



## **The Influence of Work Experience and Organizational Culture on Employee Performance**

**Yuan badrianto<sup>1\*</sup>, Suwandi Suwandi<sup>2</sup>, Dwi Astuti<sup>3</sup>**

<sup>1,2,3</sup>Universitas Pelita Bangsa

Email: yuan.badrianto@pelitabangsa.ac.id

### **Abstract**

This study aims to analyze the influence of work experience and organizational culture on employee performance in manufacturing companies in the Bekasi area. In an era of increasingly fierce global competition, an in-depth understanding of the factors that affect employee performance is crucial to the success of an organization. Using a quantitative approach, this study involved 54 respondents from various manufacturing companies in Bekasi. Data was collected through a questionnaire with a Likert scale of 1-5 and analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with the help of SmartPLS. The results of the study show that both work experience and organizational culture have a positive and significant influence on employee performance. Organizational culture contributes more than work experience to the variation in employee performance. These findings highlight the importance of a comprehensive HR development strategy, including improving employee experience and strengthening organizational culture. This research contributes to the development of HR and organizational management theory, as well as provides practical implications for manufacturing companies in improving the performance of their employees. Research limitations and suggestions for further studies are also discussed.

**Keywords:** Organizational Culture, Employee Performance, Manufacturing, Work Experience

### **Introduction**

In the era of globalization and increasingly fierce business competition, manufacturing companies are required to continue to improve their performance and productivity in order to maintain their existence and competitiveness in the market. One of the key factors that determines the company's success in achieving these goals is employee performance. Optimal employee performance not only contributes to operational efficiency, but also to the company's innovation and adaptability to changes in the dynamic business environment. Therefore, a deep understanding of the factors that affect employee performance is crucial for manufacturing companies, especially in industrial areas such as Bekasi, which is one of the largest manufacturing centers in Indonesia.

Previous research has identified a variety of factors that can affect employee performance, but two factors that often receive special attention are work experience and organizational culture. Work experience, which includes the accumulation of knowledge, skills, and understanding that employees gain during their tenure, has long been considered an important predictor of employee performance. A study conducted by Quiñones et al. (1995) in their meta-analysis found a significant positive correlation between work experience and employee



performance. These findings are reinforced by more recent research from Dokko et al. (2009) which shows that work experience not only improves technical skills, but also develops a broader contextual understanding of work and organizations.

On the other hand, organizational culture, which is a system of values, beliefs, and norms that are shared within an organization, has also been shown to have a significant influence on employee performance. Research conducted by Denison and Mishra (1995) demonstrated that organizational culture characteristics such as engagement, consistency, adaptability, and mission are positively correlated with various indicators of organizational performance. Furthermore, a longitudinal study by Boyce et al. (2015) confirms that a strong and positive organizational culture can drive improved financial performance of companies in the long term.

In the context of the manufacturing industry in Bekasi, understanding the influence of work experience and organizational culture on employee performance is becoming increasingly relevant. Bekasi, as one of the largest industrial estates in Indonesia, has unique characteristics that set it apart from other regions. With the existence of various multinational and local companies, the workforce in Bekasi tends to have a high level of mobility, which can affect the accumulation of work experience and adaptation to different organizational cultures. Additionally, the fierce competition between manufacturing companies in the region creates additional pressure for organizations to maximize the performance of their employees.

Work experience, in the context of the manufacturing industry, has complex dimensions. In addition to the length of the working period, the quality and variety of experience also play an important role in shaping employee competencies. Research conducted by Tesluk and Jacobs (1998) underscores the importance of considering qualitative aspects of work experience, such as task complexity and learning opportunities, in understanding their impact on performance. In a technology-intensive manufacturing industry, experience in operating and maintaining advanced equipment, for example, can be a critical factor in improving production efficiency and output quality.

