

Creative Company Culture in Improving Company Performance in Textile Industry at Bandung District West Java, Indonesia

Iriana Wihardja Sumintapura

Jakarta School of Management Labora, Indonesia.

Email: Irianawis@gmail.com

Aripin*

Jakarta School of Management Labora, Indonesia.

*Email: Ar1fin007@gmail.com (*Corresponding Author)*

Received: 12 September 2022; **Revised:** 20 October 2022; **Accepted:** 8 November 2022; **Published:** 25 November 2022

Abstract: *The research is aimed at investigating the company performance influenced by creative company culture. The research is conducted based on the phenomenon of the company performance which is considered not optimal in achieving the target. One of the factors that influence it is the organizational culture who are suspected of not having a strength value in managing organizational members. Therefore, organizational culture is indeed important to be researched and developed so that it has strong values. The research method utilizes a quantitative approach where the population is all employees of two textile companies in the Bandung Regency area of west Java, totaling 125 employees. To determine the sample, Slovin formula is used with an error limit of 0.05 which results in a sample of 95 employees. Data retrieval was carried out by distributing 125 research instruments to respondent from the two companies through each company leader given a week of time but after a week of running time, it turned out that 80 respondents only returned in a state filled with data (valid), was then processed using SPSS software version 23. The data analysis technique use simple linear regression analysis. Using linear regression analysis for determine how many big connections culture company creative to performance company. Research results shows that Creative Company Culture reflected by managing change, achieving goals, teamwork, customer orientation, cultural strength in proven able increase of performance company which is reflected by the indicators of quantity, quality and time efficiency.*

Keywords: *Corporate culture, Firm performance, Textiel industry.*

JEL Classification: *M14.*

1. Introduction

The most important aspect in running a company is company performance. This is because the company's performance depends on top, middle and middle managers and employees. Employee performance is a person's overall success achievement within a certain period of time in carrying out tasks. If all employees work well, it will affect the company's performance. In essence, performance is defined because of three activities, namely: capability, pretension and domain (Gibson, Ivancevich, & Donnelly, 1991) Therefore, in order to have a good performance, a person must have a high will to complete and explore his work. If you do not understand these three things, good performance cannot be achieved.

Ogbonna and Harris (2000) found that the factor that affects performance is corporate culture. A strong, creative Company culture will have a competitive advantage both nationally and internationally. Likewise, researchers such as Shahzad, Iqbal, and Gulzar (2013) describe that Company culture is the giver of superior jurisdiction over performance and determines that a strong Company culture is the origin of the virtue of competitive performance. So competitive advantage is very important for organizations that hold a strong corporate culture. Textile companies are one of the main sources of

employment for the people in Dayeuhkolot, Bandung Regency and the environment. In this case, the company as the object of research is PT. Artos *Textile* Industry was established in 1994 and PT. Bandung Sakura *Textile Mill* was established in 1970 in Bandung Regency, West Java. This textile company is a well-known textile company in Dayeuhkolot City. The company is growing by producing plain *greige fabrics* so that it becomes one of the integrated textile companies, the main manufacture of good quality fabrics, providing manufacturing services starting with *texturizing*, *sizing*, weaving, *jacquard*, dyeing, printing, and yarn. The textile industry has an important role in absorbing local people's workforce. Finally, however, the company concerned is on the decline, even though the competition for textile manufacturers in the world market tends to get tougher. Plus the textile manufacturer is not based on strong domestic raw material production. Textile raw materials derived from cotton fibers still have to be imported.

In an effort to survive in today's competitive market, companies must work hard (Fekete & Bocskei, 2011). Successful companies tend have culture strong company so that employee feel and do your best in work (Han, 2012). Positive culture will give direction going to superiority compete and get increase performance employees (Flamholtz & Randle, 2012; Zheng, Yang, & McLean, 2010). Every company will showing different culture one each other, but on principle goal the same, i.e. destination company achieved (Wu, Zhang, & Schroeder, 2011). Culture strong work no easy like reverse hand, however required creativity and flexibility so that could increase performance employees who in the end increase performance company (Cameron, Quinn, DeGraff, & Thakor, 2006; Tseng, 2010). With so, culture positive and strong work could increase performance company.

