

MANAGEMENT OF ORGANIZATIONAL CULTURE AND ORGANIZATIONAL LEARNING AS VARIABLES IN IMPROVING PERFORMANCE

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Abstract: The commodity of crude palm oil (CPO) from time to time has more profitable business prospects. Indonesia and Malaysia are the largest CPO producing countries in the world. The availability of large enough land is one of the factors that makes Indonesia a major producer of CPO for the world community. However, the productivity of oil palm plantations in Indonesia is still low compared to Malaysia. This then becomes the rationale that improving the performance of oil palm plantation companies is not only related to the availability of land, technology, or capital. However, another important thing that needs to be done is how oil palm plantation companies manage organizational culture and organizational learning activities. This study aims to determine the effect of organizational culture and organizational learning on the performance of employees of PTPN XIII (Persero) which is a coconut plantation company. The sample in this study were employees of class III - IV PTPN XIII (Persero) who served in West Kalimantan. The data analysis model uses Partial Least Square (PLS). The results show that organizational culture has a significant effect on employee performance with a positive relationship direction, while organizational learning has no significant effect on employee performance with a positive relationship direction. This means that organizational learning has very little effect on employee performance.

Keywords: organizational culture, organizational learning, and performance.

INTRODUCTION

Palm oil (CPO) commodity from time to time has more profitable business prospects along with the increasing demand for CPO in the world market. This growing demand is due to the fact that CPO can not only be used to produce cooking oil, but can also be used as a basic ingredient for other industries such as the food, cosmetics and soap industries.

Indonesia and Malaysia are the largest CPO producing countries in the world, where 80 percent of the world's CPO needs are obtained from these two

countries. The availability of a large area of land is one of the factors that makes Indonesia a major producer of CPO for the world community. Based on data from the Directorate General of Plantations, the area of oil palm plantations in Indonesia in a period of 10 (ten) years from 1999 to 2009, continues to increase with an average growth of 8.7% per year. If in 1999 the area of oil palm plantations in Indonesia was only 3,902,000 hectares, then in 2009 it increased to 7,321,000 hectares.

The increase in the area of oil palm plantations certainly has an impact on the

amount of CPO production in Indonesia which continues to increase from year to year. Based on data from the Director General of Plantations (2010), it is known that in 2007, Indonesia's CPO production amounted to 17.2 million tons. In 2008 it increased to 19.3 million tons and in 2009 it increased again to 20.5 million tons. The increase in the amount of CPO production is also accompanied by an increase in the number of exports. If in 2007 Indonesia's CPO exports were recorded at 12.6 million tons, in 2008 it increased to 14.4 million tons and in 2009 it increased again to 16.2 million tons. This illustrates that the CPO commodity is a very important economic activity for Indonesia in generating foreign exchange and income for the country ([Groen & Pesenti](#), 2011). Even in 2012, Indonesia's total CPO production is estimated to reach 24 – 25 million tons per year while exports are estimated to reach 17 – 17.5 million tons or more.

These various potentials show that oil palm plantation companies in Indonesia have an important role in providing employment, generating foreign exchange and income for the country. These various roles are the basis for the idea that improving the performance of oil palm plantation companies is very important and strategic for Indonesia ([Laurance](#) et al., 2010); ([Morgans](#) et al., 2018).

However, even though Indonesia is a major producer of CPO for the world, when viewed from the total productivity of oil palm plantations, the productivity of Indonesian oil palm plantations is still low compared to Malaysia. Production per hectare of oil palm plantations in Malaysia reaches 18-21 tons of fresh fruit bunches

(FFB) per hectare while Indonesia's 14-16 tons of FFB per hectare.

This then became the basis for thinking that to improve the performance of oil palm plantation companies ([Foong](#) et al., 2019); ([Honda](#) et al., 2018); ([Gunay](#) et al., 2019), it was not only related to the availability of land, technology or capital. However, another important thing that needs to be done is how the oil palm plantation company manages organizational culture and organizational learning activities.

METHODS

This research is survey research, namely research that takes a sample from a population and uses a questionnaire as the main data collection tool. This survey research uses an explanatory research, which provides an explanation of the causal relationship between variables through hypothesis testing.

Population, Sample and Sampling Techniques

Population in this study were all employees at PTPN XIII (Persero) in West Kalimantan with the criteria being employees of class III – IV (access population). Employees with groups III – IV who served in West Kalimantan in 2010 amounted to 332 people. While the sample size is 130 employees.