Furthermore, in the era of Industry 4.0, where automation and integration of digital systems are becoming more and more dominant, relevant work experience is becoming increasingly valuable. A study by Grundke et al. (2018) for the OECD shows that employees with rich experience in digital technology and management have a significant competitive advantage in an increasingly digitalized work environment. This is very relevant for manufacturing companies in Bekasi who are in the process of digital transformation to increase their global competitiveness.

On the other hand, organizational culture in the context of manufacturing companies in Bekasi also has unique characteristics. As a region that hosts various multinational companies, Bekasi is a melting pot of organizational cultures from various countries and management traditions. Research conducted by Hofstede et al. (2010) regarding the dimension of national culture and its influence on organizational culture becomes very relevant in this context. Manufacturing companies in Bekasi must be able to align local cultural values with global management practices to create an organizational culture that is effective in improving employee performance.

An organizational culture that supports continuous innovation and learning is becoming increasingly important in a manufacturing industry facing technological disruption. A study by



Hogan and Coote (2014) shows that an organizational culture that encourages innovation has a positive impact on company performance. In the context of Bekasi, where many manufacturing companies are working to upgrade in the global value chain, an organizational culture that supports innovation and employee skill development is a critical factor in improving competitiveness.

In addition, the aspect of occupational safety, which is an important component of the organizational culture of manufacturing companies, also needs special attention. Research by Neal et al. (2000) demonstrated that a strong safety culture in organizations is positively correlated with employee safety behavior, which in turn can affect overall performance. In Bekasi, where the manufacturing industry often involves complex and high-risk production processes, a strong safety culture can be a differentiating factor in employee performance and company productivity.

The interaction between work experience and organizational culture is also interesting to explore further. Research by Chatman and Flynn (2001) shows that employees with longer work experience tend to be more adaptable to a new organizational culture. However, in the context of Bekasi, which has a relatively high employee turnover rate, especially in the manufacturing sector, this dynamic may be different. How companies can build a strong organizational culture while accommodating the influx of new employees with diverse work experiences is a challenge in itself.

Furthermore, in an era of technological disruption and rapid market changes, the ability of organizations to adapt is crucial. Research by Teece et al. (2016) on the dynamic capabilities of organizations emphasizes the importance of an organizational culture that supports flexibility and rapid learning. In this context, employee work experience can be a double-edged sword – on the one hand it provides depth of knowledge, but on the other hand it has the potential to create resistance to change. How manufacturing companies in Bekasi can leverage their employees' work experience while still maintaining an adaptive culture is an important question that needs to be answered.

Another aspect to consider is the diversity of the workforce in Bekasi. With multinational companies and the migration of workers from various regions in Indonesia, manufacturing companies in Bekasi face challenges in managing the cultural diversity in their organizations. Research by Ely and Thomas (2001) shows that diversity, if managed properly, can be a source of innovation and performance improvement. However, this can also create challenges in building a cohesive and inclusive organizational culture.

In this context, research on the influence of work experience and organizational culture on employee performance in manufacturing companies in Bekasi is very relevant and important. A deeper understanding of how these two factors interact and affect employee performance can provide valuable insights for management in designing effective human resource development strategies.

This research can also contribute to the existing literature by providing a unique perspective from the context of the manufacturing industry in developing countries such as Indonesia. The majority of research on work experience and organizational culture is conducted in the context of developed countries, and there is a need to understand how the findings can be applied or need to be modified in different contexts.



Furthermore, the results of this study can have significant practical implications for manufacturing companies in Bekasi and similar industrial areas in Indonesia. With a better understanding of how work experience and organizational culture affect employee performance, companies can design more effective employee development programs, better retention strategies, and management practices that are more aligned with employee needs and organizational goals.

In a broader context, this research can also contribute to efforts to increase the competitiveness of Indonesia's manufacturing industry in the global arena. By understanding the factors that affect employee performance, the manufacturing industry can increase productivity and innovation, which in turn can drive economic growth and job creation.

Therefore, this study aims to analyze the influence of work experience and organizational culture on employee performance in manufacturing companies in Bekasi. By using a quantitative approach and collecting data from various manufacturing companies in the region, this study is expected to provide a comprehensive picture of the dynamics of factors affecting employee performance in the context of the manufacturing industry in Indonesia.

