

How the Organizational Change and Organizational Culture Effectuated to the Employees' Performance?

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Abstract: The purpose of this study is: to find out 1) Description of organizational change, organizational culture and performance of PT X employees, 2) Effect of organizational changes on the employees' performance, 3) Effect of organizational culture on the employees' performance, 4) Models Organizational change research and organizational culture can predict the employees' performance. The technique of collecting data using survey methods is by distributing questionnaires which are then processed with the SPSS 25 program. This study using descriptive and explanatory analysis. The results of the regression show that there is a positive and significant influence between organizational changes on employee performance, and also there is a positive and significant influence between organizational culture on employee performance, and for research models of organizational change and organizational culture can predict the employees' performance that organizational change and organizational culture can predict significantly the performance of employees.

1 INTRODUCTION

The success of an organization in running its business depends on the ability of human resources to manage the resources owned by the company. Human resources are one of the key factors in economic reform namely, how to create qualified and skillful Human Resources (HR) and highly competitive in today's global competition (Utami et al., 2017). The performance of an employee determines how the success of an organization in achieving its goals. Employees become executors of various policies and operational activities in an organization. All forms of resources owned by the organization will not be able to run optimally if it is not supported by the performance of employees who are qualified in their fields. Ferlan (2016: 1058) strengthens this argument by stating that organizations and employees are a unit that has a relationship and must be balanced.

Every organization will always strive to improve employee performance, with the hope that organizational goals are achieved. The performance of an employee plays an important role for an organization, because the performance of each

employee is a contribution to the achievement of the performance of each organizational function and in turn the performance of organizational functions contributes to the achievement of an organization or company (Utami et al., 2017: 205). PT X is a company engaged in supplying household goods. From the results of observations made by researchers, in the last 3 years there have been organizational changes 2 times in the organizational structure of PT X. From these changes it is thought to have an impact on the decline in employee performance.

This organizational change has been planned and aims to find the most appropriate form of organization so that it can support the achievement of organizational goals. In addition, according to Ferlan (2016: 1065) an organization can only survive if it can make changes. When organizational changes occur, all employees must be ensured that they have enough information. This is intended so that employees can be better prepared to deal with these changes. Employees must be informed of changes in the organization before they occur so that they can prepare themselves physically and emotionally (Karanja, 2015: 239). Besides organizational change, organizational values become

a culture inherent in the organization, where organizational culture plays an important role in achieving organizational goals. Utami et al. (2017: 207) said that organizational culture plays an important role in achieving an organizational goal because organizational culture is a way of working quality and is based on meaningful values and provides motivation and inspiration to work better. Thus, organizations that have a good organizational culture are considered capable of motivating and inspiring employees to work better. Employees who successfully adapt within the organizational culture will be able to maximize the performance they have so that it has an impact on achieving organizational goals. Based on data obtained by researchers, human resource management at PT X has been conducted.

2 THEORETICAL FRAMEWORK

Performance

Organizational performance is largely determined by how the employee's performance the organization has. The fulcrum for the good and bad performance of organizations to make better resources. Employee performance itself is the output of the development and training carried out by the organization. Gultom (2014: 176). Improve communication skills. Good management of their organization is needed, so that the output that can be accessed by the organization can be fulfilled.

Nkururu & Wanza (2016: 190) also states that performance is an important thing for organizations to achieve company goals and objectives. Provisions reinforced by Trang (2013: 210) employee performance is the output or work results of employees in accordance with the duties and responsibilities to achieve organizational goals. Employees are interpreted as something very important, depending on how the company is able to manage it. Then, according to Mangkunegara (2011: 43) performance is the result achieved through certain activities and procedures by using resources for the specified organization. Performance is the result of the system applied by the organization, starting from planning to evaluation.

Meanwhile, according to Utami et al. (2017: 206) individual performance is the result of work both in terms of quality and the number of work standards that have been determined. From here we can see that there are two aspects that need to be considered in one employee, namely from the quality that can be done by the employee. From the definition above, the researcher synthesizes performance is the work result that can be obtained from a project of certain procedures to achieve the

company's target according to the standards that have been set together.

