

The Effect of Organizational Culture on Organizational Behaviour, Performance, and Effectiveness

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ABSTRACT

This research discusses the role of organizational culture as a fundamental foundation in shaping the behavior and performance of human resources within an organization. Referring to organizational behavior theories by Robbins & Judge and the S-O-B-C behavior analysis model by Luthans, the authors examine how shared values, beliefs, and norms within an organization shape work attitude, enhance motivation, and support organizational effectiveness. Organizational culture not only acts as a social adhesive but also as a control mechanism that guides individual behavior toward achieving common goals. Through literature reviews and case studies, the research findings indicate that organizational culture significantly influences work productivity, employee loyalty, and organizational sustainability. Organizations with a strong culture tend to have clear direction, distinct identity, and the ability to adapt to external changes. Therefore, the formation and reinforcement of organizational culture become crucial strategies for improving overall organizational performance and competitiveness

INTRODUCTION

Organizational culture is one of the key elements that influence the success of an organization in achieving goals. This culture is not only a social glue that unites individuals in the organization, but also serves as a control mechanism that guides employee behavior to achieve common goals (Robbins & Judge, 2013). In the modern context, increasingly complex business challenges and changes in the external environment require organizations to have an adaptive and strong culture. Organizations with a strong culture tend to have a clear direction, distinctive identity, and adaptability to external changes (Putri & Yusuf, 2022). However, there are still many organizations that ignore the importance of forming and strengthening organizational culture, resulting in low work productivity, employee loyalty, and organizational competitiveness.

Previous research has shown that organizational culture has a significant influence on employee performance and overall organizational effectiveness. For example, Yani et al. (2022) found that organizational culture has a positive and significant effect on employee performance at the Galamedia Bandung General Daily. In addition, Ayunda et al. (2020) showed that organizational culture has a strong relationship with service quality in the context of government, specifically in the production of e-KTP at the Population and Civil Registration Office of Sukabumi Regency. However, there is a research gap in the literature regarding how organizational culture can be directed to support holistic organizational development. Most previous studies focus more on the direct impact of organizational culture on individual or group performance, without looking at the relationship between organizational culture, individual behavior, and the achievement of long-term organizational goals.

Research on organizational culture is highly relevant as modern organizations face increasingly complex challenges, such as technological change, globalization, and intense competition. Organizational culture not only acts as a social glue, but also as a control mechanism that guides individual behavior in achieving common goals (Sutrisno, 2010). However, many organizations fail to harness the full potential of organizational culture due to a lack of understanding of how it can be directed to support overall organizational development.

According to Putri & Yusuf (2022), organizational culture has both positive and negative impacts on organizational sustainability among employees and leaders. When unfavorable cultural beliefs are created, they impact the organization's operations. Therefore, it is important to understand how organizational culture can be properly managed to support organizational growth in a positive direction.

Although many studies have been conducted on organizational culture, there are still some gaps that need further research. First, most previous studies only focus on the direct impact of organizational culture on individual or group performance, without looking at the holistic relationship between organizational culture, individual behavior, and the achievement of long-term organizational goals (Yani et al., 2022). Second, research on how organizational culture can be directed to support overall organizational development is still limited (Putri & Yusuf, 2022). Third, research on the impact of organizational culture on the quality of public services is still rare, although this is very relevant in the context of government organizations (Ayunda et al., 2020).

The novelty of this research lies in the comprehensive approach used to link organizational culture with organizational development. This research not only aims to measure the influence of organizational culture on individual performance, but also explores how organizational culture can be a foundation in shaping employee attitudes, behaviors, and perspectives that support organizational growth in a positive direction. This research will also identify factors that influence the effectiveness of organizational culture in the context of organizational development.

By referring to the organizational behavior theory of Robbins & Judge (2013) and the S-O-B-C analysis model by Luthans (1998), this research is expected to provide new insights into how organizations can leverage organizational culture as a strategic tool to improve competitiveness and sustainability. This research is also supported by recent references, such as the studies of Putri & Yusuf (2022) and Yani et al. (2022), which highlight the importance of organizational culture in today's modern era.

The purpose of this study is to measure the extent to which organizational culture affects employee productivity. Explain how organizational culture can be a foundation in shaping employee attitudes, behaviors, and perspectives that support organizational growth in a positive direction. Identify factors that influence the effectiveness of organizational culture in supporting overall organizational development. Provide practical recommendations for organizations to strengthen organizational culture to improve organizational competitiveness and sustainability.

