

## The Influence of Organizational Culture and Providing Incentives on Employee Performance

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### Abstract

*This research is motivated by the author's observations regarding the influence of organizational culture and the provision of incentives on employee performance at the Education and Culture Office of the City of Bukittinggi which shows that organizational culture and provision of incentives are still not in accordance with what is expected and employee performance is still not optimal. The purpose of this study was to obtain data and information about (1) the positive influence of organizational culture on employee performance at the Education and Culture Office of the City of Bukittinggi, (2) the positive effect of providing incentives on employee performance at the Office of Education and Culture of the City of Bukittinggi. This research is a correlational quantitative research with associative type. The population in this study were all employees at the Office of Education and Culture of the City of Bukittinggi totaling 90 employees and the sample was determined using the Cochran formula with an error rate of 10% with the Proportionate Stratified Random Sampling technique obtained 63 employees. The research instrument uses a questionnaire with a Likert scale which has 5 alternative answers. Before the questionnaire was used, trials were carried out to determine its validity and reliability. Data analysis techniques were performed using multiple linear regression tests which were processed using SPSS version 24. The results of data analysis show that there is a significant influence between organizational culture on employee performance with  $t_{count} > t_{table}$  ( $2.118 > 1.669$ ). There is a significant influence between giving incentives and employee performance with  $t_{count} > t_{table}$  ( $2.118 > 1.669$ ). There is a significant influence between organizational culture and the provision of incentives on employee performance with a value of  $F_{count} > F_{table}$  ( $1.559 > 3.14$ ), so there is a significant influence between organizational culture and provision of incentives jointly on employee performance. The regression table shows a constant value of 59.576 and a regression coefficient of the X1 variable of 0.352 and a regression coefficient of the X2 variable of 0.202. So the multiple linear regression equation used is  $59.576 + 0.352X_1 + 0.202X_2 + e$ .*

**Keywords:** *Influence, Organizational Culture, Incentives, Employee Performance*

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## INTRODUCTION

An organization is a group of people who have the same goals. An organization or institution is said to be advanced and qualified if it has a good organizational structure. The main factor that supports the organization to run well or not is the human resources in it. Human resources have a very important role in contributing to the achievement of organizational goals. Human resources are the most valuable and most important assets owned by an organization, because the success of an organization is largely determined by humans Ardana (2009). These human resources in an institution or agency are called employees or employees.

Employees are one of the supporting factors in the success of an organization. Therefore, an employee must have the knowledge, skills, operational attitude and dedication so that the tasks assigned by the leadership to the employees can run smoothly. If the performance of every employee in an organization is good, it will have an impact on the progress of the organization because automatically the performance of the organization is running optimally and similarly if the performance of each employee is not good, it will reduce the quality of the organization. So that employee performance greatly determines the progress or withdrawal of organizational performance. Murti (2013) performance is the result of work achieved by an employee in carrying out the tasks and work assigned to him during a certain period.

Employee performance can be measured from performance indicators which are benchmarks in one's work achievement. Mangkunegara inside Arianty (2014) performance indicators consist of work quality, quantity, dependability, and cooperative attitude. Quality of work reflects an increase in quality and work standards that have been determined, this can be seen from the accuracy, thoroughness and work performance of employees. Quantity, reflects an increase in the volume or amount of an activity unit, which can be seen from the employee's contribution to the work and the number of tasks completed. Whether or not it can be relied upon reflects how an employee completes the tasks of a job assigned to him with a high level of accuracy, willingness and enthusiasm. And the last is a cooperative attitude, this reflects an attitude that shows high cooperation among people and attitudes towards superiors, as well as towards employees from other agencies.

With the measurement of employee performance, an agency can find out the level of employee performance so that the agency can provide feedback on the results of performance measurement, encourage performance improvement, and make decisions so that the agency has quality and highly competitive resources. However, there are still many problems related to employee performance in an institution. There are empirical problems related to employee performance, including the ability of employees to carry out work that is not satisfactory. This can be seen from the presence of some employees who are still lazy in carrying out their work. The amount of work that has piled up and cannot be completed on time.