Lee and Yu (2004) stated that creative culture has a positive influence on company performance. Other studies have also proven a positive relationship between Company culture and company performance (Acar & Acar, 2014; Fekete & Bocskei, 2011; Han, 2012; Tseng, 2010). However on the other hand there studies which state that culture creative no have influence to performance company including : Syauta, Troena, and Margono Setiawan (2012); Amira and Permatasari (2022). Referring to the researchers the result shows that the relationship Among culture work creative with performance company no consistent, so make researcher interested for To do study more carry on about how connection the two variables if conducted research in the company textile Dayeuhkolot- fashioned Bandung, West Java, Indonesia.

2. Literature Review and Hypotheses

2.1. Creative Company culture and Company performance

Culture company is set score principles, characteristics and habits that apply to the company that so that could give impact positive for success company (Cameron & Quinn, 2011). While Flamholtz and Randle (2012) define that culture company is values, beliefs and actions of stakeholders for determine taking decision so that destination organization fast achieved. With thereby could concluded that culture organization is positive values, behaviors and habits to use reach destination successful organization. The proposed model centers on competitive values and includes types of collaborative, creative, competitive and control cultures (Cameron & Quinn, 2011). Cameron et al. (2006) stated that culture has elements represented by beliefs, values and artifacts that lead to organizational efficacy.

The proposed model centers on competitive values and includes types of collaborative, creative, competitive and control cultures (Cameron & Quinn, 2011). Cameron et al. (2006) stated that culture has elements represented by beliefs, values and artifacts that lead to organizational efficacy. Task-oriented Company culture will improve company performance Business company will could increase superiority competitive when have culture that prioritizes high creativity (Wamba et al., 2017). Culture creative work can also increase performance company by overall (Xia & He, 2017) Good culture in organization support ability somebody for doing more performance well (Alavi & Leidner, 2001; Cameron & Freeman, 1991; Ke & Wei, 2008). Besides culture creative work is very important increase performance more companies well (Massey & Montoya-Weiss, 2006). Law and Geng (2020) states that culture strong work always focus on the need for security, the importance of work and needs will

authority. Creating a sense of security in environment work by all element company is score plus for company . Influencing factors success organization or company is culture flexible work (Bamel & Bamel, 2018; Naqshbandi & Tabche, 2018).

2.2. Hypothesis

Creative Company culture is characterized by a strong dynamism and focus on the external environment and is closely related to risk taking, innovation and change (Cameron et al., 2006). Cooper, Cartwright, and Earley (2001) mention that culture as stabilizer behavior individuals, while Giberson et al. (2009) stated that culture organization is powerful integration for increase performance in reach destination organization. With so , culture organization play function main in increase performance company (Deal & Kennedy, 1982). Creative Company culture is characterized by a strong dynamism and focus on the external environment and is closely related to risk taking, innovation and change (Cameron et al., 2006). Tseng (2010) reported that culture organization take effect positive and significant to performance organization. Calciolari, Prenestini, and Lega (2018) also stated that culture company take effect significant to performance company. Likewise, Fekete and Bocskei (2011) stated that that culture company is a positive and significant predictor to performance company . Researchers other as Zhang, Zhu, and Liu (2012) show that culture related close with performance company. In accordance with the opinion of Choi, Seo, Scott, and Martin (2010) and Chatman, Caldwell, O'Reilly, and Doerr (2014) that all type culture is an important predictor to performance company.

Hypothesis: " Creative Company culture has a positive and significant impact on company performance".

