The Effect of Performance on Organizational Culture, Digital Transformation and Employee Productivity in the Company

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Abstract: Literature study scientific articles discuss the effect of performance on organizational culture, digital transformation, and productivity in the context of human resource management science. The focus of this article is to build a hypothesis regarding the relationship between variables that will be used in future research. The research object involves online libraries, Mendeley, Google Scholar, and various other online academic media. The method used in this research is library research which involves sources of information in the form of e-books and electronic journals which can be accessed openly. The results of this article reveal that: Organizational culture has a significant and positive influence on employee performance. Digital Transformation has a significant and positive influence on employee performance. Productivity has a significant and positive influence on employee performance.

Keyword: Performance Influence, Organizational Culture, Digital Transformation and Productivity

INTRODUCTION

Digital technology has had an impact on social change, including within the scope of the company. Covid-19 has driven the transformation to digital technology at a rapid pace. Some companies must respond quickly to these changes, especially for companies operating in the information and communication technology (ICT) sector.

During the Covid-19 pandemic, the government inevitably had to adopt policies to deal with the rapid spread of the virus. One of the policies that must be taken is to limit all activities in all economic, social, cultural and so on. These restrictions caused most work activities to stop. Adaptation to this situation must be carried out quickly to avoid a worse impact on the economy and sustainability afterwards.

One of the adaptations made by various sectors is to shift all work that is all done offline to online. All work on all lines has switched to be done online. In this situation, like it or not, companies engaged in the ICT sector are at the forefront of maintaining the continuity...
of this digital transformation. In line with that, companies must also follow the actions taken by the government in an effort to overcome the spread of the Covid-19 virus.

Changes that are so fast are certainly not easy for company management to develop a new work culture system. Various companies have finally implemented what is known as Work from Home (WFH). However, in practice it is not as easy as one might think because it requires adaptation in terms of management and human resources.

Based on this context, research is needed on how organizational culture develops when facing digital transformation. This research is important to do to find out the adaptation patterns carried out by management and human resources and new cultures that can be developed in the future for companies in the digital era.

To increase the power of the theory under investigation, it is important to refer to relevant articles, analyze the relationships or roles between variables, and develop strong hypotheses. This article discusses the role of Organizational Culture, Digital Transformation, and Productivity in implementing Performance through a literature review study approach in the field of Human Resource Management.

Based on this background, problems will be formulated that will be discussed in a literature review article to strengthen aspects of the literature review, results, and discussion that will be described, namely:
1. How does Organizational Culture influence employee performance in the context of an ICT company?
2. How does digital transformation affect employee performance in the context of ICT companies?
3. What is the impact of productivity on employee performance in the context of an ICT company?

LITERATURE REVIEW

Performance

Performance is defined as work results obtained by individuals from activities and behaviors that are directed to carry out tasks in accordance with the positions and job descriptions that have been determined by the organization, with the aim of achieving organizational goals. Nursiti (2019), from the regression results, it can be concluded that a one-unit increase in the Performance variable (X) will have a significant positive impact on Satisfaction (Y) and Customer Loyalty (Z).

According to Daulay et al. (2019), performance can be interpreted as the work results obtained by employees, which achieve standards in both quality and quantity aspects. The results of research conducted by Daulay et al. (2019) revealed that there was a partially significant relationship between the discipline variable and employee performance, with evidence that the t-count value exceeds the t-table at a significance level of ≤ 0.05.

Performance is the result obtained from a process that is based on and measured over a certain period of time, according to predetermined conditions or agreements (Hustia, A., 2020). The indicator used, namely the calculated t value for work discipline, has a higher value than the t table value. This is supported by the t significance level which is lower than the error rate set at 5% or 0.05. Therefore, the null hypothesis (Ho) is rejected, which indicates that there is a significant influence between work discipline and employee performance (Hustia, 2020).

Performance has potential that can be developed, so that productivity can be interpreted as a structured activity process to explore various potentials that exist in a commodity or object (Muliawan, et. al., 2017). By using the correlation coefficient indicator (r), it was found that there was a significant positive relationship between the variables of employee engagement and employee performance (Muliawan, et. al., 2017).
Previous research has examined a lot about performance, some of which were carried out by Rivai and Basri (2005), Bernardin & Russel (2003), Mangkunegara (2003), Prasetyo & Marlina (2019).

