

The Influence of Organizational Culture on Organizational Performance with Employee Motivation as a Mediation Variable at the Regional Development Planning Agency (Bappeda) Jember

Giyanto¹, Wilda Rasaili^{2*}, Ach Andiriyanto³

¹ Department of Public Administration, University of Abdurachman Saleh, Indonesia

^{2,3} Department of Public Administration, University of Wiraraja Madura, Indonesia

*Corresponding email: [wilda\[at\]wiraraja.ac.id](mailto:wilda[at]wiraraja.ac.id)

Abstract: *This study aimed to analyze the influence of organizational culture on organization performance through employee motivation as mediating variables in Regional Development Planning Board (Bappeda) Jember. This research uses descriptive quantitative research methods. The population and sample in this study amounted to 47 respondents consisting of all employees of the Regional Development Planning Agency of Jember Regency. There are five indicators in organizational culture variables, are as follows: 1) capability, 2) commitments, 3) consistency, 4) obedience / cohesion, and 5) the values and norms in the organization. For employee motivation variables, there are five indicators used in this study, namely: 1) physical needs, 2) the need for security and safety, 3) social needs, 4) self - esteem needs, and 5) self - actualization. For organizational performance variables, there are six indicators used in this research, namely 1) effectiveness, 2) efficiency, 3) quality, 4) productivity, 5) quality of work life, 6) learning and innovation. The results of this study indicate that organizational culture has no direct effect on organizational performance, but after being mediated by employee motivation, the results show that organizational culture has a significant effect on organizational performance.*

Keywords: Culture, Motivation, Performance, Mediation

1. Introduction

Applicability of decentralization in Indonesia beginning in 1999 has brought hope and a new spirit for local governments throughout Indonesia to manage and develop their regions based on innovation of each area and this is of course has an impact on the level of welfare to general public (Gantayati et al., 2021; Prabowo et al., 2020). Because in principle, the purpose of regional autonomy is to improve the quality of services and the welfare of the community. In the law number 22, 1999 is the forerunner to the commencement of the implementation of regional autonomy in Indonesia, then in line with the development of a society calls for the election of regional head directly, the law number 22 of 1999 was revised by Law Number 32 Year 2004 to accommodate these interests or demands. Finally, Law Number 32 of 2004 was updated again to Law Number 23 of 2014 to adjust to the needs of the community.

Based on the regional autonomy government system mentioned above, all Regional Heads must work hard by optimizing all available resources to serve, empower, and develop in order to create prosperity and welfare for the community. However, in carrying out development, of course, facing obstacles, one of which is limited resources which requires policy makers to be able to set priorities in development. The limited resources owned by a region force the implementation of development to be carried out based on certain priorities (Nugroho, 2008: 70).

The success of development must be oriented to the lower middle class, especially the underprivileged, the policies issued must be able to create social independence (Bryant, Carolie and White, and Loise, 1987), as well as innovations that consider local wisdom (Rasaili et al., 2020). Development goals must be considered and planned properly so that the development process can run dynamically, and development goals must be adjusted to the available resources (Tjokroamidjojo & Bintoro, 1990). The implementation of development does not always run smoothly and easily but will face problems and obstacles, such as: inefficient, implementation violations, inappropriate planning, and non - optimal supervision, so it is necessary to anticipate an integrated and efficient development process (Riggs, 1988).

The implementation of development policies in the regions has always encountered obstacles both in the formulation, implementation of policies, and in policy supervision. For example, the area of Banyuwangi, in the report Medium Term Development Plan (RPJMD) Year 2016 - 2021 Banyuwangi has submitted development problems and constraints encountered, such as: 1) the quality of personnel in the area are still low, 2) low quality of care in community, 3) lack of availability of facilities and infrastructure supporting services, 4) the twelve year compulsory education program has not been achieved, and 5) inadequate infrastructure.