Referring to the literature and hypotheses as described previously, the framework of thought in this study is:

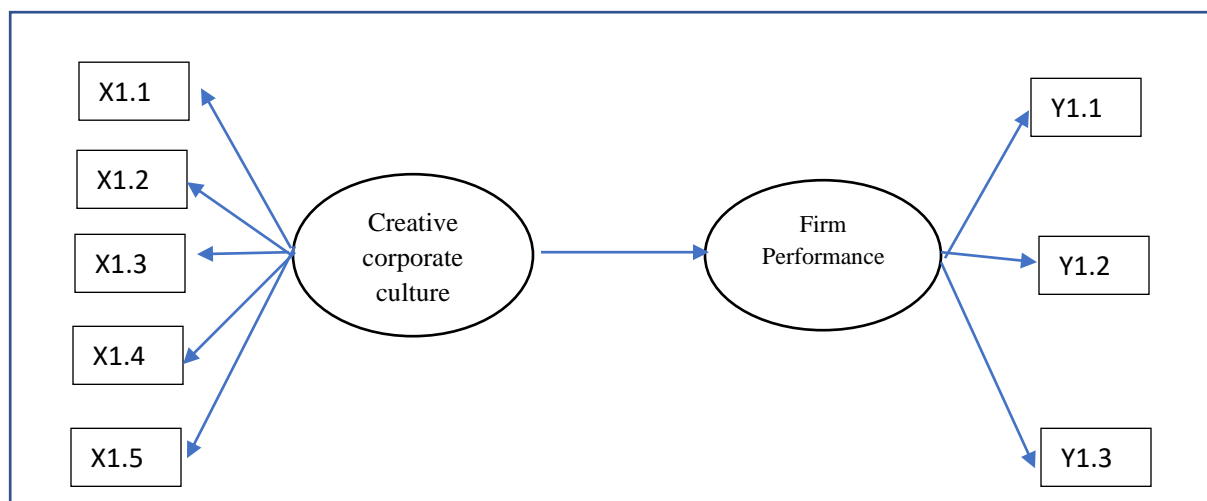


Figure 1.
Framework.

Based on Figure 1, the creative corporate culture is reflected by five indicators consisting of X1.1: managing change, X1.2: achieving goals, X1.3: teamwork, X1.4 customer orientation, x1.5: work environment, while company performance reflected by the three indicators Y1.1. (quantitative), Y1.2 (qualitative) and Y1.3 (Use of time).

3. Research Method

In this study, applying the approach survey to get responses from respondents' employees of company of Artos *Textile* Industry and Bandung Sakura *Textile Mill* in Bandung Regency, West Java. Research type to do approach quantitative that is something research based on positivism. The

questionnaire contains two parts, namely general information about respondents such as years of service, gender, marital status, age and education.

The second material is a statement about the variables of Company culture and company performance. Company culture assessment questionnaire adopted from [Sashkin and Rosenbach \(2013\)](#) which states that for measure culture company creative reflected by 5 (five) indicators, namely managing change, achieving goals, coordinating teamwork, customer orientation, and cultural strengths. Whereas Adopted company performance from opinion ([Williams & Anderson, 1991](#)) that is quality, quantity and accuracy time.

Using a Likert scale starting with “strongly disagree” (1) to “strongly agree” (5), the study population consisted of all male and female workers, who served at company of Artos *Textile* Industry and Bandung Sakura *Textile Mill* totaling 125 people. For determine sample research, calculated with use Slovin's formula which has level 5% error which result sample totaling 95 employees including respondents from company of Artos *Textile* Industry and Bandung Sakura *Textile Mill*. Retrieval technique sample namely Simple random sampling which means sample used character homogeneous that is as respondent only employee course. Reason for taking data from employee is for dig how culture creative work could increase performance company. Questionnaire has been shared to 95 people, but who responded to questionnaire that amounted to 80 people the remaining 15 people did not restore. The data analysis technique uses linear regression analysis that tests influence culture work creative to performance company. To measure organizational culture, researchers adopted ([Sashkin & Rosenbach, 2013](#)) whose indicators are managing change, achieving goals, teamwork, customer orientation, cultural strength. Indicators for measuring performance adopted from [Williams and Anderson \(1991\)](#) namely quality and quantity and level of timeliness.