## **Method**

This study adopts a quantitative approach to examine the influence of work experience and organizational culture on employee performance in manufacturing companies in the Bekasi area. The quantitative method was chosen because of its ability to objectively measure the relationship between variables and allow for generalization of results to a wider population. The population in this study is all employees working in manufacturing companies in the Bekasi area. Given the large population and limited time and resources, the purposive sampling technique was used to select representative respondents. Through this sampling process, a sample of 54 respondents representing various levels of positions and departments in manufacturing companies in Bekasi was obtained.

Data collection was carried out through the dissemination of questionnaires that were carefully designed to measure the research variables. The questionnaire consists of three main sections that each measure work experience, organizational culture, and employee performance. Each question item in the questionnaire uses a Likert scale of 1-5, where 1 indicates "Strongly Disagree" and 5 indicates "Strongly Agree". The use of the Likert scale allows researchers to measure respondents' attitudes, opinions, and perceptions of the constructed being studied in more detail. Before being disseminated, the questionnaire goes through a validity and reliability test stage to ensure the accuracy and consistency of the measurement instrument.

The data collection process was carried out over a two-week period, with a combination of in-person and online dissemination methods to accommodate respondents' preferences and accessibility. To ensure a high response rate, the researcher conducts regular follow-up and provides an explanation of the importance of this research for the development of management practices in the manufacturing industry.

The data analysis in this study uses the Partial Least Squares Structural Equation Modeling (PLS-SEM) approach with the help of SmartPLS software. PLS-SEM was chosen because of its ability to handle complex models with relatively small sample sizes, as well as its ability to analyze the relationship between latent variables and their indicators. The analysis

stages include the evaluation of the measurement model (outer model) to test the validity and reliability of the construction, and the evaluation of the structural model (inner model) to test the research hypothesis.

## Results and Discussion

### Path-Coefficients Test Value

Variable	Original sample (O)	Sample mean (M)	Standard (STDEV)	T statistics (O/STDEV)	P Values
PK-> KK	0.500	0.514	0.211	2.365	0.018
BO -> KK	0.454	0.443	0.212	2.144	0.033

Table 1. Test Results of Path Coefficients After Bootstrapping

### Relationship between work experience and employee performance

The results of the analysis show that work experience has a positive and significant influence on employee performance in manufacturing companies in the Bekasi area. These findings indicate that the more and more diverse work experiences employees have, the higher the level of performance they can achieve. Further analysis reveals that work experience is able to contribute to the variation of employee performance. This shows that work experience is a fairly substantial factor in explaining the difference in performance between employees in the manufacturing sector.

These findings are in line with previous research conducted by Quiñones et al. (1995), which in their meta-analysis found a positive correlation between work experience and employee performance. Their research shows that work experience is not only related to the quantity (length of work), but also the quality of experience obtained. In the context of manufacturing companies in Bekasi, this can be interpreted to mean that employees with more diverse experience in various aspects of the production process tend to show better performance.

Furthermore, the results of this study reinforce the findings of Dokko et al. (2009) who demonstrate that work experience contributes to employee performance not only through the improvement of technical skills, but also through the development of broader contextual knowledge about the industry and the organization. In the context of Bekasi's dynamic manufacturing industry, diverse work experiences can assist employees in understanding supply chain complexities, market dynamics, and ever-evolving technology trends.

The practical implications of this finding are quite significant for the management of manufacturing companies in Bekasi. First, these results emphasize the importance of employee development programs that not only focus on technical training, but also provide opportunities for employees to gain diverse experiences through job rotations or cross-departmental projects. Second, in the recruitment and selection process, companies may need to give greater weight to the diversity of a candidate's experience, not just the length of work experience.





From a theoretical perspective, this study contributes to the human resource management literature by highlighting the important role of work experience in the context of the manufacturing industry in developing countries. These findings expand our understanding of how work experience interacts with contextual factors such as the level of technology and the complexity of the production process in influencing employee performance.