The problems faced by developing countries such as Indonesia are on average the same, which is not far from the

problems of poverty, unemployment, and low economic growth. The problem of poverty and inequality is a problem that is always faced by developing countries or third world countries including Indonesia (Sumodiningrat, 2001). Poverty also occurs at the regional level such as in Jombang Regency, where the number of poverty in Jombang Regency reaches 105, 527 Heads of Families (KK) from 291, 266 HHs or around 36.17% (Sumartono and Wahab, 2009: 43 - 44). Development problems are also faced by other regions in Indonesia, as stated by Aziz, Supriyono, and Muluk (2013) in (Setyoningsih et al., 2015) explaining the problems faced by the Malang City Government, namely regarding settlement development and its influence on green open space (RTH), in addition there are other problems, namely regarding regional development planning that has not been integrated.

Based on the analysis of development problems mentioned above, it shows that every region must have obstacles and problems in implementing development, including the Regional Government of Jember Regency. In building Jember Regency in accordance with the vision that has been set, namely "United Jember Towards a Prosperous, Prosperous, Just, and Independent Society" a good and integrated development plan is needed. For this reason, an organization or agency is needed that is able to become a creative and innovative planning institution in planning development in Jember Regency. The existing development planning agency or institution in the region is the Regional Development Planning Agency (Bappeda). The Regional Development Planning Agency (Bappeda) of Jember Regency has a vision, namely: "The Realization of a Creative, Prosperous, Religious, and Dignified Jember Society".

The implementation of development carried out by the Regional Development Planning Agency (Bappeda) of Jember Regency has faced several development problems, such as: 1) the achievement of 12 - year compulsory education is not optimal, 2) education and health facilities that are affordable by the community are still lacking, 3) the low quality of services the public, and 4) the competence of state civil servants in the regions, especially in the Regional Development Planning Agency (Bappeda) of Jember Regency, which is still uneven (Report of RPJMD of Jember Regency 2016 - 2021). Conflicts of interest between employees and issues related to politics also characterize the development planning process and its implementation (Azis, 2019). In the report on the Regional Medium - Term Development Plan (RPJMD) of Jember Regency for 2016 - 2021, it is explained about the performance of the Regional Development Planning Agency (Bappeda) of Jember Regency in particular and the performance of the Jember Regency Government in general.

The performance of the Jember Regency Regional Development Planning Agency (Bappeda) has specifically been reported through the 2018 Jember Regency Bappeda performance report which contains performance evaluation and achievement. The performance report includes four Bappeda performance indicators from four strategic targets, which include: (1) providing quality data, (2) implementing a quality planning process, (3) implementing quality

planning control, monitoring and evaluation, and (4) provides the need for studies in the context of the development of Jember Regency. The details of the performance of the four strategic objectives mentioned above can be described in table 1.1 as follows:

Table 1: Regarding the Performance Analysis of the Regional Development Planning Agency (Bappeda) of Jember Regency

No.	Target	Target Area	Target Early	Realization Th. 2018
1	Strategic Goal 1	Providing Quality data	60%	30%
2	Strategic Goal 2	Implement a quality planning process	100%	100%
3	Strategic Goal 3	Carry out quality control monitoring and evaluation of planning	90%	48.4%
4	Strategic Goal 4	Providing study needs in the context of the development of the city of Jember	100%	0%

Source: Jember Regency Bappeda 2019

Based on table 1.1 above, it shows that for strategic goals 1) to provide quality data: of the 60% target can be achieved in 2018 or the end of the strategic plan period by 30%, this shows the progress rate is 50% with a "good" predicate (with indicators the assessment target is the percentage of data that has met the standard). For strategic goals 2) carry out a quality planning process: from the 100% target, 100% can be realized in 2018 or the end of the strategic plan period, this shows a progress rate of 100% with the predicate "very good" (with a target indicator of the percentage of data that has quality planning documents). Strategic Goal 3) implement controls, monitoring and evaluation of quality planning: from the target of 90%, can only be realized by 48.4% in 2018, or the end of the strategic plan period, this indicates progress rate of 51% with the title of "good" (where the assessment target indicator is the percentage of regional performance indicators that reach the target). for strategic goals 4) provide for the needs assessment in the development of Jember: from the target of 100%, the realization of 0% with the notation "not good" (with indicator assessment goal is the percentage of research / studies were followed up as a matter of policy making).