4. Research Result

Respondent in study this originally 95 people, however as many as 15 people no respond to questionnaire the so that amount the questionnaire used and valid as many as 80 people. As for the characteristics respondents who will explained consist of gender, age, education and duration work.

4.1. Characteristics of Respondent

Based on [Figure 2](#), it turns out type sex man more dominant compared with female. This thing because in the company many heavy stuff so that need power extra. Extra power the suitable done by people man, while people woman placed for support power administration. Administrative staff on duty for take notes book expedition goods out and stuff enter company.

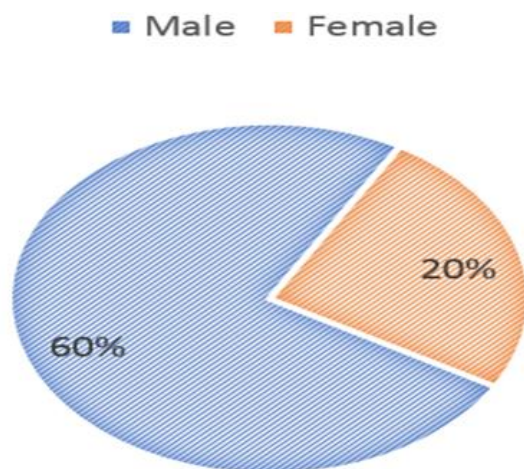


Figure 2.
Gender.

■ 19 -25 ■ 26- 31 ■ 32- 37 ■ 38- 50

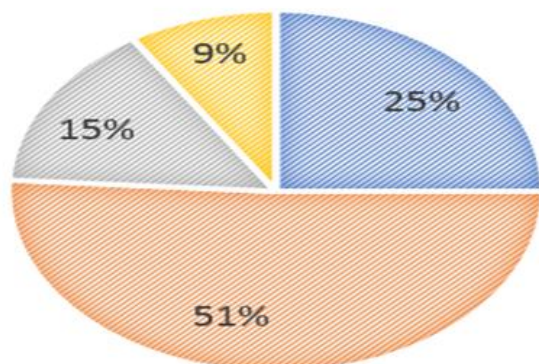


Figure 3.
Age level.

In Figure 3 illustrates, are the most dominant is employees aged 26-31 years, where age the is age productive, energy and strong spirit so that capable doing profession with good. Age already elderly (38-50) as much as 9% and age 32-37 are directed for organize and provide the transfer of knowledge and experience for those aged 19-25 years as much as 25% of the employee notes new.

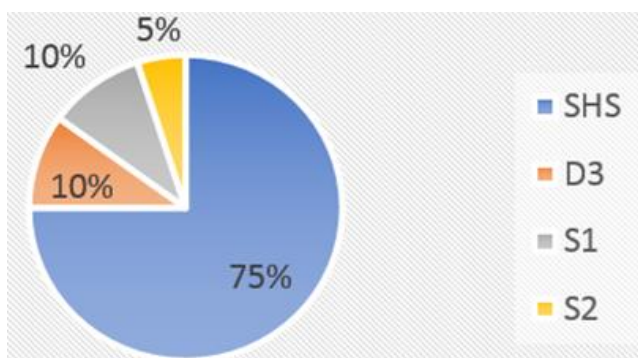


Figure 4.
Education.

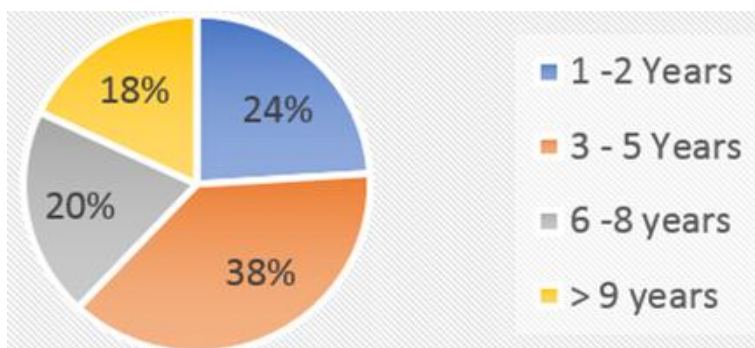


Figure 5.
Work experience.