LITERATURE REVIEW

Organizational Culture

Organizational culture is one of the important elements in an organization that functions as a social glue, identity shaper, and control mechanism for individual behavior within the organization. According to Putri & Yusuf (2022), organizational culture has a significant impact on employee attitudes, behaviors, and perspectives which are then used in daily operations, including in completing work. This shows that organizational culture is not only a shared guideline but also affects overall work productivity. In addition, Yani et al. (2022) found that organizational culture partially and simultaneously has a positive and significant influence on employee performance. The study underlines that a strong organizational culture is able to increase organizational commitment, which in turn has an impact on individual and overall organizational performance. In the context of public services, Ayunda et al. (2020) also showed that organizational culture has a significant influence on service quality, such as in the case study of making e-KTP at the Population and Civil Registration Office of Sukabumi Regency. This study shows that the relationship between organizational culture and service quality has a strong relationship and is included in the high category. Thus, organizational culture is not only relevant in private companies but also in government organizations to improve effectiveness and customer satisfaction.

Organizational behavior

Organizational behavior theory proposed by Robbins & Judge (2013) supports the idea that individual behavior in organizations is influenced by interrelated inputs, processes, and outputs. Inputs such as values and norms in organizational culture provide the basis for individuals to act, while the process of interaction with the organizational environment shapes certain behaviors that produce consequences or outcomes. Luthans' (1998) S-O-B-C behavioral analysis model also explains that stimuli in the organizational environment affect individual interpretations, which then give birth to certain behaviors. This behavior then produces consequences that can strengthen or improve individual behavior patterns. In other words, organizational culture acts as a stimulus that guides individual behavior to achieve organizational goals.

Overall, this theoretical review shows that organizational culture has a strategic role in shaping behavior, increasing motivation, and supporting organizational effectiveness. Organizations with a strong culture tend to have clarity of direction, distinctive identity, and adaptability to external changes, making them more competitive and sustainable.

METHODOLOGY

This research uses a qualitative approach with the literature study method as the main basis for data collection and analysis. The qualitative approach was chosen to explore the phenomenon of organizational culture in depth, explore relevant theoretical concepts, and understand its impact on behavior, performance, and organizational effectiveness (Putri & Yusuf, 2022). Data were collected from various sources such as scientific journals, books, articles, and other media relevant to the research topic. The data processing process begins with the identification and selection of quality sources that are in accordance with the research focus, namely the influence of organizational culture on work productivity, employee loyalty, and organizational sustainability.

Data analysis was conducted descriptively by referring to established theories in the field of organizational behavior, such as the theory of organizational behavior from Robbins & Judge (2013) and the S-O-B-C model from Luthans (1998). These theories are used to understand how shared values, beliefs and norms in organizations shape individual attitudes and behaviors, and how they affect overall organizational effectiveness. In addition, this research also uses a case study approach to provide an empirical picture of the implementation of organizational culture in various organizational contexts.

The literature study method used in this research involves systematic steps, including literature search, evaluation of source quality, synthesis of information, and interpretation of findings. The researcher focused the analysis on the last five years to ensure that the references used were relevant and reflected recent developments in the field of organizational culture studies. The results of the analysis show that organizational culture has a significant role in shaping employee attitudes, behaviors, and perspectives, which ultimately affect the day-to-day operations of the organization (Yani et al., 2022).

RESULT

The outcome of this study aims to explore the influence of organizational culture on organizational behavior, performance, and overall organizational effectiveness. The results showed that organizational culture has a strategic role in shaping employee attitudes, behaviors, and perspectives, which ultimately affect the daily operations of the organization. This research draws on the theory of organizational behavior by Robbins & Judge (2013) and the S-O-B-C analysis model by Luthans (1998), which explains how shared values, beliefs, and norms in organizations shape individual behavior toward achieving common goals.

Based on the research results summarized in the document, Putri & Yusuf (2022) found that organizational culture has both positive and negative impacts on organizational sustainability among employees and leaders. When unfavorable cultural beliefs are formed, it can adversely affect the organization's operations. However, when organizational culture is managed well, it can increase organizational commitment, productivity, employee loyalty, as well as the organization's ability to adapt to external changes. This is in line with the findings of Yani et al. (2022), which showed that organizational culture has a significant influence on employee performance at Galamedia Bandung General Daily. They also emphasized that organizational commitment plays an important role in improving employee performance.

In addition, Ayunda et al. (2020) examined the influence of organizational culture on the quality of e-KTP making services at the Population and Civil Registration Office of Sukabumi Regency. The results of their study showed a strong and significant relationship between organizational culture and service quality. This finding confirms that organizational culture is not only relevant in private companies but also in government organizations to improve effectiveness and customer satisfaction. Furthermore, Pratami & Damayanthi (2018) found that organizational culture mediates the quality of accounting information system implementation and information technology trust on employee performance. This shows that organizational culture can be a mediating factor that strengthens the relationship between technology and performance.