Organizational Change

Today, we want the world to be on a massive journey. Individuals and organizations are required to make changes in times that are able to survive in competition. Organizations must always be prepared to look at the risks and opportunities that exist to survive. According to Utami et al. (2017: 207) organization for organizational components such as structure, strategy, systems and human behavior that aims to increase the effectiveness of the organization. Organizational change is done to improve organizational performance. Then, Karanja (2015: 232) is an organization which is an action or movement designed in a process or process that affects the work of the organization. Changes may also affect the strategies used in achieving, the process of implementing strategies, tasks and functions carried out by employees in the organization, and the relationship between employees themselves. Sunaryo (2017: 102) emphasizes the main goal of the organization which ultimately is to achieve organizational goals to the fullest. This achievement certainly cannot be done simply by doing the same thing and repeatedly.

From several components that have been stated by the experts above, the researcher synthesizes the organization which is an action that is channeled into the organization, such as structure, strategy, system, and human behavior with the aim of improving organizational performance.

Organizational Culture

Gultom (2014: 176) explains that organizational culture in an organization is usually associated with values, norms, attitudes and work ethics that are shared with each component of the organization, these elements become the basis for monitoring employee behavior, the way they think, cooperate, and interact with its employees.

Trang (2013: 210) explains that organizational culture is a value, assumption, assumptions, attitudes and behavioral norms that have institutionalized then manifest in appearance, attitudes and actions, thus becoming the identity of a particular organization. Organizational culture becomes an inseparable thing from the organization itself.

Organizational culture is agreed upon together, both directly and indirectly by every element in the organization. This is in line with Sunaryo (2017: 103) organizational culture is a shared perception shared by all members of the organization.

Defined by Awadh & Saad (2013: 169), organizational culture as a combination of values, habits, beliefs, communication and translation of

behavior that provides guidance for many people. A strong culture is a very useful tool for directing behavior, because it helps employees to do better work so that every employee at the beginning of his career needs to understand the culture and how the culture is implemented. The performance of an organization is able to be sustained by a strong organizational culture, because the established work environment can make each employee at an optimal level. Furthermore, the strong organizational culture is also able to provide the control needed by employees so as to be able to penetrate the boundaries of a rigid formal bureaucracy, so that motivation and innovation of employees can grow well.

From the definition stated above, the researcher draws the conclusion that organizational culture is a combination of values, habits, beliefs, attitudes and actions that become the identity of the organization, referring to the same system and differentiating from other organizations.

Research Constellation Model

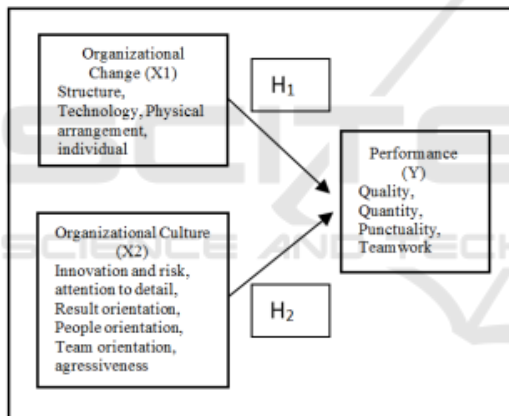


Figure 1: Research Constellation Model

3 RESEARCH METHOD

This research is a descriptive and explanatory research that takes place from May 2018 to August 2018 with the method of collecting data using the survey method, namely by questionnaire. In addition, researchers also used secondary data in the form of employee performance appraisal data obtained from PT X. The sampling technique used was nonprobability sampling so that the sample in this study were all members of the population, namely all employees of PT X as many as 129 people.

4 ANALYSIS

Validity test

Table 1: Validity test

Variable	Cronbach's Alpha	Notes
Organizational Change (X ₁)	0,736	Reliable
Organizational Culture (X ₂)	0,622	Reliable

Validity test performed on organizational change variables and organizational culture seen from all items in the variable statement can be declared valid. Expressed valid because all instruments have met the requirements, namely the value of $r_{count} > r_{table}$ 0.344. So, it can be concluded that all instruments can be used because they fulfill valid assumptions.

