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THE EFFECT OF ORGANIZATIONAL CULTURE AND LEADERSHIP ON THE PERFORMANCE OF OPERATIONAL EMPLOYEES AT BRAVO SUPERMARKET BOJONEGORO

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Abstract

This study aims to analyze the effect of organizational culture and leadership on the performance of operational employees at Bravo Supermarket Bojonegoro. The retail industry currently faces intense competition, making employee performance a determining factor for organizational success. This research employs a quantitative approach with a survey method through questionnaire distribution to 40 operational employees of Bravo Supermarket Bojonegoro. The sampling technique used is saturated sampling. Data analysis was conducted using Partial Least Square (PLS) with SmartPLS. The results show that organizational culture has a positive and significant effect on employee performance, while leadership does not have a significant effect on employee performance. These findings indicate that strengthening organizational cultural values such as result orientation, teamwork, and innovation is a strategic factor in improving employee performance, while current leadership practices have not been able to provide a real impact on employee performance. This research provides empirical contributions to the development of organizational behavior theory, particularly in the context of local retail companies in Indonesia.

Keywords: Organizational Culture; Leadership; Employee Performance; Retail

INTRODUCTION

The retail industry is currently in the midst of intense competition. Challenges not only come from traditional physical store competitors but also from the surge of online shopping platforms offering convenience, competitive pricing, and rapidly shifting consumer habits toward digitalization and demands for instant convenience. Technological developments and the dominance of e-commerce have shifted customer expectations, who now expect everything to be easier, faster, and more personalized. Rigid and slow-to-adapt retail companies face the risk of losing appeal both in the eyes of consumers and in effectively managing their human resources.

In facing these conditions, Human Resource Management (HRM) plays a crucial role for retail companies. HRM functions to ensure the availability of competent employees who match the company's needs, starting from appropriate recruitment and selection processes, followed by training programs to enhance employee skills, as well as creating fair compensation systems and clear career paths. Within HRM, employee performance becomes a determining factor for retail organizational success. Good performance is reflected in friendly and prompt service, accuracy in completing tasks, and initiative in solving problems in the field.

Furthermore, the issue of employee performance becomes increasingly critical as organizations are currently faced with increasingly diverse customer characteristics. Therefore, there is a need for human resources capable of achieving organizational goals collectively. This is similar to the employee performance issues faced by Bravo Supermarket Bojonegoro, a local retail company that has long been part of Bojonegoro's community history since it was first established in 1988. This company has not only survived but has also expanded by opening branches in Tuban (2001), Cepu (2011), Jombang (2017), Tulungagung (2023), and a second branch in Tuban (2025), with total employees estimated to reach 400 people in the Bojonegoro branch alone.

Behind these achievements, there are internal conditions that require attention, particularly related to human resources. Based on observations at the Bojonegoro branch, it was found that some employees lack enthusiasm in their work. This finding is reinforced by customer review ratings on Google Reviews, which show an average score of 4.3, where negative reviews regarding suboptimal employee service are still frequently found. Customers complain about unfriendly attitudes, discrepancies between prices or promotions and available goods, as well as employees' lack of agility in serving. Additionally, interview results with Bravo's manager also revealed that the application of training outcomes by employees remains suboptimal.

Internal company data in Table 1 shows a fluctuating increase in the number of employees with performance in the sufficient and poor categories over the past several years. In fact, the company sets employee performance targets only in the good and very good categories, without any sufficient or poor categories. With this standard, every employee is expected to achieve a minimum score of 70 (good category) and above. However, in reality, customer complaints regarding friendliness and service quality still frequently arise.

Table 1 Results of Operational Employee Performance Assessment (2022-2025)

Assessment Criteria	2022	2023	2024	2025
Very good 90-100 (A)	30	32	32	22

Good 70-80 (B)	8	4	4	12
Sufficient 50-60 (C)	2	2	4	4
Poor 30-40 (D)	0	2	0	2

Source: Bravo Supermarket Bojonegoro

From the observation results and internal pre-survey, three critical problems were identified. First, there are still problems related to organizational culture, including unclear role divisions and organizational structure at the implementation level, various forms of work discipline violations, and supervisory systems that have not functioned optimally. Second, from the leadership perspective, communication with superiors is considered problematic because it tends to be verbose and lacks input from subordinates. Important decisions are often announced abruptly without prior discussion, and some superiors tend to show favoritism.