Based on the description above show that the performance of Regional Development Planning Board (Bappeda) District A bucket is still a gap in performance or a mismatch between the desired expectations with reality. Conditions like this are used as a gap or *research gap* in this study. Besides that, there are not previous researchers tested the influence of organizational culture on performance through organizational communication climate in public organizations in general.

2. Literature Review

2.1 Organizational culture

Employee in the organization must have the same perspective in the work in order to have the same thinking in achieving the goals of the organization, this similarity can be realized within a strong organizational culture.

Organizational culture is a shared understanding of the beliefs, values and philosophy or perspective in work (Wallach, 1983) in (Al - Sada et al., 2017). The concept of culture consists of behaviors, cultural objects, values, and basic assumptions (Schein, 1990).

An understanding of organizational culture must be given to all employees, especially for new members to adapt more quickly. Culture as the underlying values, beliefs, principles that serve as the base of the stem of organizational management that must be learned by new members and accepted by all members of the organization to be used as a basic for work (Deni Son, 1990). Organizational culture can influence the behavior and performance of members of the organization and therefore is a means or object of management (Ito et al., 2012).

A somewhat different opinion about the culture of the organization has been submitted by Colquit (2009: 546) states that organizational culture is a science which contains a set of rules, values and norms that serve to equalizethe members behavior in the organization. The dimensions of organizational culture used in this study are as follows: (1) commitment, (2) competence, (3) cohesion, (4) consistency, and (5) values and norms (Colquit, 2009: 546). The author decided to use these indicators because they are in accordance with the background of the object of research which is a public organization.

2.2 Employee Motivation

Definitions of motivation presented by experts vary widely depending on where they conduct research on the motivation, however, the main meaning of motivation is a willingness to do something. Motivation is an increase in the desire to do something that is oriented towards organizational goals (Chowdhury, 2007). Motivation is a management decision that has been made in order to improve organizational performance be more effective. The results of the study indicate that employee motivation that continues to increase causes organizations to become more successful in achieving performance, so it is important for organizations to continue to increase employee motivation (Rutherford, 1990) in (Peter et al., 2016).

Employee motivation in organizations can be measured using several indicators, as described by Sarwoto (2010: 206) as follows: 1) income, 2) work environment, 3) communication between employees, 4) organizational decisions, and 5) self - actualization. Employee motivation can be measured by the following indicators: 1) physical needs, 2) security and safety needs, 3) social needs, 4) appreciation, and 5) self - actualization. The indicators of employee motivation are used in this study.

2.3 Organizational Performance

The main goal of an organization is to get the best work or performance, so that organizational performance really needs to be known by all members of the organization itself. Organizational performance has a direct relationship with the success of an organization, organizational performance is very important to explain to all members of the organization

(Brynjolfson, 1993). There are two ways to measure performance of the organization, are: 1) using the object and 2) using the subject. Objective measurement uses numbers from an organization and subjective measurement uses respondents' opinions (Johannessen et al., 1999, Pizam and Ellis, 1999) in (Asree et al., 2010).

Organizational performance is a condition that describes the state of an organization. Organizational performance is a condition that describes the level of organizational achievement (Brown, 2001) in (Selfi and Giyanto, 2020: 1764). Performance measurement can be measured in different ways, it can be seen from the customer's point of view or it can be seen from policy makers (Tse, 1991). The definition of performance is also conveyed by Otley (1999) which states that organizational performance is a description of the level of achievement or what has been done in an organization within a certain time. There are seven indicators that can be used to measure organizational performance according to Sink and Tuttle (1989) in (Kohang, 2017: 524), namely: 1) effectiveness, 2) efficiency, 3) quality, 4) productivity, 5) quality of work life., 6) learning and innovation, and 7) profitability or the ability to contribute to organizational progress.

