



## THE IMPORTANCE OF LOCUS OF CONTROL, ORGANIZATIONAL CULTURE, AND WORK STRESS IN AFFECTING THE EMPLOYEE PERFORMANCE AT PT SANKEIKID MANUTEC INDONESIA

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**Abstract:** This research aims to discover the affect caused by locus of control, organization culture and work stress to employee performance at PT Sankeikid Manutec Indonesia. The advancing in the globalization era has become a gateway and makes it easier for companies to develop their expansion to various countries, this surely brings positive and negative impacts, so that companies will survive, companies should be able to maintain and develop their employees to the maximum. The method used in this research was descriptive verification with quantitative approach. The research sample was the employees of PT Sankeikid Manutec Indonesia with total 165 respondents. The research outcomes were locus of control and organizational culture which have an impact on employee performance, while work stress has no affect to it. Locus of control, organizational culture and work stress simultaneously affect to employee performance.

**Keywords:** Locus of Control, Organizational Culture, Job Stress, Employee Performance.

### INTRODUCTION

Competition between companies today is increasingly competitive, especially with rapid development of technology in the era of globalization, the impact from this globalization era would bring a country its own advantages on the economic field, for example, expanding market area, the increasing of foreign investors who can invest in companies and other chance which earned profits for the company. In business activities, certainly, the company cannot be separated from the human factor, form and design of the business itself which comes from human concept or in other words a company can operate because of human activities under its favorable.

Theoretically, quality of human resources can improve the performance, which is very much needed in the company because the achievement of a company's goals would depends on the performance of the employees in it. PT Sankeikid Manutec Indonesia is a manufacturing company that has been established since 2006, engaged in plastic painting and injection molding. According to an interview with head of the production department, during this COVID-19 period, PT Sankeikid

Manutec Indonesia experienced a decline in production to the point where the company never did production at all.

Besides those problems in production, PT Sankeikid Manutec Indonesia also has problems in sales sector till the decreased in employee performance. Based on empirical data which author obtained, during period 2018-2019 the performance of PT Sankeikid Manutec Indonesia's employees was fluctuated and tended to declined.

**Table 1. PT Sankeikid Manutec Indonesia's Employee Performance Report**

| Year | Total of Employees | Criteria  |        |        |       |
|------|--------------------|-----------|--------|--------|-------|
|      |                    | Very Good | Good   | Fair   | Poor  |
| 2018 | 290                | 33.00%    | 34.00% | 31.00% | 2.80% |
| 2019 | 290                | 27.60%    | 33.00% | 36.00% | 4.10% |
| 2020 | 280                | 28.60%    | 32.50% | 35.40% | 3.60% |

Quoted from pre-survey that has been conducted previously, the decline in employee performance is suspect to have influenced by several factors, such as locus of control, organization culture, and work stress with an average score of 3.2, 3.5 and 3.5 respondents' answers, respectively. Sanjiwani and Wisadha (2016) found that locus of control partially had positive impact on auditor performance. Research by Wardani et al. (2016) were found that organization culture had a positive affect on employee performance, while result on work stress is only has a negative affect towards it.

Build on these problems, phenomenon, pre-surveys and those research gaps that have been mentioned above. The author decided to conduct a research with the title of **“The Importance of Locus of Control, Organization Culture and Work Stress In affecting the Employee Performance at PT Sankeikid Manutec Indonesia”**.

## LITERATURE REVIEW

### Employee Performance

Moehariono (2012) argues that employee performance is an illustrate from the proportion of achievement in implementing a scheme or policy so as to reach the goals, objectives, vision and mission of an organization in accordance with the organization's strategic planning. Furthermore, Mangkunegara in Sinambela (2018) describes that indicators that works in measuring the employee performance consists of work quality, work quantity, initiative, responsibility, and Cooperation. Therefore, companies need to be more cautious and carry out continuous evaluations. An optimal employee performance will have an impact to improving organizational performance, however the problem in employee performance which leave it for too long will cause employees to despair and quit their jobs (Brazen in Riyanto & Prasetyo, 2021).