Two internal factors are strongly suspected to influence employee performance consistency: organizational culture and leadership. Organizational culture is defined as a system of values, beliefs, and behavioral norms shared by all organizational members, serving as guidelines for action and distinguishing it from other organizations (Wales et al., 2017). Robbins & Judge (2018) state that organizational culture is a collection of shared values, beliefs, and habits held by people within the organization, making it different from other organizations. Indicators of organizational culture according to Robbins and Coulter, as cited in Samsudin (2020), include innovation and risk-taking, result orientation, people orientation, team orientation, aggressiveness, and stability.

Leadership is defined as an individual's ability to influence, motivate, and direct a group of people to work together toward achieving common goals Robbins & Judge (2018). According to Kartono (2017), leadership indicators include analytical ability, communication skills, listening ability, and assertiveness. Employee performance is defined as the form of actions, achievement of accomplishments, or tangible manifestation of an individual's skills and abilities in carrying out tasks that are their work responsibilities (Kasmir, 2017). Employee performance indicators according to Kasmir (2017) include work quantity, work quality, timeliness, and interpersonal relationships.

Previous studies show varied results. Widodo et al., (2025) found that organizational culture and leadership have a positive and significant effect on employee performance. (Maduningtias et al., 2022; Puspita & Putra, 2023) reported similar results. However, Ulyanah et al., (2021) found that leadership does not have a significant effect on employee performance. Marpaung & Darmawan (2022) reported that organizational culture does not affect employee performance, while leadership has a positive and significant effect. These differing results indicate that the effectiveness of leadership and organizational culture is highly determined by the context and specific conditions of each study.

Based on the above description, this study aims to: (1) analyze the effect of organizational culture on the performance of operational employees at Bravo Supermarket Bojonegoro, and (2) analyze the effect of leadership on the performance of operational employees at Bravo Supermarket Bojonegoro. The hypotheses proposed are:

H1: Organizational culture has a positive and significant effect on employee performance.
H2: Leadership has a positive and significant effect on employee performance.

REVIEW OF LITERATURE

Organizational culture is defined as the shared values, beliefs, and norms that distinguish one organization from another and serve as behavioral guidance for employees (Robbins & Judge, 2018; Samsudin, 2020) while leadership refers to the ability to influence, motivate, and direct individuals toward achieving common organizational goals (Northouse, 2016; Robbins & Judge, 2018; Yukl, 2013). Employee performance encompasses task completion, quality outcomes, and efficiency in utilizing resources (Kasmir, 2017; Robbins & Judge, 2018). Prior empirical research has demonstrated that both organizational culture and leadership significantly influence employee performance across various sectors, including manufacturing, logistics, and retail (Berliana & Aringga, 2024; Maduningtias et al., 2022; Puspita & Putra, 2023; Utami et al., 2024; Widodo et al., 2025)

However, inconsistent findings exist; some studies report that leadership does not significantly affect performance in government settings (Ulyanah et al., 2021), organizational culture has no effect in certain contexts (Marpaung & Darmawan, 2022) or leadership influences performance indirectly through mediating variables such as motivation and job satisfaction (Ginting et al., 2021). Despite extensive research, limited studies examine these relationships in local retail businesses, particularly regional supermarkets facing unique challenges from e-commerce competition and evolving consumer expectations (Suryadi & Rahayu, 2026). This study addresses this research gap by investigating the influence of organizational culture and leadership on employee performance at Bravo Supermarket Bojonegoro, providing empirical evidence from an understudied regional retail context.

RESEARCH METHOD

This study employs a descriptive quantitative approach. The research population consists of all operational employees of Bravo Supermarket Bojonegoro, totaling 40 people, divided into 5 divisions: merchandiser display, fashion, counter, household appliances, and decoration. The sampling technique used is saturated sampling (census), where all population members are used as respondents. Data was collected through questionnaires using a Likert scale of 1-4 (Strongly Disagree to Strongly Agree).