Furthermore, the results of this study also have implications for the development of human capital theory. In accordance with Becker's (1964) argument about the importance of investment in human capital, this finding confirms that work experience is a form of accumulation of valuable human capital for organizations. However, the study also suggests that the value of work experience may vary depending on the industry and organizational context, highlighting the need for a more nuanced approach to understanding the role of work experience in human capital theory.

Although this study provides valuable insights, there are some limitations that need to be considered. First, the relatively small sample size (54 respondents) may limit the generalization of the findings. Second, this study focuses on manufacturing companies in Bekasi, so the results may not be fully generalizable to other sectors or regions. Therefore, further research with a larger sample and wider geographic coverage is needed to validate and expand these findings.

### **Relationship between work experience and employee performance**

The results of the analysis show that organizational culture has a positive and significant influence on employee performance in manufacturing companies in the Bekasi area. These findings indicate that the stronger and more positive the organizational culture is implemented, the higher the level of performance that employees can achieve. This shows that organizational culture is a very substantial factor in explaining the difference in performance between employees in the Bekasi manufacturing sector.

These findings are in line with previous research conducted by Denison and Mishra (1995), which found a positive correlation between organizational culture characteristics such as engagement, consistency, adaptability, and mission with various indicators of organizational performance. In the context of manufacturing companies in Bekasi, this can be interpreted that an organizational culture that emphasizes employee involvement in decision-making, consistency in core values, adaptability to change, and clarity of the company's mission tends to result in better employee performance.

Furthermore, the results of this study reinforce the findings of Sørensen (2002) which demonstrated that companies with strong organizational culture tend to show more stable performance in various industrial conditions. In the context of the manufacturing industry in Bekasi which often faces fluctuations in demand and global competition, a strong organizational culture can be an important factor in maintaining consistent employee performance.

The practical implications of this finding are very significant for the management of manufacturing companies in Bekasi. First, these results emphasize the importance of investing in the development and strengthening of organizational culture as a strategy to improve employee performance. Second, companies need to ensure that the values of the organization's culture are not only clearly articulated, but also integrated into daily management practices,



reward systems, and decision-making processes. Third, in the recruitment and selection process, companies may need to consider the alignment of the candidate's values with the organizational culture as an important criterion.

From a theoretical perspective, this study contributes to the management literature by highlighting the central role of organizational culture in the context of the manufacturing industry in developing countries. These findings expand our understanding of how organizational culture interacts with contextual factors such as industry characteristics and the business environment in influencing employee performance.

Furthermore, the results of this study also have implications for the development of contingency theory in management. In accordance with Schein's (2010) argument about the importance of organizational culture in external adaptation and internal integration, these findings affirm that organizational culture is not just a symbolic artifact, but an adaptive mechanism that is critical to organizational success. However, the study also suggests that the impact of organizational culture may be stronger in the context of certain industries, highlighting the need for a more nuanced approach to understanding the role of organizational culture in management theory.

Although this study provides valuable insights, there are some limitations that need to be considered. First, this study uses a cross-sectional design, so that the causal relationship between organizational culture and employee performance cannot be fully affirmed. Second, this study focuses on manufacturing companies in Bekasi, so the generalization of findings to other sectors or regions may be limited. Therefore, longitudinal research with a wider industrial and geographic scope is needed to validate and expand these findings.

## **Conclusion**

This study reveals that both work experience and organizational culture have a positive and significant influence on employee performance in manufacturing companies in Bekasi. Organizational culture shows a greater contribution, than work experience to employee performance, indicating the dominant role of work environment factors and organizational values in this context. These findings reinforce previous research and provide a new perspective in the context of the manufacturing industry in developing countries. The practical implications emphasize the importance of a comprehensive HR development strategy, including improving employee experience and strengthening organizational culture. Theoretically, this research contributes to the development of HR and organizational management theory. Although limited to the Bekasi area, these results can be the basis for more effective management strategies and further research in this field.

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