### Locus of Control

Quoted from Robbins & Judge (2016), locus of control is an condition where people thinks that they are the one who decided their own fates. Meanwhile, Setiawan & Ghozali in Sanjiwani & Wishada (2016) define the locus of control as a description of the extent to which an individual believes that the factors on himself/herself are the one who controlled and affect him/her. Sanjiwani

& Wisadha (2016) declared that indicators which can be used to measure internal and external locus of control are abilities, interests, efforts, fate, socio-economics and An influence from other people. With a good locus of control, it will give an overview on how personal responsibility has been carried out over behavior and its consequences based on personality characteristics (Kinicki & Fugate, 2013).

### **Organization Culture**

Organization culture is often transcribe as an values, symbols which agreed to understood and obeyed together, whose created by organization so their members would love one another as family so as to maintain the diverse conditions from another organizations (Irnawati & Prasetyo, 2020). Furthermore, Robbins & Judge (2017) described that indicators which can be used to assess the organization culture are innovation and risk taking, attention to detail, results orientation, human orientation, team orientation, aggressiveness, and stability. Through the control of organization culture, companies can unwittingly determine how the company sees itself and its environment (Gomez-mejia et al., 2011).

### **Work Stress**

Work stress is an condition where the employees feel pressured and unable to get through the pressures that they will face it because employees think those pressure is beyond their control or ability. Work stress will have an impact to organization, so it will affect to the achievement of employee satisfaction and performance (Chaundry, 2012). Yozgat et al. (2013) defined the indicators that works in order to measure work stress , such as, pressure, conflict, and workload. Through maintaining good work stress management, it will encourage employees to do their work more efficiently (Prasetyo et al., 2021).

### **Previous Research**

Mulyani et al. (2018) who found correlation between locus of control and organization culture through organizational commitment. Dewa (2018) on his research suggests that organization culture will strengthen locus of control on employee performance. The high and low locus of control will be able to affect the level of work stress experienced (Syaifullah & Nurtjahjanti, 2018). Satrini et al. (2017), and Wahyuni et al. (2016) in their research found that the correlation between organization culture and work stress have a negative value, which means that the stronger the organization culture, will bring the lower of work stress. Mulyani et al. (2019) and Wahyuni et al. (2016) found that locus of control has a direct impact to employee performance. Wahyuni et al. (2016) were also found that organization culture has a positive affect on employee performance, while work stress has the negative one.

### **Theoretical Framework and Hypothesis**

According to the theory and empirical data above, these following hypothesis can be drawn as follows:

H1: There are found a correlation between locus of control, organizational culture and work stress at PT Sankeikid Manutec Indonesia.

H2: There is a partial impact which occurred from the locus of control, organizational culture and work stress to employee performance at PT Sankeikid Manutec Indonesia.

H2: There is a simultaneously affect which occurred from the locus of control, organizational culture and work stress to employee performance at PT Sankeikid Manutec Indonesia.