In this study the author decided to use the performance indicators from Sink and Tuttle (1989) in (Kohang, 2017: 524) because according to the author it is very appropriate to the object of research and these indicators really need to be applied in public organizations such as the Regional Development Planning Agency (Bappeda). Banyuwangi Regency and Jember Regency.

2.4 Research Hypotheses and Conceptual Framework

The hypotheses or conjectures in this study are as follows:

H₁: Employee motivation mediates the influence of organizational culture on organizational performance

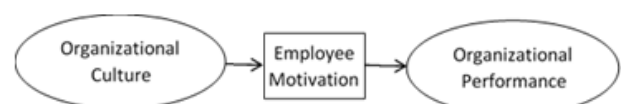


Figure 1: Conceptual Framework

Research purposes

This study aims to examine and analyze the influence of organizational culture on organizational performance through employee motivation as an intervening variable (mediation).

3. Methodology

3.1 Research Locations and Research Time

This research was conducted at the Regional Development Planning Agency (Bappeda) of Jember Regency, for three months starting from May 5, 2019 to August 5, 2019.

3.2 Types of Research

Research is a scientific and rational way of collecting data and information which is ultimately presented to many people to study and understand (Dukeshire and Thurlow, 2010). This type of research is descriptive quantitative research, where this study examines and analyzes the influence of organizational culture on organizational performance through employee motivation as a mediating variable.

3.3 Population and Sample

a) Population

Based on the results of preliminary research, it can be seen that the number of employees at the Regional Development Planning Agency (Bappeda) of Jember Regency is 47 people (employees) with details of 31 people being civil servants (PNS) and 16 people (employees) being contract employees. The author decided to take all employees, both civil servants (PNS) and contract employees because the population is small (less than 100). So that the population in this study amounted to 47 employees (respondents).

b) Sample

The number of samples in this study was the entire population of 47 employees, this study included population research because the entire population was sampled. The research object has a very small population (less than 100), then the entire population can be used as a sample (Arikunto, 1996: 115). So the number of samples in this study were 47 employees or respondents.

4. Variable Identification and Variable Operational Definition

4.1 Variable Identification

To clarify the variables to be studied, the following is the identification of the variables in this study:

- a) Independent variable (X) = Organizational Culture
- b) Dependent variable (Y) = Organizational Performance
- c) Mediation variable (Z) = Employee Motivation

4.2 Variable Operational Definition

Table 2: Operational variables and indicators of research variables

Variable	Indicator	Items
Organizational Culture (X1) Poerwanto (2008: 68) Colquitt (2009: 546) in Salam (2013)	1) Commitment	1) Carry out/ complete tasks as promised 2) Obey the organization's regulations according to the promise/ contract
	2) Ability	1) Have the ability according to the needs of the organization 2) Adequate level of education according to the needs of the organization
	3) Cohesion	1) Working in total (all out) 2) No time calculation 3) Prioritizing the interests of the organization
	4) Consistency	1) Consistent work well 2) Consistently obey the rules 3) Consistent with his abilities 4) Consistently involve yourself in the organization
	5) Values and Norms in the organization	A set of rules that must be followed by employees
Employee Motivation (Z1) Maslow (2004) in (Akanpaagi et al, 2014: 33) Maslow (2004) in (Alghazo and Anazi 2016: 38)	1) Physical needs	1) Sufficient Salary 2) There is an adequate bonus 3) Meal and Transport fees 4) Official house, if any
	2) Work comfort and safety	1) The existence of social security for workers 2) Provision of severance pay/ pension money 3) Health money 4) Life insurance
	3) Social Needs	1) Interact with anyone 2) Can get along with any group 3) Mutual respect and appreciation
	4) Self esteem	1) Get recognition for work performance 2) Giving bonuses 3) Promotion
	5) Self- actualizaation	1) Given the challenging nature of the job 2) The existence of training (training) 3) Interesting nature of work