Figure 4 shows that the respondent's education is the most dominant is Senior High School (SHS) of 75%. This indicates that employees recruited by the company originated from Public around where characteristics residents after out from SHS no want to continue school at the university. Temporary educated respondents tall such as S1 (10%) and S2 (5%) and D3 (10%). Figure 5 illustrates, that experienced employees 3-5 years work in the company by 38%. This indicates that employees feel at home work in company that. while those with 1-2 years experience 24 percent, 20 percent with 6-8 years experience and 18 percent with more than 9 years experience.

4.2. Validity and Reliability Test

Validity and reliability testing is the most important step to ensure that the research conducted is consistent with previous research or vice versa. *Cronbach's Alpha* test to ensure that the scale is reliable and can be used in subsequent tests. In this study, *Cronbach's Alpha value* was found to be 0.901 for 15 items on a Company culture scale and 0.929 for 6 items on a performance scale. According to the provisions of social science, if the *Cronbach's Alpha* value exceeds the value of 0.70, the research may be continued.

Table 1.

Test the validity of creative corporate culture.

Statement	Corrected item-total correlation	r table	Information
1	0.687	3.88	Valid
2	0.683	3.88	Valid
3	0.812	3.88	Valid
4	0.608	3.88	Valid
5	0.774	3.88	Valid
6	0.686	3.88	Valid
7	0.681	3.88	Valid
8	0.812	3.88	Valid
9	0.605	3.88	Valid
10	0.776	3.88	Valid
11	0.684	3.88	Valid
12	0.680	3.88	Valid
13	0.810	3.88	Valid
14	0.609	3.88	Valid
15	0.775	3.88	Valid

Table 1 illustrates that 15 indicators that have reflected the company's culture have a value of more than r table 3.88. This means that all indicators are valid.

Table 2.

Company performance validity test.

Statement	Corrective item- total correlation	r Table	Information
1	0.682	3.88	Valid
2	0.689	3.88	Valid
3	0.810	3.88	Valid
4	0.600	3.88	Valid
5	0.770	3.88	Valid
6	0.689	3.88	Valid

Table 2 illustrates that 6 (six) indicators that reflect the company's performance have succeeded in exceeding the standard value of 3.88 so that it is said to be valid.

Table 3.
Creative company Culture and company performance reliability test.

Creative Corporate Culture		Company performance	
Alpha Cronbach	N of Items	Alpha Cronbach	N of Items
0.901	15	0.929	6

Table 3 illustrates that the corporate culture has a Cronbach alpha value of 0.901 and the company's performance is 0.929 which means it is reliable, so the research continues.

4.3. Correlation Analysis

In this segment, it is described how strongly the company's performance is influenced by the creative company culture of Artos *Textile* company and Bandung Sakura *Textile Mill company* in Dayeuhkolot, Bandung Regency, West Java. The results of the data collected through questionnaires are then analyzed in order to obtain conclusions. The data processing process is to test the correlation between creative company culture (X) and company performance (Y). The results of the correlation test are listed in Table 4. as follows:

Table 4.
Correlation of creative company culture and company performance.

			Rank of corporate culture	Rank of company performance
Sperman's rho	Rank of corporate culture creative	Correlation coefficient Sig.(2-tailed) N	1.000 80	0.635** 0.000 80
	Rank of company performance	Correlation coefficient Sig.(2-tailed) N	0.635** 0.000 80	1.000 0.000 80

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

Referring to Table 4 then the correlation coefficient of *Spearman's rank* of creative Company culture and company performance is 0.635 or 64 percent. Thus, it can be concluded that the coefficient number explains that there is a significant correlation between creative Company culture variables and company performance.

Rank correlation coefficient is calculated, then a regression analysis is carried out by testing the extent to which the dependent variable is influenced by the independent variable. For more details, the regression results are presented in Table 5.

Table 5.
Creative Company Culture regression test on company performance.