The research variables include organizational culture (X1) with 5 indicators (innovation and risk-taking, result orientation, people orientation, team orientation, aggressiveness), leadership (X2) with 4 indicators (analytical ability, communication skills, listening ability, assertiveness), and employee performance (Y) with 4 indicators (work quantity, work quality, timeliness, interpersonal relationships). Data analysis techniques use Partial Least Square (PLS) with SmartPLS. Evaluation of the outer measurement model was conducted through convergent validity tests (loading factor ≥ 0.70; AVE ≥ 0.50), discriminant validity through cross-loading, and reliability tests using Cronbach's alpha and composite reliability ≥ 0.70. Evaluation of the structural inner model was conducted through R-Square and F-Square values. Hypothesis testing used bootstrapping procedures with a p-value criterion of ≤ 0.05.

RESULTS AND DISCUSSION

Respondent Characteristics

Respondents were dominated by female employees (53%), aged 20-30 years (92%), with a working period of 1-4 years (80%), and the latest education being SMA/SMK (95%). These characteristics reflect that Bravo Supermarket Bojonegoro's operational workforce is dominated by a productive generation with secondary education backgrounds who directly

entered the workforce.

Outer Model Evaluation Results

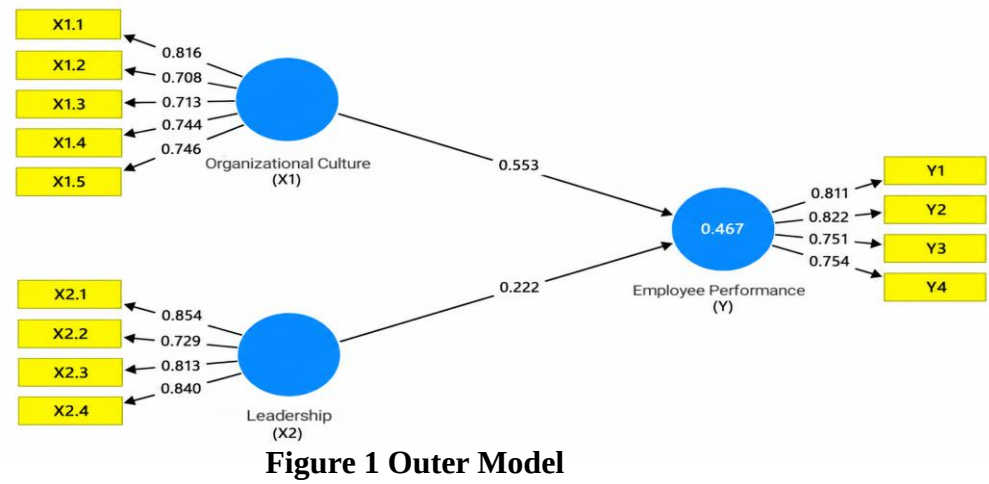

Figure 1 Outer Model

Source: Data processed with PLS

All indicators have loading factor values > 0.70, thus declared valid. The AVE values for each variable are 0.557 (organizational culture), 0.657 (leadership), and 0.616 (employee performance), all ≥ 0.50. The discriminant validity test results show that the cross-loading value of each indicator on its own construct is higher compared to other constructs.

Reliability Test Results

Table 2 Cronbach's Alpha and Composite Reliability Values

Variable	Cronbach's Alpha	Composite Reliability
Organizational Culture	0.801	0.862
Leadership	0.835	0.884
Employee Performance	0.792	0.865

Source: Data processed with PLS

Based on Table 3, it shows that all research variables have met the criteria. These findings indicate that the indicators for each variable have good internal consistency, thus the questionnaire used is declared reliable and suitable for measurement in this research.

Inner Model Evaluation Results

The R-Square value for the employee performance variable is 0.467, which means that simultaneously, the organizational culture and leadership variables are able to explain 46.7% of the variation in employee performance, while the remaining 53.3% is explained by other variables outside the research. The F-Square value for organizational culture is 0.455 (strong contribution), while for leadership it is 0.073 (weak contribution).

Hypothesis Test Results

Table 3 Path Coefficient Values (Mean, T-Statistic, P-Value)

Hypothesis	Correlation Of Variables	*Path Coefficient*	*T Statistik*	*P Value*
H1	Organizational Culture → Employee Performance	0.553	4.287	0.000
H2	Leadership → Employee Performance	0.222	1.443	0.109

Source: Data processed with PLS

DISCUSSION

The Effect of Organizational Culture on Employee Performance

The research results show that organizational culture has a positive and significant effect on the performance of operational employees at Bravo Supermarket Bojonegoro (path coefficient = 0.553; p-value = 0.000). This finding indicates that the stronger the cultural values applied within the company, the higher the performance demonstrated by employees.