**Organizational culture**

Organizational Culture can be interpreted as a set of norms or guidelines within the organization that are used by the organization to direct and carry out its activities (Amanda, et. al., 2017). In his research, it is known that the results of the regression coefficient with the t statistical test show that the regression coefficient value is greater than the significance level. This shows that there is a significant influence between organizational culture and employee performance (Amanda, et. al., 2017).

Organizational Culture is a shared perception among members of the organization. Through his research, Muis et al. (2018), found that the significance value was <0.05, which indicates that organizational culture variables have a significant influence on employee performance.

Within the organization, Organizational Culture acts as a framework that provides direction and guidance for members of the organization in carrying out their daily actions. Jufrizen & Rahmadhani (2020), this study confirms the existence of a positive and significant relationship between organizational culture and employee performance. This is evidenced by the calculated t values that exceed the t table values, and the P-Values which are less than 0.05 (Jufrizen & Rahmadhani, 2020).

According to Rosvita, et. al., (2023), it was found that in the context of this research, organizational culture has a positive and partially significant effect on employee performance. The independent variables in this research model have the ability to explain most of the variation in employee performance, while the lower residual variation may be related to other factors not included in this study (Rosvita, et. al., 2023).

Organizational Culture has been the focus of research by several previous researchers, including Wibowo (2010), Robert Kreitner and Angelo Kunicki as cited in Sopiah (2008: 183), Wilda and Azra (2007), Jufrizen, et. al., (2018), Andayani & Tirtayasa (2019), and Priansa and Garnida (2013: 77).

**Digital Transformation**

In the Digital Transformation process, leaders need to understand the customer experience and establish a vision and culture within the organization to encourage development. In the context of continuous industrial digital transformation, the role of digital technology capabilities has a very important impact on performance. Hypothetical data analysis shows that the T-statistics value found exceeds the critical value of the T-table, indicating that Digital technology capabilities play a significant role in influencing the performance of the sustainable digital transformation industry (Prihanto, 2018)

Digital Transformation is a process that involves a sociocultural dimension, in which companies seek to adapt new organizational forms and develop the skills needed to survive and be relevant in the digital era. Value indicators The AVE of the variables used in the research exceeds the limit of 0.5. The results also show that Digital Transformation and Innovation significantly contribute to Company Performance (Kurniawan, et. al., 2021).

In the context of Digital Transformation, there has been a fundamental change triggered by the innovative use of digital technology. This change is also strategically influenced by key resources and competencies with the aim of achieving the set goals. Statistical test results show that the value of the t statistic has a large value with p-values below 0.005. This indicates that the hypothesis is acceptable and there is a positive effect of digital transformation on organizational performance (Robbiyani, et. al., 2022).
In an effort to compete in a competitive and dynamic market, companies use the Digital Transformation approach as a way to gain a competitive advantage. Firmansyah, D., & Saeepuloh, D. (2022). In statistical analysis, there is evidence showing that digital literacy, mediated by digital transformation, has a positive and significant impact on competitiveness. This is evidenced by the high F value and the significance level $\alpha = p <0.05$ (Firmansyah & Saeepuloh, 2022).

Several researchers, including Zaoui & Souissi (2020) and Schallmo et al. (2017), has conducted significant research in analyzing Digital Transformation.

**Productivity**

Productivity indicators can be seen from the ability of an employee to effectively manage and utilize the resources owned to achieve optimal results in carrying out tasks and achieving predetermined work goals (Irawati, 2018). From the results of statistical tests, it was found that the calculated t value exceeds the t table value with a significance greater than 0.05. This indicates that there is a partial influence between employee productivity, job satisfaction, and turnover on employee performance (Irawati, 2018).

The concept of productivity includes the relationship between the amount of goods and services produced and the use of resources such as labor, natural resources, capital, and energy in the production process. The indicator used for a calculated Z value that is greater than the Z table shows that H4 is acceptable. This shows that employee productive behavior can act as a mediator in the relationship between Total Quality Management and company performance (Suartina et al., 2019).