In this study, the sampling technique used is Proportional Area Random Sampling. The access population consists of employees of class III - IV. Where is the determination the number of samples is carried out proportionally, taken based on the results of the calculation of the

population in each working area of PTPN XIII (Persero) in West Kalimantan divided by the total population multiplied by the number of samples.

RESULTS AND DISCUSSION

A. Hypothesis Testing

In PLS analysis, the path coefficients are obtained through the weights of the *inner model* by first looking for the T-statistical value through a *resampling (bootstrap standard error)*. *Resampling* is a statistical procedure that works by creating a new sample based on a characteristic description of the original sample or population (Dodangeh et al., 2020); (Wolpert & Tallon-Baudry, 2021). The mean and *standard error* are calculated for each new sample and then analyzed, investigated and estimated.

The criteria for acceptance or rejection of the hypothesis are based on the T-Statistic value, if the T-Statistic <1.96 then the statistical hypothesis (H₀) is accepted, it means: The exogenous latent variable has no

Data Analysis

Techniques The analysis technique used in this study is using PLS using a Smart PLS or Visual PLS computer program.

significant effect on the endogenous latent variable and vice versa if the T-Statistic 1.96 then the statistical hypothesis (H₀) is rejected, meaning: Exogenous latent variables have a significant effect on endogenous latent variables.

In addition, the criteria for accepting or rejecting the hypothesis can also be done based on *p - value* < 0.05 (two-party test) at the level of significance = 0.05. If it has a *p - value* > 0.05, then the statistical hypothesis (H₀) is accepted, meaning: The exogenous latent variable has no significant effect on the endogenous latent variable and vice versa *p - value* < 0.05 then the statistical hypothesis (H₀) is rejected, meaning: Latent variable exogenous has a significant effect on endogenous latent variables. The results of testing the direct influence hypothesis can be seen in table 1.

Table 1. Results Of Testing the Direct Influence Hypothesis

Independent	Variable Bound Variable	Coefficient Path	p-value	Information
Organizational Culture (X1)	Employee Performance (Y1)	0.325	0.0000	Significant
Organizational Learning (X2)	Employee Performance (Y1)	0.055	0.1803	Non-significant

1. Organizational culture has a significant effect on employee performance. The results of the

analysis using PLS obtained a path coefficient of 0.325 with *p - value* <0.05, so it is said to be significant.

Given that the path coefficient is positive, it can be interpreted that the stronger the organizational culture affects employees, the more it will be able to improve employee performance.

Substantively it can be said that the indicators of innovation and risk-taking are values that are considered important in the organizational culture of PTPN XIII (Persero) having the ability to influence employee behavior so that they have integrity at work which are indicators that are considered important as forming employee performance ([Popova & Sharpanskykh, 2010](#)); ([Závadský et al., 2019](#)).

2. Organizational learning has a non-significant effect on employee performance. The results of the analysis using PLS obtained a path coefficient of 0.055 with p - value > 0.05 , so it is said to be non-significant. This means that organizational learning has very little effect on employee performance.

Substantively, it can be said that the investigation climate indicator is an indicator that is considered important in shaping learning activities and has very little influence in shaping employee behavior so that they have integrity at work, which is an indicator that is considered important in shaping employee performance.

CONCLUSIONS

Organizational culture has a significant effect on employee

performance. The results of the analysis using PLS obtained a path coefficient of 0.325 with p - value < 0.05 so it is said to be significant. Given that the path coefficient is positive, it can be interpreted that the stronger the organizational culture affects employees, the more it will be able to improve employee performance.

Substantively it can be explained that the company's encouragement for employees to act innovatively and dare to take risks at work is able to influence employee integrity which is manifested by employee honesty in carrying out work in accordance with existing rules within the company.

Organizational learning has a non-significant effect on employee performance. The results of the analysis using PLS obtained a path coefficient of 0.055 with p - value > 0.05 so it is said to be non-significant. This finding shows that organizational learning has very little effect on employee performance. Substantively it can be explained that organizational learning efforts that have been carried out have very little effect on employee integrity which is manifested in the form of employee honesty in carrying out work in accordance with existing rules in the company. It is suspected that the presence or absence of organizational learning activities, employee performance with integrity indicators that are considered important by employees III - IV PTPN XIII (Persero) is close to the good category. This finding proves that to improve employee performance it is necessary to pay attention to employee job satisfaction, because job satisfaction work can increase the high organizational commitment of employees.

Even job satisfaction, either directly or indirectly (through organizational commitment) affects the good and bad performance of employees. In other words, organizational learning has an indirect effect on employee performance through job satisfaction and organizational commitment.

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