Model	R	R square	Adjusted R square	Std. error of the estimate	Change Statistics				
					R square change	F change	df 1	df 2	Sig. F change
1	0.620	0.384	0.361	0.05	0.384	16.238	1	26	0.000

Note: Predictors: (constant) corporate culture.

Refer to Table 5. it can be explained that the *p-value t* statistic for the creative Company culture variable shows the Sig. F 0.000 is less than 0.05, so the company's performance is significantly influenced by the creative company culture. Therefore, the hypothesis statement that has been built that creative Company culture has a positive and significant impact on company performance is acceptable. For more details, it can be seen in the following research model image:

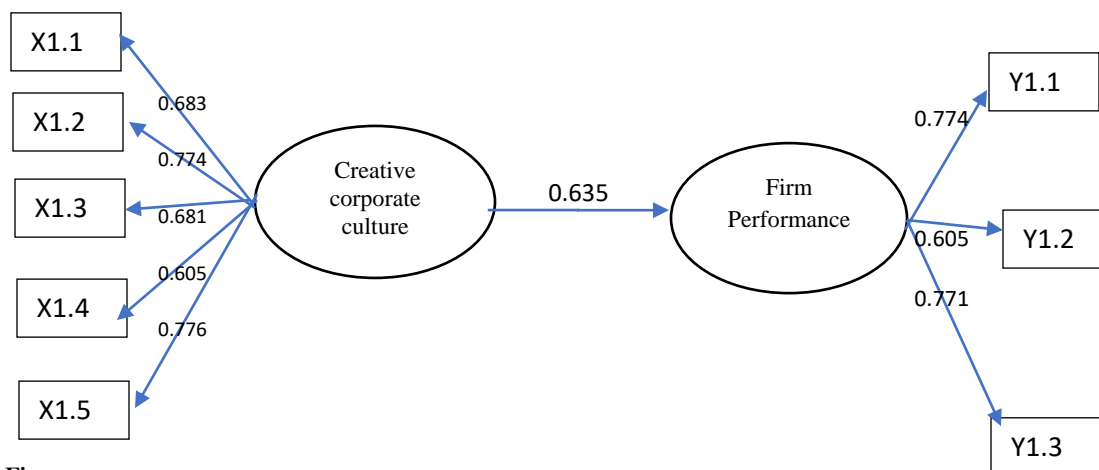


Figure 6.
Research model.
Source: 2022 data processing results.

Figure 6 illustrates that five indicators consist of X1.1: managing change, X1.2: achieving goals, X1.3: teamwork, X1.4 customer orientation, x1.5: work environment, reflecting a creative corporate culture so that it can improve the company of performance reflected by the three indicators Y1.1. (quantitative), Y1.2 (qualitative) and Y1.3 (Use of time).

4.4. Discussion

In this study, the variable that was highlighted was the company's performance variable, which was assessed in the last five years that it had decreased quite drastically due to intense competition in the textile industry so that many companies stopped because of the competition. As a result of this phenomenon, researchers are trying to draw conclusion as to why the company's performance is not developing and what is the cause of the problem.

The results of the literature review show that the factors that cause the company's performance to become uncompetitive are the factors of the creative company culture itself which is not strong. Therefore, researchers link creative Company culture with performance. The hypothesis formulated in this study is: "Creative Company culture has a positive and significant impact on company performance".

The results of research data show that creative Company culture has a positive and significant influence on company performance at. Artos *Textile* Industry company and Bandung Sakura *Textile Mill company* in Bandung Regency, West Java. The significance is 0.635 or 64 percent. It turns out that the hypothesis that is built on the basis of theory and empirical can be accepted.

This study supports the results of research (Acar & Acar, 2014; Fekete & Bocskei, 2011; Han, 2012). which concludes that Company culture has a significant influence on company performance. The limitation of the results of the research conducted is that the company's performance variable is only influenced by the creative company culture variable, while other factors also still need to be investigated further. Therefore, future research is expected so that other researchers can follow up by using other independent variables.