Productivity is a result of comparing the participation of labor expended in a certain period of time with the results or outputs that have been achieved. The analysis results indicators used show that the work productivity variable has a positive and significant effect on employee performance, with a probability value (sig) of 0.017 which is lower than the significance value of 0.05 (Taufiq et al., 2022).

In the concept of productivity, we compare the results that have been achieved with the contribution of labor in a unit of time or the amount of goods or services that an individual or group of employees can produce in a predetermined period (Liana, 2020). The results of the R-square determination test show a value of 0.477, which indicates that external and internal motivation together affect employee performance by 47.7%. The remaining 52.3% is influenced by other factors that are not included in this research model (Liana, 2020).

This productivity has been the subject of research by various previous researchers, including Handoko (2011, p. 135), Alma (2009), and Alhudri and Heriyanto (2015).

**Relevant Article Reviews**

Reviewing relevant articles as a basis for establishing research hypotheses by explaining the results of previous studies, explaining the similarities and differences with the research plan from relevant studies as table 1 below.

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<thead>
<tr>
<th>No</th>
<th>Authors (Year)</th>
<th>Previous Research Results</th>
<th>Similarities With This Article</th>
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<td>1</td>
<td>Amanda, EA, Budiwibowo, S., &amp; Amah, N. (2017)</td>
<td>The influence of organizational culture is related to employee performance</td>
<td>Organizational culture has an influence on employee performance.</td>
<td>The measurement methods used for these variables are similar</td>
<td>H1</td>
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<td>2</td>
<td>Muis, MR, Jufirizen, J., &amp; Fahmi, M. (2018)</td>
<td>The influence of organizational culture and commitment to employee performance</td>
<td>Organizational culture plays a role in influencing employee performance</td>
<td>Another variable influences commitment to employee</td>
<td>H1</td>
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<td>3</td>
<td>Jufrizen, J., &amp; Rahmadhani, KN (2020)</td>
<td>The influence of organizational culture can be seen in employee performance and the work environment.</td>
<td>Organizational culture plays a role in influencing employee performance</td>
<td>H1</td>
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<td>4</td>
<td>Rosvita, V., Setyowati, E., &amp; Fanani, Z. (2023)</td>
<td>The influence of organizational culture on employee performance</td>
<td>Organizational culture plays a role in influencing employee performance</td>
<td>H1</td>
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<td>9</td>
<td>Irawati, R. (2018).</td>
<td>Effect of productivity, employee satisfaction and Turn over on excellence through employee performance</td>
<td>The effect of productivity plays a role on employee performance</td>
<td>H3</td>
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<td>10</td>
<td>Suartina, IW, Swara, NNAAV, &amp; Astiti, NLS (2019)</td>
<td>Effect of Total Quality Management (TOM) on company performance</td>
<td>The influence of productivity plays a role on performance</td>
<td>H3</td>
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<td>11</td>
<td>Taufiq, MI, Sasmita, H., Hamdat, A., &amp; Singkeroom, AWTF (2022)</td>
<td>Effect of work environment and productivity on employee performance</td>
<td>The influence of productivity plays a role on performance</td>
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RESEARCH METHOD

The method of writing this Literature Review article uses a descriptive qualitative approach and is based on literature review or library research. The sources of information used include online applications such as Google Scholar, Mendeley, and other online academic applications.

In qualitative research, it is important to maintain consistency between the use of literature review and the methodological assumptions used. In this case, the use of literature review should be done inductively to ensure that the research questions are not limited by inappropriate restrictions. One of the main reasons for conducting qualitative research is its exploratory nature, as mentioned by Ali & Limakrisna (2013).

FINDINGS AND DISCUSSION

Based on the theoretical studies and relevant articles, the discussion of this article is to analyze the role between variables and make conceptual thinking about future research plans:

The Influence of Organizational Culture on Employee Performance

Organizational Culture is a set of norms or guidelines used by organizations to direct and carry out their activities. Amanda, et. al., (2017) The principles or concepts of Organizational Culture are the limitations given in defining roles that provide a clear distinction between one organization and another, and provide a greater identity than interests. individual members of the organization. It also shows the stability of the social system, and in the end, organizational culture can shape the mindset and behavior of members of the organization. In addition, the results of the regression analysis show that the regression coefficient in this study is 7.750, which is greater than the 95% significance level of 1.984. Thus, there is a significant relationship between these variables. A positive coefficient indicates a positive relationship between organizational culture and employee performance. That is, if the value of organizational culture increases, then the value of employee performance also tends to increase.