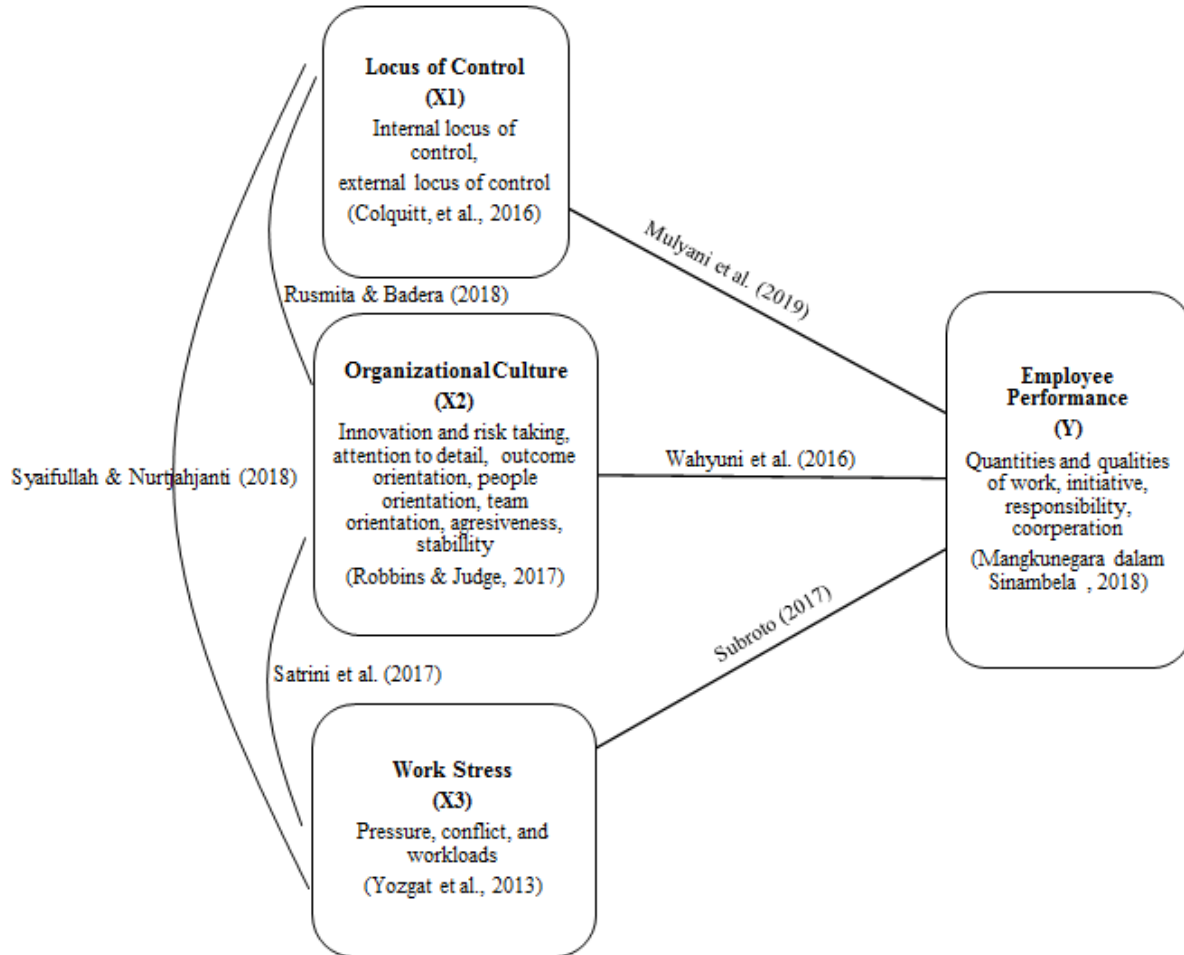


Figure 1. Theoretical Framework

## RESEARCH METHODS

Research method that included here was descriptive verification with quantitative approach. This research design was made up from several designs that refer to the objectives, research methods, level of explanation, types of data and analysis models. This research used 3 exogenous variables (locus of control, organizational culture and work stress) and one endogenous variable (employee performance). The population in this research were employees at PT Sankeikid Manutec Indonesia, with totaling of 280 people, while the sample set was 165 respondents (Slovin 5% error tolerance) through simple random sampling technique. In this research, qualitative and quantitative data types were used through interview techniques, questionnaires and literature research. The scale used is a Likert scale of 1-5. Validity Test the this research data was performed by conducting the validity, reliability and normality test. While the data analysis technique used was multivariate data technique to analyzed those hypothesis.

## FINDING AND DISCUSSION

### Validity, Reliability and Normality Test

Elicited from the test results, it was found that all research indicators had an r-count value  $> 0.300$  (r-table) that were set, and all research variables had Cronbach's alpha values  $> 0.600$  or specified, so it can be interpreted that all research variables and indicators were declared valid and reliable.