The descriptive analysis results show that all organizational culture indicators received ratings in the high category. The most dominant aspect perceived was competitive spirit and speed in completing tasks. This is inseparable from the influence of the LKS Bipartit value system, which has long been the foundation of the organizational culture, where values of deliberation, collective responsibility, and family-based problem-solving help shape work habits oriented toward speed and togetherness. Meanwhile, based on the loading factor coefficient results, the most dominant indicator reflecting the organizational culture variable is the encouragement to create new ideas (0.816), which indicates that the innovation aspect is the strongest element in describing the ongoing organizational culture.

This finding aligns with research by Maduningtias et al. (2022), Puspita & Putra (2023), and Widodo et al. (2025), which consistently prove that a strong organizational culture oriented toward results makes a significant contribution to improving employee performance. Pham et al. (2024) also found that organizational culture reflected through company values, leadership styles, employee beliefs, and good relationships with the business environment positively affects employee performance.

The implication of this finding is that strengthening organizational cultural values, especially in innovation, result orientation, and teamwork aspects, needs to be consistently maintained. Although the innovative culture has become a strong foundation, the gap between the values instilled and the actual behavior of some employees who tend to work merely as formalities remains a challenge. Therefore, structured and measurable implementation of cultural values is needed to have a broader impact on sustainable performance improvement.

The Effect of Leadership on Employee Performance

The research results show that leadership does not have a significant effect on the performance of operational employees at Bravo Supermarket Bojonegoro (path coefficient = 0.222; p-value = 0.109). Although the path coefficient indicates a positive direction, statistically, the effect is not strong enough to be declared significant.

The descriptive analysis results show that the most highly perceived leadership aspect by employees is the clarity of instructions given by superiors (mean = 3.275). However, the aspect of consistency in enforcing rules without favoritism received the lowest average score (mean = 3.175). This finding indicates that although superiors' instructions are considered clear, weaknesses in the fairness and consistency aspects of leadership remain issues perceived by employees. This aligns with the field phenomenon regarding special treatment for certain employees, decisions taken unilaterally, and minimal employee involvement in the decision-making process.

Based on the loading factor results, the aspect of superiors' analytical ability (0.854) is the strongest dimension in representing the leadership construct. However, excellence in

the analytical aspect alone is insufficient to drive employee performance without being supported by consistency, fairness, and employee involvement in decision-making.

This finding is supported by research by Ginting et al. (2021), Marpaung & Darmawan (2022), and Ulyanah et al. (2021), which indicate that leadership does not always have a direct effect on employee performance. The influence of leadership is often indirect and depends on the role of mediating variables such as motivation, job satisfaction, and contextual factors such as work environment and discipline. In the retail sector, leadership effectiveness tends to depend on the leader's ability to build work motivation, a sense of belonging to the organization, and encourage employee creativity.

The implication of this finding is the need for evaluation and improvement of the leadership system at Bravo Supermarket Bojonegoro. Management needs to organize structured leadership training for supervisors focused on developing participative leadership styles, effective communication, rule consistency, and fairness in treating subordinates. Additionally, decision-making mechanisms that involve employees need to be improved to create a sense of ownership and strong commitment among employees.

CONCLUSION

This study aims to analyze the effect of organizational culture and leadership on the performance of operational employees at Bravo Supermarket Bojonegoro. Based on the analysis and discussion results, the following conclusions can be drawn:

1. Organizational culture is proven to have a positive and significant effect on the performance of operational employees at Bravo Supermarket Bojonegoro. The stronger the cultural values such as result orientation, teamwork, innovation, and competitive spirit that are applied, the higher the employee performance tends to be. This means that the culture formed through the LKS Bipartit system has encouraged work habits that are fast, collective, and family-oriented, thus impacting productivity and service quality improvement. This finding confirms that strengthening organizational cultural values is a strategic factor in driving workforce productivity.
2. Leadership does not have a significant effect on the performance of operational employees at Bravo Supermarket Bojonegoro. Although superiors' instructions are considered clear and analytical ability is relatively good, various weaknesses such as inconsistency in rules, unfair treatment, and minimal employee involvement in decision-making cause the leadership influence to be suboptimal. Consequently, employees tend to work procedurally without the drive to produce their best results.

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