Organizational Culture is a shared perception held by members of the organization. Muis, et. al., (2018). Organizational culture has a significant relationship in contributing to the factors that affect employee performance results. Rationally, employee performance is influenced by how well employees work. Employees can work well if there is encouragement both from within themselves and from outside, such as a good and positive organizational culture. The role of organizational culture is as a tool for determining the direction of the organization, directing what may and may not be done, how to allocate organizational resources, as well as a tool for dealing with problems and opportunities that arise from the organizational environment. There is a significant positive effect between the X1 variable (organizational culture) and the Y variable (employee performance), which is indicated by a significant t result of 2.815 (sig 0.007), where the significant t is smaller than α = 0.05. This shows that organizational culture (X1) partially has a significant influence on employee performance (Y).

Organizational Culture is a framework that guides daily behavior in an organization (Jufrizen & Rahmadhani, 2020). Organizational culture covers broad and deep aspects, and is the basis for creating an ideal organizational climate. When organizational culture is well managed as a management tool, it influences and encourages employees to behave positively, dedicated and productive. Statistical test results show that Organizational Culture (X1) has a significant influence on employee performance (Y). This can be seen clearly from the results of the t test, where the calculated t value (19.313) is greater than the t table value (1.982), and the P-Values (0.000) is less than 0.05. Therefore, the null hypothesis (Ho) is rejected and the alternative hypothesis (Ha) is accepted.
Organizational Culture reflects the appearance of the organization or how the organization is seen by outsiders (Rosvita, et. al., 2023). Organizational culture is a general perception held by members of an organization, or a system of shared meaning. An effective organizational culture is one that is aligned with company values and is able to motivate employees to achieve common goals. Based on the results of the analysis, there is a partially significant effect between the independent variables, namely organizational culture, on the dependent variable, namely employee performance. This can be seen from the calculated t value of 7.110 with a significance of 0.000. Because the calculated t value is greater than t table (1.701) and the significance is less than 0.05,

Organizational culture has a very significant role in performance, this is in line with research that has been conducted by several previous researchers, including Wibowo (2010), Robert Kreitner and Angelo Kunicki in Sopiah (2008: 183), Wilda and Azra (2007), Jufrizen, et. al., (2018), Andayani & Tirtayasa (2019), and Priansa and Garnida (2013: 77).

The Effect of Digital Transformation on Employee Performance

In Digital Transformation, it is important for leaders to understand the customer experience and establish a vision and culture within the organization to direct it towards better development. (Prihanto, 2018). The principles of Digital Transformation aim to build business-to-consumer and business-to-business networks to meet needs. Digital transformation is carried out by enhancing, expanding and redefining traditional products through digital content, as well as clarifying the value proposition customers offer and creating new sources of revenue to maintain sustainability. The T-statistic value of 2,632 which is higher than the T-table value indicates that digital technology capabilities have a significant role in influencing the performance of the industry's sustainable digital transformation.

Digital Transformation is a sociocultural process in which companies adapt to new organizational forms and develop the necessary skills to remain viable and relevant in a changing digital environment (Kurniawan, et. al., 2021). Digital transformation is defined as an organization's shift to big data, analytics, cloud, mobile and social media platforms. It reflects change and transformation driven and built on the foundations of digital technology. In the context of this study, the use of Convergent Validity is used to measure the level of accuracy of the variables used, with the required AVE value above 0.5. Furthermore,

Digital Transformation is a process of fundamental change that involves the innovative use of digital technology and influences organizational strategy, resources and key competencies (Robbiyani, et. al., 2022). Digital transformation encourages many organizations to innovate in order to increase value and competitive advantage within the organization. Testing the structural model (Inner Model) through the bootstrapping technique with a significance level of <0.05 and a t statistic greater than 1.96 shows significant results. The test results show that the t statistic is 13,001 with a p value of 0.004, which indicates that the hypothesis is acceptable and shows a positive influence. Therefore,

Digital Transformation is a new approach used by companies to achieve competitive advantage in competitive and dynamic market conditions (Firmansyah & Saepuloh, 2022). Successful Digital Transformation requires readiness from the organization and actors involved. Adaptation and transformation are key factors in achieving success. Statistically, it is proven that digital literacy, which is mediated by digital transformation, has a positive and significant influence on competitiveness with an F value of 126.399 and a significance of α < 0.05.