Reliability test

Table 2: Reliability test

Variable	Item before tested	Item not-Valid	Item Valid
Organizational Change (X ₁)	10	0	10
Organizational Culture (X ₂)	12	0	12

Based on Table 2. above the reliability test results for each variable organizational change and organizational culture have Cronbach's Alpha value > 0.6 , which is 0.736 and 0.622. Thus, the instruments of the two variables can be declared reliable or reliable because the value of Cronbach's Alpha is more than 0.6.

Descriptive analysis

Descriptive analysis is the result of processing raw data of research variables to provide an overview of the distribution and distribution of data. The raw data of research variables are the results of research obtained through questionnaires distributed to respondents, namely all employees of PT X numbered 129 employees. The results of the answers to the questionnaire will be used to determine a general description of the company's conditions regarding organizational change, organizational culture and performance.

The criteria for interpreting the scores that researchers use in measuring organizational change variables and organizational culture start at the level of 0% - 25%. Disagree statements and strongly disagree, organizational changes are declared very

effective and the organizational culture is very supportive. Then the levels of 26% - 50% for disagree statements and strongly disagree, then organizational changes are declared effective and the organizational culture supports. Furthermore, if the levels of 51% - 75% for statements of disagreement and strongly disagree, organizational changes are declared ineffective and the culture of the organization does not support. Finally, if the level is 76% - 100% for the statement of disagreement and strongly disagrees, organizational changes are declared to be very ineffective and the organizational culture is not very supportive.

Then, for a descriptive analysis of employee performance variables, researchers used score interpretation criteria by looking at if the average obtained by employees is 0 - 6.00, then the employee's performance is stated to be poor. Then, if the average obtained by employees is 6.01 - 8.00 then the employee's performance is declared good. If the average obtained by employees is 8.01 - 10.0, the employee's performance is stated to be very good.

5 RESULTS

The results of the descriptive analysis for organizational change and organizational culture variables indicate that the statement strongly agrees to the organizational change variable is 6.6% and the organizational culture is 3.6%. Then, for the statement of agreement for the variable organizational change is 20.2% and the organizational culture is 21.4%. Furthermore, for disagreeing statements for organizational change variables is 52.6% and organizational culture is 53.5%. For statements that strongly disagree for the variable organizational change is 20.6% and organizational culture is 21.5%.

So, when viewed from the results of the descriptive analysis, organizational changes were declared ineffective because the disagreement statement and strongly disagree amounted to 73.2%. For organizational culture variables it was declared not supportive because the number of disagreements and strongly disagreed was 75%.

Then, the results of research for employee performance variables are as follows:

Organizational changes are declared ineffective, can be seen from employees who do not need new skills in doing their tasks. Employees feel enough with the skills they have now. The existence of new

methods also proved unable to make employees easier in carrying out their work. The coordination mechanism in the company runs poorly so that the flow of coordination between employees is not good.

Real organizational culture in not supporting the achievement of organizational goals, can be seen from the reluctance of employees to conduct analysis in carrying out their work. The employees also proved reluctant to cooperate in completing the work provided by the company. Employees tend to work individually compared to the team. Unattainable work targets are also a factor in the weakness of compnay's organizational culture.

Based on the results of in-depth interviews regarding performance variables, information was obtained that the low performance of employees was caused by the number of employees who failed to achieve the target of work given or their responsibilities, employees did not come to the office or their arrival was not on time, so poor coordination was not awake well.