5. Conclusion

The output of the analysis conducted by the researcher on the X variable with the Y variable shows that the creative Company culture variable has a close to strong correlation with a positive and directly proportional relationship. Therefore, it can be concluded that the company's performance in Artos *Textile* company and. Bandung Sakura *Textile Mill Company* in Bandung Regency, West Java is significantly influenced by creative corporate culture.

Funding:

This study received no specific financial support.

Competing Interests:

The authors declare that they have no competing interests.

Authors' Contributions:

Both authors contributed equally to the conception and design of the study.

Copyright:

© 2022 by the authors. This article is an open access article distributed under the terms and conditions of the Creative Commons Attribution (CC BY) license (<https://creativecommons.org/licenses/by/4.0/>).

Reference

- Acar, A. Z., & Acar, P. (2014). Organizational culture types and their effects on organizational performance in Turkish hospitals. *EMAJ: Emerging Markets Journal*, 3(3), 18-31. Available at: <https://doi.org/10.5195/emaj.2014.47>.
- Alavi, M., & Leidner, D. E. (2001). Knowledge management and knowledge management systems: Conceptual foundations and research issues. *MIS Quarterly*, 25(1), 107-136.
- Amira, A., & Permatasari, D. (2022). Internal control, organizational culture on employee performance with accounting information system as intervening. *Accounting: Journal of Accounting (E-Journal)*, 13(2), 148-160.
- Bamel, U. K., & Bamel, N. (2018). Organizational resources, KM process capability and strategic flexibility: a dynamic resource-capability perspective. *Journal of Knowledge Management*, 22(7), 1555-1572. Available at: <https://doi.org/10.1108/jkm-10-2017-0460>.
- Calciolari, S., Prenestini, A., & Lega, F. (2018). An organizational culture for all seasons? How cultural type dominance and strength influence different performance goals. *Public Management Review*, 20(9), 1400-1422.
- Cameron, K., & Freeman, S. (1991). Cultural congruence, strength and type: Relationships to effectiveness (Vol. 5, pp. 23-58). Greenwich: Research in Organizational Change and Development.
- Cameron, K. S., Quinn, R. E., DeGraff, J., & Thakor, A. V. (2006). *Competing values leadership: Creating value in organizations*. Edward Elgar Publishing.
- Cameron, K., & Quinn, R. E. (2011). *Diagnosing and changing organizational culture: Based on the competing values framework*. San Francisco: Jossey-Bass.
- Chatman, J. A., Caldwell, D. F., O'Reilly, C. A., & Doerr, B. (2014). Parsing organizational culture: How the norm for adaptability influences the relationship between culture consensus and financial performance in high-technology firms. *Journal of Organizational Behavior*, 35(6), 785-808.
- Choi, Y. S., Seo, M., Scott, D., & Martin, J. (2010). Validation of the organizational culture assessment instrument: An application of the Korean version. *Journal of Sport Management*, 24(2), 169-189.
- Cooper, C., Cartwright, S., & Earley, P. C. (2001). The international handbook of organizational culture and climate (pp. 640). London: Blackwell Publishers.
- Deal, T. E., & Kennedy, A. A. (1982). *Corporate cultures: The rites and rituals of corporate life* (pp. 126). Addison Wesley Publishing Company, Reading.
- Fekete, H., & Bocskei, E. (2011). Cultural waves in company performance. *Research Journal of Economics BUSINESS and ICT*, 3(3), 38-42.
- Flamholtz, E. G., & Randle, Y. (2012). Corporate culture, business models, competitive advantage, strategic assets and the bottom line: Theoretical and measurement issues. *Journal of Human Resource Costing & Accounting*, 16(2), 76-94. Available at: <https://doi.org/10.1108/14013381211284227>.
- Giberson, T. R., Resick, C. J., Dickson, M. W., Mitchelson, J. K., Randall, K. R., & Clark, M. A. (2009). Leadership and organizational culture: Linking CEO characteristics to cultural values. *Journal of Business and Psychology*, 24(2), 123-137. Available at: <https://doi.org/10.1007/s10869-009-9109-1>.
- Gibson, J., Ivancevich, J., & Donnelly, J. (1991). *Organizations: Behavior, structure, processes* (7th ed.). Homewood, IL: Irwin.
- Han, H. (2012). The relationship among corporate culture, strategic orientation, and financial performance. *Cornell Hospitality Quarterly*, 53(3), 207-219. Available at: <https://doi.org/10.1177/1938965512443505>.
- Ke, W., & Wei, K. K. (2008). Organizational culture and leadership in ERP implementation. *Decision Support Systems*, 45(2), 208-218.
- Law, K. M., & Geng, S. (2020). Organizational learning for value creation. Project action learning (PAL) guidebook: Practical learning in organizations (pp. 15-24). Cham: Springer.
- Lee, S. K. J., & Yu, K. (2004). Corporate culture and organizational performance. *Journal of Managerial Psychology*, 19(4), 340-359. Available at: <https://doi.org/10.1108/02683940410537927>.