Variable	Indicator	Items
Organizational Performance (Y) Sink and Tuttle (1989) in Kohang (2017: 524)	1) Effectiveness	Ability to achieve the goals according to the plan
	2) Efficiency	a) Saving Time b) Save budget c) Save cost d) Save energy
	3) Quality	Quality is guided by the quality of work (Paliszkievicz et.al, 2015)

4) Productivity	How productive is the ability to produce good work (Paliszkievicz et.al, 2015)
5) Quality wildlife work	Opportunities give to employed to improve personal qualities so that they can make a meaningful contribution to the organization (Paliszkievicz et.al, 2015)
6) Learning and innovation	Transformation of ideas or ideas into a good service product so that it can help the survival of the organization (Given, 2012)

5. Results & Discussion

5.1 Analysis of the results of testing the effect of variable exogen against endogenous variable secaa indirectly

Guidelines for significant tes of the influence of organizational culture on organizational performance through employee motivation can be presented as follows:

a) The *estimate* column contains the estimated value (*standardize estimate*) or the regression coefficient /path between variables in the research model.

b) The CR column (*critical ratio*) contains the critical values calculated with the sample data (observations) based on the standard normal distribution. If the value of *critical ratio* (CR) > 1.96 the influence between variables is significant at the level of = 5%.

c) Column p contains *p value* or significant level of observation. If the value of *p value* <0.05 the influence between variables is significant at the level of $\alpha = 5\%$

Below are the results of testing the hypothesis of the influence of organizational culture on organizational performance through employee motivation, which are presented in Table.3

Table 3: Hypothesis Testing Results Indirect Effect of Exogenous Variables on Endogenous Variables

No.	Hypothesis	Estimate	CR	P Value	Information	Hypothesis test
1.	Employee motivation mediates the influence of organizational culture (X) on organizational performance (Y)	0, 097	2, 274	0, 025	Significant	Proven

Information: *: Significant at = 5% level

5.2. Data Interpretation

The results of hypothesis testing presented in table 5.1 show that the indirect effect model has a significant effect. In the following, a discussion of the indirect influence between exogenous and endogenous variables is presented.

- 1) The influence of organizational culture on organizational performance through employee motivation.
- 2) The level of influence of organizational culture on organizational performance through employee motivation is 2.274, $p=0.025$.

This shows that if organizational culture increases it will affect the level of organizational performance through employee motivation as a mediator variable. The results of this study indicate that employee motivation is proven to be a perfect mediating variable between organizational culture and organizational performance.

The results of hypothesis testing of employee motivation mediating the influence of organizational culture on organizational performance can be presented in Figure 5.1 below:



Figure 2: Hypothesis testing results

6. Future Scope

This study is more on a simple linear regression test because there is only one organizational culture variable that affects organizational performance and is mediated by employee

motivation variables. This study still has weaknesses because it does not include many variables that affect organizational performance. It is possible that there are other variables that have a more significant and even direct effect without going through the mediating variable. Therefore, in the development of science and the organizational work environment, other variables continue to develop dynamically which can be re - examined to test their effect on organizational performance.

7. Conclusion

This study examines the influence of organizational culture on organizational performance through employee motivation. The object of this research is the Regional Development Planning Agency (Bappeda) of Jember Regency. Based on the discussion of the research results that have been presented in the previous chapter, the following conclusions can be drawn:

The level of influence of organizational culture on organizational performance through employee motivation at the Regional Development Planning Agency (Bappeda) of Jember Regency is 2, 274, this means that organizational culture has a significant positive effect on organizational performance through employee motivation. The results of this study indicate that organizational performance can be influenced by organizational culture through employee motivation. So that employee motivation becomes a very perfect mediating variable.

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Author Profile



Dr. Gyanto, M. Si. Department of Public Administration, University of Abdurachman Saleh, Indonesia.



Wilda Rasaili, MA. Department of Public Administration, University of Wiraraja Madura, Indonesia.