Digital transformation has a significant role in improving performance, this is in accordance with research conducted by Zaoui & Souissi (2020), Schallmo et al. (2017), Krumsvik (2015), and Zhang et al. (2022).
Effect of productivity on employee performance.

Productivity is the ability of an employee to effectively manage and utilize available resources in order to achieve optimal output or results in accordance with the assigned tasks and achieve predetermined work results. Irawati, R. (2018). Employee productivity is a very important factor for companies in an effort to increase competitiveness through their performance. The test results show that the calculated t value is greater than the t table value (1.29) with a significance greater than 0.05. This shows that there is a partial influence between employee productivity, job satisfaction, and employee turnover rates on employee performance.

00 which is smaller than 0.05. Thus, the null hypothesis (H0) is rejected and the alternative hypothesis (H2) is accepted, which means that employees' productive behavior has a positive and significant influence on company performance. This finding indicates that the higher the employee's productive behavior, the higher the company's performance.

Productivity is a concept that involves a comparison between the contribution and labor provided in a period of time with the results or outputs achieved in that period of time (Taufiq, et. al., 2022). Labor productivity involves the relationship between labor resources and the results produced in a certain period of time. This concept shows the extent to which the workforce is efficient and effective in achieving products that meet predetermined standards. The results of the partial t hypothesis test show that the work environment variable has a probability value (sig) of 0.016, which is smaller than the 0.05 significance level. Therefore, H0 is rejected and Ha is accepted.

Productivity is the comparison between the results achieved with the participation of labor in one unit of time. This can be measured by the amount of goods or services produced by an individual or group of employees in a certain period of time (Liana, 2020). Productivity in relation to individual personality characteristics involves a mental attitude that appears and contains the meaning of the individual's desire and effort to continue to improve the quality of his life. The results of the R-squared determination test show the number 0.477, which means that external and internal motivation together affect employee performance by 47.7%. The remaining 52.3% is influenced by other factors not explained in the model.

Productivity has a significant effect on performance, this is consistent with the results of research conducted by Handoko (2011, p. 135), Alma (2009), and Alhudri and Heriyanto (2015).

caseptual framework

Based on the formulation of the problem, discussion and relevant research, the conceptual framework for this article is processed as shown in Figure 1 below.

Figure 1: Conceptual framework
Based on the conceptual framework picture above, then: Organizational Culture, Digital Transformation, and Productivity play a role in employee performance. Apart from these three exogenous variables that play a role in human resource management science, there are many other variables including:

1) Motivation: (Handoko, 1999), (Prabu, 2005), (Koesmono, 2005), (Mathis and Jackson, 2001)

2) Behavior: (Carmeli and Spreitzer 2009), (Porath et al. 2012), (Korzilius et al., 2017) Scott and Bruce (1994), Gary (2001), (Mahomed & Rothmann, 2020)


CONCLUSION AND SUGGESTION

Conclusion

Based on the problem formulation and discussion in this article, the conclusion is that it is necessary to formulate a hypothesis as a basis for further research. The results of the study show that the independent variable of organizational culture has a significant effect on the dependent variable of employee performance H1. The results of the research on digital transformation variables have a significant effect on the dependent variable on employee performance H2. The results of the research on the independent variable productivity have a significant effect on the dependent variable on employee performance H3.

Suggestion

From the conclusions above, suggestions for future writers are to conduct more comprehensive research by considering other factors that affect employee performance, such as motivation, behavior, and leadership. Further research is needed to gain a more complete understanding of these factors and how they interact with organizational culture, digital transformation, and productivity in influencing employee performance.

BIBLIOGRAPHY