Table 2. Validity & Reliability Test

| Variable               | Indicator | r-count     | Cronbach's Alpha |
|------------------------|-----------|-------------|------------------|
| Lotus of Control       | LC1-LC6   | 0.336-0.447 | 0.652            |
| Organizational Culture | OC1-OC7   | 0.329-0.475 | 0.692            |
| Work Stress            | WS1-WS3   | 0.405-0.630 | 0.691            |
| Employee Performance   | EP1-EP5   | 0.400-0.510 | 0.704            |

Then, in the normality test, it was found that the Asymp value. Sig. (2-tailed) has a significance value  $> 0.05$ , so it can be assume that the data were normally distributed.

Table 3. Data Normality Test

| One-Sample Kolmogorov-Smirnov Test |                |                         |
|------------------------------------|----------------|-------------------------|
|                                    |                | Unstandardized Residual |
| N                                  |                | 165                     |
| Normal Parameters <sup>a,b</sup>   | Mean           | .0000000                |
|                                    | Std. Deviation | 1.65992514              |
| Most Extreme Differences           | Absolute       | .059                    |
|                                    | Positive       | .041                    |
|                                    | Negative       | -.059                   |
| Test Statistic                     |                | .059                    |
| Asymp. Sig. (2-tailed)             |                | .200 <sup>c,d</sup>     |

### Analysis of Descriptive Variable

Referring to the respondents' answers relates to research indicators, the results show that:

- 1) Locus of control gets an average score of 589.5 with the highest score which obtained on the internal indicator's locus of control
- 2) Organizational culture gets an average score of 516.8 with the highest score obtained on the aggressiveness indicator.
- 3) Work stress gets an average score of 581 with the highest score obtained on indicators of organization structure and climate.
- 4) Employee performance gets an average score of 598.4 with the highest score obtained on indicators of work quality.

### Verification Analysis

Derived from the correlation analysis results, it was found that:

- 1) The value from the correlation coefficient between the locus of control variable and organization culture was 0.422.
- 2) The value from correlation coefficient between locus of control and work stress was 0.342.
- 3) The value of the correlation coefficient between the variables of organization culture and work stress was 0.223.

Table 4. Correlation Analysis

| Correlations |                     | X1     | X2     | X3     |
|--------------|---------------------|--------|--------|--------|
| X1           | Pearson Correlation | 1      | .422** | .342** |
|              | Sig. (2-tailed)     |        | .000   | .000   |
|              | N                   | 165    | 165    | 165    |
| X2           | Pearson Correlation | .422** | 1      | .433** |
|              | Sig. (2-tailed)     | .000   |        | .000   |
|              | N                   | 165    | 165    | 165    |
| X3           | Pearson Correlation | .342** | .433** | 1      |
|              | Sig. (2-tailed)     | .000   | .000   |        |
|              | N                   | 165    | 165    | 165    |

\*\* . Correlation is significant at the 0.01 level (2-tailed).

**Path Analysis**

In accordance with the results from partial multiple linear regression, the outcomes that obtained are:

- 1) It is proven that locus of control has a positive and significant affect on employee performance. This testified by the value of t-count (6.546) > t-table (1.654) and Sig. 0.002 < 0.05.
- 2) It is proven that organization culture has a positive and significant affect on employee performance. This is indicates by the value of t-count (5.045) > t-table (1.654) and Sig. 0.000 < 0.05.
- 3) It is not proven that work stress has an affect to employee performance. This reveal from the value of t-count (-0.216) < t-table (1.654) and Sig. 0.829 < 0.05.

Table 5. Multiple Linear Regression Analysis

| Coefficients <sup>a</sup> |            |                             |            |                           |       |      |
|---------------------------|------------|-----------------------------|------------|---------------------------|-------|------|
| Model                     |            | Unstandardized Coefficients |            | Standardized Coefficients | t     | Sig. |
|                           |            | B                           | Std. Error | Beta                      |       |      |
| 1                         | (Constant) | 5.033                       | 1.630      |                           | 3.088 | .002 |
|                           | TOTAL_X1   | .393                        | .060       | .437                      | 6.546 | .000 |
|                           | TOTAL_X2   | .280                        | .056       | .351                      | 5.045 | .000 |
|                           | TOTAL_X3   | -.014                       | .066       | -.014                     | -.216 | .829 |

Then, from the simultaneous test, the outcomes appear that the locus of control, organizational culture and work stress were proven to have a simultaneous Affect towards the performance of employee with affect amount of 43.9%. This is evidenced by the F-count > F-table and the R<sup>2</sup> value of 0.439.