Problems related to the ability of employees must be resolved properly. The limitation of reliable employees who control operations is a fundamental problem in improving performance. Efforts to improve the quality of human resources will also include improving managerial and operational capabilities.

This research is in line with the results of research conducted by Kusuma (2013) in his journal entitled "Performance of Civil Servants (PNS) at the Office of the Regional Civil Service Agency of East Kutai Regency". The journal states that: 1) the quality of work of employees is quite good; 2) employee communication has been carried out properly; 3) the accuracy of employee work is still lacking; 4) the employee's work initiative is quite good; and 5) the work ability of employees is still lacking. And if this situation is allowed to drag on it will have an impact on employee productivity.

Based on the observations made by the author at the Office of Education and Culture of the City of Bukittinggi, in reality there are still problems in the work process and work results of employees regarding the performance of an employee. This can be seen from the following phenomena: (1) There are still employees who are not able to complete their duties properly, this can be seen from the speed and accuracy of work results that are not as expected by the leadership; (2) There are still employees who do not have good quality at work, this can be seen from the presence of employees who are not thorough and not neat in completing the tasks given; (3) There are still employees who do not understand their main tasks and functions based on the position they occupy. This can be seen from the employees who are wrong in carrying out their duties so that they cannot complete the number of tasks according to the specified target; (4) There are still employees who are less cooperative at work. This can be seen from the attitude of employees who do not want to help colleagues in carrying out tasks that are poorly understood, this reflects that teamwork is still low.

**Table 1. Average Performance Assessment Results for the Education and Culture Office of the City of Bukittinggi**

WORKER BEHAVIOR	2020			2021		
	Weight (%)	Caption value	Score (%)	Weight (%)	Caption value	Score (%)
1. Discipline	10	87	8,7	10	83	8,3
2. Responsibility	10	89	8,9	10	88	8,8
3. Cooperation	10	93	9,3	10	90	9
4. Leadership	10	95	9,5	10	93	9,3
WORK RESULT						
1. Work quality	20	90	18	20	80	16,4
2. Working quantity	20	90	18	20	90	18
3. Work skills	20	95	19	20	95	19
<b>AMOUNT</b>	<b>100</b>		<b>91.4</b>	<b>100</b>		<b>88.8</b>

*\*source: Education and Culture Office of Bukittinggi City*

Information :

< 91% did not meet the minimum standards

≥91% met the minimum standard

The performance of employees at the Office of Education and Culture of the City of Bukittinggi, has not met the standards as expected. Work behavior has decreased from 2020 to 2021. This decline is due to the low performance of employees of the Education and Culture Office of the City of Bukittinggi which is suspected to be influenced by organizational culture and inappropriate incentives.

Therefore, the Education and Culture Office of the City of Bukittinggi needs to improve organizational culture and provide incentives that must be implemented properly to achieve quality human resource management within the organization in order to get better and maximum performance from employees to make human resources become benefits for agencies and achieving quality performance, if the provision of incentives is properly implemented within the organization. So from there employees will feel valued and there will be maximum success in human resources at the Education and Culture Office of the City of Bukittinggi.

## RESEARCH METHODS

This study uses a correlational quantitative method with the type of "associative" research in which associative research is an attempt to determine the effect of the independent variables (organizational culture and incentives) on the dependent variable (employee performance). With this method is intended to investigate and analyze the factors that are suspected to be the cause of the incident.

The population of this study were all employees at the Education and Culture Office of the City of Bukittinggi with a total population of 90 employees consisting of 70 employees with undergraduate education (S1) and 20 masters (S2). Sampling will be carried out using a stratified proportional random sampling technique. Through this technique it is hoped that samples will be obtained in accordance with the proportions of each group. To determine the number of samples according to this study, one of the methods used to determine the number of samples, namely Yusuf (2014), is to use the slovin formula. So the sample of this study is 63 employees who are

assigned randomly with a lottery system. This is done to provide equal opportunities for all members of the same population in the strata to become members of the sample.

