play in creating a positive and productive work environment. This has significant implications for company management in managing organizational culture, strengthening employee commitment, and implementing effective performance measurement and evaluation.

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