Table 6. Simultaneous Test

| ANOVA <sup>a</sup> |            |                |     |             |        |                   |
|--------------------|------------|----------------|-----|-------------|--------|-------------------|
| Model              |            | Sum of Squares | df  | Mean Square | F      | Sig.              |
| 1                  | Regression | 664.572        | 3   | 221.524     | 42.047 | .000 <sup>b</sup> |
|                    | Residual   | 848.236        | 161 | 5.269       |        |                   |
|                    | Total      | 1512.808       | 164 |             |        |                   |

Table 7. R<sup>2</sup> Test

| Model Summary |                   |          |                   |                            |
|---------------|-------------------|----------|-------------------|----------------------------|
| Model         | R                 | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1             | .663 <sup>a</sup> | .439     | .429              | 2.295331                   |

a. Predictors: (Constant), TOTAL\_X3, TOTAL\_X1, TOTAL\_X2

From several varied analyzes, the empirical model is obtained as follows:

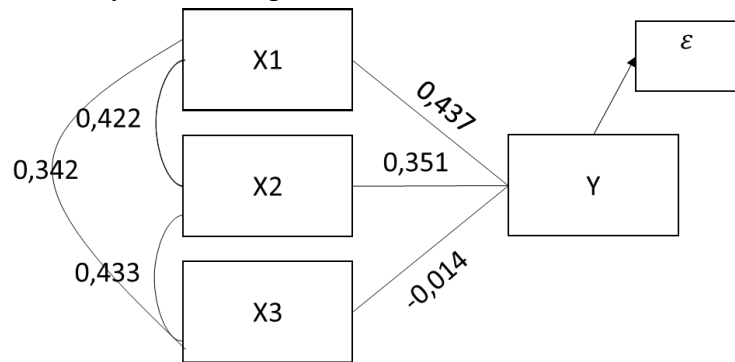


Figure 3. Empirical Model

**Discussion**

Drew on the correlation hypothesis test result from locus of control to organization culture, it shows that t-count (5.943) > t-table (1.654), it can be assume that H0 was rejected, meaning that there is a correlation between locus of control and organization culture. The linkage between locus of control and organization culture has a coefficient value of 0.422 with moderate and unidirectional link level because it is positive and the coefficient interval between 0.40 to 0.599 is in the medium category. The correlation between locus of control and organization culture is strengthened by Mulyani et al. (2019) research which that declared if there are appears the correlation between locus of control and organization culture through organization commitment.

In accordance with the hypothesis test result which conducted on locus of control and also work stress, it shows that t-count (4,649) > t-table (1,654) it can be described that H0 was rejected, meaning that there is a correlation occurs on both variables. The correlation between locus of control and work stress has a coefficient value of 0.342 with a weak and unidirectional relations because it is positive and the coefficient interval between 0.20 to 0.399 is in the low category. The correlation between locus of control and work stress is strengthened by the results of research conducted by Syaifullah & Nurtjahjanti (2018) who says if the amount of individual locus of control will be able to affect the level of work stress experienced. Someone with a better internal locus of control would be

able to deal with stressors which occur compared to someone who just only have an external locus of control.

Based on the hypothesis test result which conducted between organization culture and work stress, it shows that  $t\text{-count} (6,135) > t\text{-table} (1,654)$ , it can be declared that  $H_0$  was rejected, meaning that there is a correlation between locus of control and work stress. The correlation between locus of control and work stress has a coefficient value of 0.433 with a moderate and unidirectional correlation because it is positive and the coefficient interval between 0.40 to 0.599 is in the medium category.