The instrument used for data collection for the three research variables was a questionnaire prepared using the Likert scale model. The research data were analyzed using correlation and regression formulas.

## RESULT AND DISCUSSION

Based on the results of data analysis and the level of achievement of employee responses at the Office of Education and Culture of the City of Bukittinggi to the variables measured, it can be explained that the level of achievement of employee responses to organizational culture is in the good category (81.08% of the ideal score), variable giving incentives is in the good category (85.78% of the ideal score) and employee performance variables are in the good category (81.52% of the ideal score). The findings of this study are different from the results of the initial observations that the researchers made. Preliminary observations on the performance of employees at the Office of Education and Culture of the City of Bukittinggi are still not optimal.

The results of data analysis and hypothesis testing show that the three hypotheses tested in this study are acceptable. The results of data analysis show that organizational culture and the provision of incentives both individually and jointly have a significant influence and role in improving employee performance at the Office of Education and Culture of the City of Bukittinggi.

### **The Influence of Organizational Culture on Employee Performance**

Organizational culture as a unique configuration of norms, values, beliefs, and ways of behaving that characterize the way groups and individuals work together to accomplish tasks. The values and beliefs of the organization will be manifested into their daily behavior at work, so that individual performance will be supported by existing human resources, systems and technology, company strategy and logistics, each good individual performance will lead to good organizational performance as well. .

Organizational culture has a major role in shaping employee behavior. As a value system, organizational culture is the values and attitudes that have been believed by employees so that they have become the basis of employee behavior and attitudes when working. The attitudes and values that have crystallized in the organization will guide employees to think, act and behave in accordance with the attitudes and values they believe in. In other words, culture will affect the extent to which organizational members achieve organizational goals (Mega, 2016).

The results of this study indicate that organizational culture has a significant influence on employee performance, the tcount value for organizational culture variable (X1) is 2.118 > ttable 1.669 (sig 0.038 < 0.05), then Ha is accepted. Thus it can be concluded that organizational culture has a positive and significant effect on employee performance at the Office of Education and Culture of the City of Bukittinggi.

The regression equation above illustrates that organizational culture has a significant influence on improving employee performance. The influence of organizational culture on employee performance is 35.2%. Based on the results of the descriptive analysis, it shows that organizational culture is in the good category with an average score of 81.08%. Meanwhile, when viewed from each research indicator, it can be seen that the highest indicator is responsibility which is in the good category (84.73% of the ideal score), while the indicator with the lowest achievement is the trust indicator which is in the pretty good category (76, 35% of the ideal score).

The results of the research that the author has done also support previous studies conducted by Dunggio (2020) which said that organizational culture has an influence on employee performance by 33.2%. Then Andayani's research (2019) in her research revealed that organizational culture has a positive and significant effect on employee performance. This means that if the organizational culture is well created, this will have a positive influence on employee performance

### **Effect of Incentives on Employee Performance**

Providing incentives is a good thing. giving incentives can be in the form of money or goods with the intention of encouraging work productivity actions from employees to increase. Providing incentives is intended as a stimulus that comes from outside the leadership, both in the form of material and immaterial to stimulate enthusiasm and motivation so that they can work more optimally. Incentives are given as a motivator and stimulus for leaders in fostering employees, incentives become a motivator and enthusiasm for recipients.

The results of this study indicate that giving incentives has a significant effect on employee performance, the tcount value for the variable giving incentives (X2) is 1.753 > ttable 1.669 (sig 0.028 <0.05), then Ha is accepted. Thus it can be concluded that the provision of incentives has a positive and significant effect on employee performance at the Office of Education and Culture of the City of Bukittinggi.

The regression equation above illustrates that giving incentives has a significant effect on improving employee performance. The effect of providing incentives on employee performance is 20.2%. Based on the results of the descriptive analysis, it shows that the incentive variable is included in the good category with an average score (85.78%). Meanwhile, when viewed from each research indicator, it can be seen that the highest indicator is the giving of gifts which are in the good category (88.19% of the ideal score), while the indicator with the lowest level of achievement is the opportunity indicator for promotion which is in the good category (81.39% of the ideal score). In fact, from the three indicators of providing incentives analyzed, it is known that the average level of achievement of respondents is in the good category. By being in the good category, it is necessary to increase the incentive variable so that it can become a very good category. This means that the better the incentives received by employees, this will have a positive influence on improving employee performance.

