

The Influence of Organizational Culture on Employee Performance - Systematic Literature Review

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ABSTRACT

Objective: Organizational culture is an important component that can influence employee performance. A positive organizational culture can encourage people to improve their performance. The goal of this study is to dig deeper into the impact of organizational culture on employee performance. **Method:** This study employs Systematic Literature Review (SLR). **Results:** A review of five journal publications revealed that organizational culture had an effect on employee performance in both government and private offices, with the exception of one article suggesting that organizational culture has no meaningful effect. **Novelty:** Using the SLR method, comparing several journals to investigate the impact of organizational culture on employee performance.

INTRODUCTION

The argument over organizational culture and employee performance has captivated organizational theorists, philosophers, management, financial and economic analysts, and executives. Humans, as social organisms, have a natural need to socialize, cooperate, and be in the company of others. As a result, the existence of an organization is critical as a container for bringing people together to socialize and collaborate. An organization is a collection of people who work together to achieve similar goals [1]. Organizational success is intrinsically tied to the quality of its members' performance; thus, organizations must continuously develop and improve their members' performance. High employee performance increases organizational productivity, thus organizational leaders should always try to improve their members' performance for the benefit of the organization's success. Improving member performance is also closely related to how the organization enhances its current culture [2]. Utama (2021) defines performance as the consequence of work or the level of success achieved by workers in their field of work, which can be instantly represented in the output generated, both in terms of quantity and quality, in compliance with the job criteria [3], [4].

Organizational culture is an important subject for organizational executives to consider [5]. Every organization has features that set it apart from others; these characteristics form the organization's identity. These features are known as organizational culture [6]. Organizational culture is the distinct set of rules, values, beliefs, and behaviors that define how groups and individuals work together. Organizational culture requires all members to understand, live, and practice shared ideals. Organizational culture acts as a glue for all parts of the business, allowing individuals to work comfortably and collaboratively. Organizational culture increases

employee motivation by instilling a sense of trust, belonging, and ideals that encourage individuals to think positively about the company and themselves [7].

Organizational culture influences an organization's efficiency and performance, as well as employee empowerment. Organizational culture can improve employee performance because it produces a high level of incentive for individuals to give their all when taking advantage of the chances provided by their firm [8]. A strong culture is essential to the success of any firm. Problems with the company's organizational culture include a lack of role models from leaders in terms of arriving and leaving work on time, which has developed a culture or tradition among employees, causing many employees to arrive and leave late [9].

RESEARCH METHOD

This essay seeks to go deeper into the impact of company culture on employee performance. The method employed in this article is a literature review, and the goal is to evaluate, synthesize, and convey some study findings on the impact of corporate culture on employee performance [10].

This study used a Systematic Literature Review (SLR), which relates to the research process and its development, to assess a certain issue. The goal of SLR is to locate, evaluate, review, and interpret research on a certain topic or phenomenon of interest [11].

RESULTS AND DISCUSSION

Results

The findings of a review of many journal publications are as follows.

Table 1. Reviewed Journal Articles.

No	Author	Title	Publisher	Analysis Tool	Result
1	Swastiani Dunggio (Dunggio, 2020)	The impact of organizational culture on employee performance at the Duingingi District Office in Gorontalo City.	PUBLIC: Journal of Human Resource Management, Administration, and Public Service of the Bina Taruna Gorontalo College of Administrative Sciences Volume VII	Path Analisys	Organizational culture has a simultaneous and partial influence on employee performance at the Duingingi District Office in Gorontalo City.

No	Author	Title	Publisher	Analysis Tool	Result
2	Ridha Affandy (Affandy and Hairudino r, 2024)	The Impact of Organizational Culture, Competence, and Rewards on Employee Performance at the Public Appraisal Services Office (KJPP) in Banjarmasin.	Journal of Business and Development, Volume 13, Number 2, Pages 153-161.	Multiple linear regression analysis	Organizational culture has an insignificant effect on employee performance
3	Endro Triwahjudi Suswardana (Suswardana, 2022)	The Impact of Organizational Culture, Work Environment, and Total Rewards on Employee Performance	Journal of Syntax Transformation, Volume 3, No 3, March 2022, pages 352-367.	Path Analysis with Multiple Linear Regression	Organizational culture has positive and significant effect on employee performance
4	Slamet Bambang Riono (Riono, et al, 2020)	The Impact of Organizational Communication, Culture, and Commitment on Employee Performance at Dr. Soeselo Hospital in Tegal Regency.	Syntax Idea Vol. 2, No. 4 April 2020, pages 138-147.	Multiple linear regression test and coefficient of determination	This study found that organizational communication, organizational culture, and organizational commitment all have a substantial impact on employee performance.
5	Nuriya Luthfiana (Luthfiana, 2024)	The Influence of Performance Management, Training and Organizational	Reslaj: Religion Education Social Laa Roiba Journal Volume 6	IBM SPSS 25 software program	Organizational culture has an influence on employee performance