Partial affect which occurred between locus of control and employee performance earned a value of  $t\text{-count} (6.546) > t\text{-table} (1.654)$  which means that there is a significant affect from locus of control on employee performance. Based on these results, it can be concluded that locus of control has its impact to the performance, which means that the higher the locus of control, the employee's performance will increase because employees will capable to manage their locus of control, both internally and externally. Research conducted by Mulyani et al. (2019), and Wahyuni et al. (2016) shows that locus of control has a direct impact to employee performance.

Partial affect which occurred between organizational culture and employee performance has a  $t\text{-count value} (5.045) > t\text{-table} (1.654)$  with that amount of influence value, meaning that organization culture affects employee performance, according to Robbins positive organization culture could be able to bring benefits, one of that is performance improvement, so it can be concluded that the higher the organizational culture, the higher the employee performance. These results were supported by Wahyuni et al. (2016) research who declared that organization culture has impact to employee performance.

Partial affect from work stress to employee performance has a  $t\text{-count} (-0.216) < t\text{-table} (1.654)$ , it can be stated that  $H_1$  is rejected and  $H_0$  is accepted, in other word that there is no significant affect which occurred from work stress to employee performance. This results were strengthen by previous research which conducted by Hotiana & Febriansyah (2018) who declared that work stress did not impact the employee performance.

Locus of control, organizational culture and work stress on employee performance, with the criterion of  $\text{Sig.} (0.000) < (0.05)$  and  $F\text{-count} = 42.047 > F\text{-table} = 2.66$  means that  $H_0$  is rejected. The total value of the simultaneous affect between locus of control, organizational culture and work stress towards the performance is 43.9% ( $R^2$  value). There is a simultaneous affect which occurred from locus of control, organizational culture and work stress on employee performance based on previous research by Nugraha (2014) on his research, according to the hypothesis test and regression analysis conducted, it reveal that locus of control variables, organizational culture including work stress had significantly affect to employee performance.



## CONCLUSIONS AND RECOMMENDATION

### Conclusion

Elicited from the research result that has been done, these following conclusions could be made up, such as:

- 1) Employee's locus of control at PT Sankeikid Manutec Indonesia got an average score of 589.5, the highest score in locus of control was obtained from the internal locus of control indicator (interest) with a total score of 613.
- 2) Organization culture at PT Sankeikid Manutec Indonesia has been going well but not optimal, this can be seen from the average score obtained by 516.8 which is in the sufficient category.
- 3) Work stress at PT Sankeikid Manutec Indonesia gets an average score of 581 which is in the sufficient category, the highest score is on the organization structure and climate indicators.
- 4) Employees performance at PT Sankeikid Manutec Indonesia gets an average score of 598.4 and in the sufficient category with work quality indicator as the highest score of 625.
- 5) Locus of control and organization culture variables have a correlation level of 0.422 which is included in the medium category.
- 6) Locus of control and work stress variables have a correlation level of 0.342 which is included in the weak category.
- 7) The variable of organizational culture and work stress has a correlation level of 0.433 which is included in the medium category.
- 8) There is a positive and partially significant affect between locus of control and organization culture on employee performance, while work stress variable did not relates.
- 9) There is a simultaneous affect of locus of control, organizational culture and work stress on employee performance by 43.9%.

### Recommendation

Derived from the research results which mentioned above, the suggestions that the authors can convey, namely:

- 1) Based upon this research, it reveals that locus of control variable and organization culture have an impact towards the performance of employees at PT Sankeikid Manutec Indonesia. Therefore, the company is expected to maintain employee performance and improve periodically.
- 2) Referring to the indicator which have the lowest score on locus of control variable, namely socio-economic, the company need to be fair in placing employee positions.
- 3) Referring to the lowest indicator on organization culture variable, namely stability, the company have to conduct training or provide opportunities that will improve employee abilities.
- 4) Addressing to the lowest indicator on employee performance variable, namely cooperation, so then the company need to carry out or hold activities which capable to strengthen and unite between employees.
- 5) Future researchers are expected to continue this research thoroughly and in detail so that the following conclusions made would benefits the company.

- 6) Future researchers are expected to do better research by putting detail every factor which has not been made up in this research.

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