The results of the research that the author has done also support previous studies conducted by Meilawati (2019) which said that incentives had an influence on employee performance by 25.3%. Then Wiwin's research (2022) in his research revealed that giving incentives would have a positive and significant effect on employee performance of 26.6%.

### **The Influence of Organizational Culture and Providing Incentives on Employee Performance**

The results of this study indicate that organizational culture and incentives have a significant relationship and provide a significant influence together to improve employee performance. The magnitude of the influence of organizational culture and the provision of incentives together on employee performance is 47.4%. Furthermore, the regression equation obtained by organizational culture variables and incentives with employee performance is  $59.576 + 0.352X1 + 0.202X2$ . This shows that organizational culture and the provision of incentives together have a positive influence on employee performance.

Data analysis shows that employee performance is significantly influenced by organizational culture and incentives, both individually and collectively. Organizational culture and incentives are two very important factors to note. Organizational culture and incentives received by employees will improve employee performance.

If viewed from the score achievement of employee performance variables at the Education and Culture Office of the City of Bukittinggi, they are in the good category, the

organizational culture variables are also in the good category, and the incentives variable is in the good category. Thus it can be believed that organizational culture variables and incentives if increased in a better direction will have a positive influence on employee performance.

To improve employee performance requires systematic and planned efforts that need to be done by creating a good organizational culture and providing incentives. Both of these are believed to improve employee performance. Through improving organizational culture and providing incentives both independently and collectively, employee performance will be improved.

The results of this study also revealed that when the sample was taken using a stratified proportional random sampling technique with identification of bachelor's and master's education strata and years of service, it can be seen that employees with longer education and years of service have better performance. This can be seen from the results of the distributed questionnaire tabulation scores.

The author also found that employees who have worked for a long time, judging from their work experience > 15 years, will have an understanding of the implementation of their duties and their performance is seen to be higher than employees with work experience < 15 years. Likewise with education. Some employees who have masters degree education have higher performance because they have higher initiative and creative attitude.

## CONCLUSION

Based on the results of the analysis, it can be concluded as follows: (1) The results showed that organizational culture had a positive and significant effect on employee performance at the Education and Culture Office of the City of Bukittinggi by 35.2%. This shows that the better the organizational culture that is created, it will lead to an increase in employee performance. The results of the achievement level of organizational culture are generally in the good category (81.08% of the ideal score). Meanwhile, when viewed from each indicator, the highest achievement indicator is responsibility (84.73% of the ideal score) and the lowest achievement indicator is trust (76.35% of the ideal score). If the organizational culture is well created, employee performance will increase; (2) The results of the study show that the provision of incentives has a positive and significant effect on employee performance by 20.2%. This indicates that the better the incentives received by employees, the better the performance of employees at the Office of Education and Culture of the City of Bukittinggi. Based on the results of the descriptive analysis, it shows that giving incentives is included in the good category with a score of 85.78%. When viewed from each of the research indicators it can be seen that the indicator for giving prizes is the highest and is in the good category (88.19% of the ideal score) while the indicator with the lowest level of achievement is the opportunity indicator for promotion which is in the good category with a score of 81.39%. However, in general, the three indicators of providing incentives that were analyzed had respondents' achievements in the good category; (3) The results of the study show that organizational culture and the provision of incentives together have a positive and significant effect on employee performance at the Education and Culture Office of the City of Bukittinggi by 47.4%. This value is smaller than the total percentage of influence between organizational culture and incentives. This is due to the indicators of each variable. This shows that the better the organizational culture and the better the incentives received by employees, the better the employee performance will be (3) The results of the study show that organizational culture and the provision of incentives together have a positive and significant effect on the performance of employees at the Education and Culture Office of the City of Bukittinggi by 47.4%. This value is smaller than the total percentage of

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