No	Author	Title	Publisher	Analysis Tool	Result
		Culture on BSI Employee Performance with Reward Variable as Moderation of Maqāsid Al-Sharīah Perspective	Nomor 2 (2024), pages 623-648.		from the perspective of maqāsid al-sharīah

Source: Processed by researchers (2025)

Discussion

Based on research [12] the results of data processing revealed that constructive culture (X1) has a sig value of 0.007, which when compared to a probability value of 0.05, it turns out that the probability value of 0.05 is greater than the sig probability value, or $(0.05 > 0.007)$, indicating significance. So it is established that constructive culture (X1) has a considerable impact on employee performance (Y). The findings of data processing revealed that passive-defensive culture (X2) has a sig value of 0.017, which when compared to a probability value of 0.05, shows that the probability value of 0.05 is more than the sig probability value, or $(0.05 > 0.017)$, indicating significance. So it is established that the aggressive-defensive culture (X3) has a considerable impact on employee performance (Y). The research findings suggest that there is a direct positive and significant influence on employee performance variables (Y) from organizational culture variables (X), which include constructive culture (X1), passive-defensive culture (X2), and aggressive-defensive culture (X3). The structural equation test findings reveal that all three sub-variables contribute to explaining the meaning of influence on service performance. The three sub-variables of the organizational culture variable have a combined influence of 0.565, or 56.5%, on public service performance. The external variables that are not explained by the model total 0.435, or 43.5%. The three sub-variables of the organizational culture variable have a combined influence of 0.565, or 56.5%, on public service performance. The external variables that are not explained by the model total 0.435, or 43.5%. The extent of this influence demonstrates that the more organizational culture is enhanced, the more employee performance at the Duingi District Office, Gorontalo City will grow.

According to research [13], partial hypothesis testing of the impact of corporate culture on employee performance yielded a t statistic of 1,017 with a probability value of 0.313. The test findings show that the absolute t statistic ($|t \text{ statistic}|$) is less than the t table (1.995) or has a higher level of significance ($\alpha = 5\%$). This situation indicates that there is no major influence on employee performance. The lowest index number for the Organizational Culture variable is the question "The company where you work gives

openness to employees to be confident in taking risks for what they do in growing the company" with a score of 3.69, while the highest index is the statement "The company where you work has rules and standards that have been socialized to employees so that they can be obeyed and adhered to" with a score of 4.38. Based on the study's index figures, it is clear that employees of the Public Assessment Services Office (KJPP) in Banjarmasin have a positive perception of the company's organizational culture. The results of the Regression Test show that the coefficient of the influence of organizational culture on employee performance is positive, indicating that organizational culture has a unidirectional and insignificant influence on employee performance, with a value of 0.110. This condition implies that the better the organizational culture, the better the employee performance, however the difference is not considerable.

According to research [14], the results of testing the first hypothesis (H1) show that the organizational culture variable has a positive effect on employee performance, with an R² value of 41.6% and a calculated t value of 8.521, which is greater than the t table's value of 1.98350 and a significance of 0.000. The significance value of the test is less than 0.05. Thus, organizational culture has a favorable and considerable impact on employee performance.

According to research [15], the regression coefficient for the organizational culture variable (X₂) is 0.437, which means that if the other independent variables remain constant and the organizational culture grows by 1%, employee performance (Y) will increase by 0.437. A positive coefficient indicates that there is a positive relationship between organizational culture and employee performance, with higher organizational culture resulting in higher employee performance.

Based on research [16], the coefficient table above shows that the t-count value is 3.161, but the t-table in the t-test is 1.668. The organizational culture variable has a t-count > t-table value and a sig value > 0.05 (3.161 > 1.668 and 0.002 < 0.05). According to maqāsid al-sharīah, organizational culture improves employee performance at Bank Syariah Indonesia (BSI).

CONCLUSION

Fundamental Finding : Based on a review of the five journal articles mentioned above, it was discovered that organizational culture influences employee performance in both government and private offices, despite one article claiming that organizational culture has no significant effect on employee performance. **Implication** : Company leaders and managers must focus on organizational culture because a positive organizational culture can boost employee performance. **Limitation** : This study solely looks at the variables of organizational culture and employee performance. **Future Research** : Additional study can be conducted on additional elements that can influence employee performance, such as employee competence, personality, motivation, or dedication.

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