Overall, the results of this study confirm that organizations with a strong culture tend to have a clear direction, distinctive identity, and ability to adapt to external changes. Therefore, the establishment and strengthening of organizational culture is an important strategy to improve the overall competitiveness and sustainability of the organization.

DISCUSSION

Organizational culture plays an important role in shaping organizational behavior, performance, and overall effectiveness. This research shows that organizational culture serves as a social glue as well as a control mechanism that directs individual behavior towards achieving common goals (Putri & Yusuf, 2022). This finding is in line with the theory of organizational behavior proposed by Robbins & Judge (2013), which emphasizes that values and norms in organizations become inputs that influence individual actions and their interactions. These inputs, if managed well, can improve employees' attitudes, behaviors, and perspectives, ultimately increasing organizational productivity and sustainability.

This research also highlights the importance of a strong organizational culture in creating clear direction, a unique identity, and the ability to adapt to external changes (Yani et al., 2022). For example, Yani et al. (2022) found that organizational culture has a positive and significant influence on employee performance at Galamedia Bandung Public Daily. Their study showed that a strong organizational culture increases organizational commitment, which directly correlates with improved individual and collective performance. Similarly, Ayunda et al. (2020) found a strong relationship between organizational culture and service quality in the context of e-KTP production at the Population and Civil Registration Office of Sukabumi District. This suggests that organizational culture is not only relevant in private companies but also in government organizations, where it improves public services and customer satisfaction.

In addition, the S-O-B-C model of behavior analysis by Luthans (1998) provides a framework for understanding how organizational culture influences individuals' interpretations and subsequent behaviors. According to this model, stimuli in the organizational environment shape individual responses, which then produce consequences that reinforce or modify behavior patterns. This cyclical process demonstrates the importance of creating a positive organizational culture to steer employees towards desired outcomes. For example, Pratami & Damayanthi (2018) showed that organizational culture mediates the relationship between the quality of accounting information system implementation and trust in information technology on employee performance, confirming its role as a mediating factor that strengthens organizational processes.

However, this study also identified challenges associated with unfavorable cultural beliefs, which can negatively impact organizational operations (Putri & Yusuf, 2022). Such beliefs can inhibit employee motivation, reduce loyalty, and hinder organizational adaptability. Therefore, organizations should prioritize the establishment and strengthening of a positive culture to mitigate such risks. This involves aligning shared values, beliefs, and norms with the organization's strategic goals as well as ensuring that leadership actively promotes and embodies those cultural elements.

Recent studies further support the importance of organizational culture in modern organizations facing complex challenges such as technological advancement, globalization, and intense competition (Hasanah & Aima, 2018). Organizations with a strong culture are better equipped to face these challenges due to their ability to maintain a clear direction and increase employee engagement. This reinforces the need for organizations to adopt a holistic approach to managing organizational culture, focusing not only on individual or group performance but also on long-term organizational development.

CONCLUSION AND RECOMMENDATION

Conclusion

This research shows that organizational culture has a strategic role in shaping behavior, performance, and overall organizational effectiveness. Organizational culture serves not only as a social glue but also as a control mechanism that directs individual behavior towards achieving common goals. Organizations with a strong culture tend to have a clear direction, unique identity, and the ability to adapt to external changes, thereby increasing productivity, employee loyalty, and organizational sustainability. However, a poorly managed organizational culture can lead to negative beliefs that inhibit organizational motivation, loyalty, and adaptability. Therefore, establishing and strengthening a positive organizational culture is an important strategy to improve organizational competitiveness and sustainability. It is recommended that organizations align shared values, beliefs, and norms with its strategic objectives and ensure that leadership actively promotes the culture. A holistic approach to managing organizational culture is necessary to support long-term organizational development. Further research is needed to explore the relationship between organizational culture, individual behavior, and the overall achievement of organizational goals.

Recommendation

This research has demonstrated the important role of organizational culture in shaping behavior, performance, and overall organizational effectiveness. However, there are several areas that can be further explored in future research. First, it is recommended to conduct more holistic research by considering the relationship between organizational culture, individual behavior, and the achievement of long-term organizational goals. Most previous studies have only focused on the direct impact of organizational culture on individual or group performance, thus paying less attention to the overall developmental aspects of the organization. Second, research needs to be conducted on how organizational culture can be directed to support comprehensive organizational development, including adaptation to technological change, globalization, and increasingly fierce competition. Third, further research is needed to explore the impact of organizational culture on the quality of public services in various government sectors, as this topic remains under-researched despite being highly relevant. Finally, it is recommended to use a mixed methodology approach (quantitative and qualitative) to provide a complete and more in-depth picture of the dynamics of organizational culture and its implications for various aspects of the organization. Thus, future research can provide new insights that are more applicable and strategic for the management of organizational culture in the future.

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