- Massey, A. P., & Montoya-Weiss, M. M. (2006). Unraveling the temporal fabric of knowledge conversion: A model of media selection and use. *MIS Quarterly*, *30*(1), 99–114.
- Naqshbandi, M. M., & Tabche, I. (2018). The interplay of leadership, absorptive capacity, and organizational learning culture in open innovation: Testing a moderated mediation model. *Technological Forecasting and Social Change*, *133*, 156–167.
- Ogbonna, E., & Harris, L. C. (2000). Leadership style, organizational culture and performance: Empirical evidence from UK companies. *International Journal of Human Resource Management*, *11*(4), 766–788. Available at: <https://doi.org/10.1080/09585190050075114>.
- Sashkin, M., & Rosenbach, W. (2013). Organizational culture assessment questionnaire. Retrieved from: <https://leadingandfollowing.com/documents/OCAQParticipantManual.pdf>. 1–12.
- Shahzad, F., Iqbal, Z., & Gulzar, M. (2013). Impact of organizational culture on employees job performance: An empirical study of software houses in Pakistan. *Journal of Business Studies Quarterly*, *5*(2), 56–64.
- Syauta, J. H., Troena, E. A., & Margono Setiawan, S. (2012). The influence of organizational culture, organizational commitment to job satisfaction and employee performance (study at municipal waterworks of Jayapura, Papua Indonesia). *International Journal of Business and Management Invention*, *1*(1), 69–76.
- Tseng, S.-M. (2010). The correlation between organizational culture and knowledge conversion on corporate performance. *Journal of Knowledge Management*, *14*(2), 269–284. Available at: <https://doi.org/10.1108/13673271011032409>.
- Wamba, S. F., Gunasekaran, A., Akter, S., Ren, S. J.-f., Dubey, R., & Childe, S. J. (2017). Big data analytics and firm performance: Effects of dynamic capabilities. *Journal of Business Research*, *70*, 356–365.
- Williams, L. J., & Anderson, S. E. (1991). Job satisfaction and organizational commitment as predictors of organizational citizenship and in-role behaviors. *Journal of Management*, *17*(3), 601–617. Available at: <https://doi.org/10.1177/014920639101700305>.
- Wu, S. J., Zhang, D., & Schroeder, R. G. (2011). Customization of quality practices: The impact of quality culture. *International Journal of Quality & Reliability Management*, *28*(3), 263–279. Available at: <https://doi.org/10.1108/02656711111109883>.
- Xia, M., & He, Y. (2017). Functional connectomics from a “big data” perspective. *Neuroimage*, *160*, 152–167.
- Zhang, L., Zhu, J., & Liu, Q. (2012). A meta-analysis of mobile commerce adoption and the moderating effect of culture. *Computers in Human Behavior*, *28*(5), 1902–1911.
- Zheng, W., Yang, B., & McLean, G. N. (2010). Linking organizational culture, structure, strategy, and organizational effectiveness: Mediating role of knowledge management. *Journal of Business Research*, *63*(7), 763–771. Available at: <https://doi.org/10.1016/j.jbusres.2009.06.005>.