Multiple Regression Test

Table 3: Multiple Regression Test

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-2.150	0.553		-3.885	0.000
Organizational Change	0.107	0.024	0.375	4.449	0.000
Organizational Culture	0.145	0.026	0.462	5.474	0.000

a. Dependent Variabel: Employees' Performance

Based on table 3, the organizational change variable has a tcount of 4.449. The tcount is then compared with the t table value searched at $\alpha = 5\%$: $2 = 2.5\%$ (2-sided test) with degrees of freedom (df) $nk-1$ or $129-2-1 = 126$, where n is the number of samples and k is the number of independent variables. Based on these calculations, obtained ttable of 1.979 thus $t\text{ count} > t\text{ table}$ and the significance value of the organizational change variable of 0.000, thus $0,000 < 0.05$. It can be concluded that H_0 is rejected and H_a is accepted. This means that organizational changes have a positive and significant influence on employee performance.

As what was said by Utami et al. (2017) that organizational change is an act of switching an organization from the current conditions to future conditions to improve the effectiveness of organizational performance. These results are in accordance with the research conducted by Ferlan (2016), Simbolon (2013), Sunaryo (2017) which states that organizational change has a significant effect on employee performance.

From table 3 also shows the t-count for the organizational culture variable of 5.474, and a significance value of 0.000. The tcount is then compared with the t table value searched at $\alpha = 5\%$: $2 = 2.5\%$ (2-sided test) with degrees of freedom (df) $nk-1$ or $129-2-1 = 126$, where n is the number of samples and k is the number of independent variables. Based on these calculations, obtained t table of 1.979. This shows that $tcount > t$ table and significance value $0,000 < 0.05$. That is, H_0 is rejected and H_a is accepted. That is, there is a positive and significant influence between organizational culture on employee performance.

As what was conveyed by Trang (2013) which states that organizational culture is able to move conscience and mind to do things better, so that the culture is able to become a motivator in employees to improve their performance. This result is consistent with the research conducted by Gultom (2014), Hatta and Rachbini (2015), Sunaryo (2017).

Table 4: Goodness of Fit Model

ANOVA ^a						
1	Mode	Sum of Squares	f	Mean Square	F	Sig.
	Regression	39.149	2	19.575	55.264	.000 ^b
	Residual	32.587	92	0.354		
	Total	71.736	94			
a. Dependent Variabel: Employees' Performance						
b. Predictors: (Constant), Organizational Culture, Organizational Change						

In table 4, the calculated F is 55,264. The calculated F value is then compared with the Ftable value, which is sought with a 95% confidence level, engan with df 1 (number of variables-1) or $3-1 = 2$, and df 2 ($n-k-1$) or $129-2-1 = 126$. Based on these calculations, obtained Ftable is 3.07, thus $Fcount > Ftable$. The significance of the model feasibility test is 0,000, thus $0,000 < 0.05$. It can be concluded that the research model of organizational change and

organizational culture can predict the performance variable of PT X employees

6 CONCLUSIONS

After analyzing the research data on "The influence of organizational change and organizational culture on the employees' performance, then conclusions can be taken as follows:

1. Description of organizational change, organizational culture and the employees' performance are:

a. Organizational changes are classified as ineffective in achieving organizational goals. Employees do not need new skills in carrying out their tasks. Employees feel enough with the skills they have now. New methods have proven unable to make employees easier to carry out their work. The coordination mechanism in the company runs poorly so that the flow of coordination between employees is not good.

b. Organizational culture is classified as not supporting the achievement of organizational goals. Employees are reluctant to carry out analysis in carrying out their work. Employees also proved reluctant to cooperate in completing the work provided by the company. Employees tend to work individually compared to the team. Unattainable work targets are also a factor in the weakness of company's organizational culture.

c. Employee performance is relatively low, because the average employee rating of a total of 129 employees is in the number 5.994 which means that it is in the poor performance rating category (below 6). This is caused by poor collaboration between employees, failure of the employee to achieve work targets that have become his responsibility, the presence of employees who are undisciplined and often not on time.

2. Organizational change has an influence on the performance of employees. Where the influence is positive and significant, meaning that the more effective organizational changes carried out by the company the higher the performance of its employees.

3. Organizational culture has an influence on the employees' performance. Where the influence is positive and significant, meaning that the more organizational culture is able to support the achievement of organizational goals, the performance of employees will be higher.

4. The research model of organizational change and organizational culture can predict the employees' performance.

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