

Research Article

The Impact of Organizational Culture, Business Partnerships, and Work Motivation on the Performance of Micro and Small Business Actors in Yogyakarta Sleman District

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ORCIDTiti Lara: <https://orcid.org/0000-0002-9416-8394>**Abstract.**

This research aims to find out the influence of organizational behavior, business partnerships, and motivation on the performance of micro and small businesses in Sleman Regency. The research was conducted in the “Micro, Small and Medium Enterprises Communication Forum” in Sleman Regency. This is quantitative research with a sample of 102 micro and small enterprises in Sleman Regency. The data analysis was done by using SPSS with multiple linear regression analysis at the significance level $\alpha = 0.05$. Results show that both partial or simultaneous organizational behavior, business partnership, and motivation have positive influences and are significant to business performance. The influence of organizational behavior, business partnerships, and motivation on business performance on the performance of micro and small businesses indicated by Adjusted R Square is 55.1%.

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1. Introduction

Since micro and small enterprises (MSEs) make up the majority of businesses in Indonesia, they constitute one of the pillars of the country's economy. Yuana Sutiyowati, Deputy for Financing of the Ministry of Cooperatives and SMEs (Kemenkop UKM), reported that in 2018, there were 58.91 million micro-enterprises, 59,260 small businesses, and 4,987 large firms left (Kontan.co.id). Furthermore, the decline of the value of rupiah relative to other currencies (dollars) as a means of exchange for goods also has less impact on micro and small businesses. As a result, despite the global crisis and the declining value of rupiah relative to the dollar, MSEs are able to expand without suffering too much. Apart from influencing the economy, the growing quantity of micro and small enterprises

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would create job possibilities, hence decreasing unemployment within the community. The government has demonstrated its commitment to support micro and small businesses by providing a range of incentives, including capital support, equipment, activities, and facilitation. Sleman Regency Office of Cooperatives, Small and Medium Enterprises has conducted several activities to help micro and small business actors survive and compete in the face of global markets and current market demands. These activities include the facilitation of partnership networks, various marketing training programs both online and offline, entrepreneurship training, financial management and human resource management, business consultations, media promotion, and direct exhibitions.

The creation of the UMKM Communication Forum (Micro, Small and Medium Enterprises) in each sub-district is one of the initiatives undertaken by Sleman Regency Office of Cooperatives, Small and Medium Enterprises to accommodate Micro and Small Business groups with an organization. The forum includes components of medium-sized firms to encourage micro and small business actors to advance because they are part of a social media group, the ability to add networks and knowledge, as well as the ability to receive information quickly and accurately make this forum extremely valuable, especially for micro and small company players. Through this communication platform, business growth will be indirectly accelerated since the products are well-known, and other micro and small business owners can assist one another in marketing their products and share information to grow their own companies.

A shared meaning system that sets an organization apart from others is referred to as its organizational culture. According to him, the organization upholds a set of essential features known as the shared meaning system [1]. Business cooperation, sometimes referred to as gotong royong, is required from different parties, both individually and collectively. As stated in [2], a formal partnership is an arrangement whereby people, groups, or organizations work together to accomplish a certain task or objective. According to [3], motivation is the force that propels someone to mobilize their abilities—such as knowledge or skills, energy, and time—to carry out their responsibilities and fulfill their obligations. This is done to accomplish the predetermined goals and objectives of the organization. In this instance, the motivation at play is that of MSE actors who have to improve their businesses. Some business actors still have low affiliation requirements because they lack confidence in social situations, dread collaboration, feel inferior, and feel worthless when they offer their products to larger companies like supermarkets, retail groups, pasaraya (big market) etc. Micro and small business actors currently lack the necessary power; some have not considered of taking the lead in their respective

markets or managing online and offline ones; they have not ventured to expand their businesses through capital additions or sufficient online media marketing. Even in some months, such as those with few holidays, sales turnover is extremely low and below expectations, sales targets are not always met, and occasionally micro and small businesses even incur losses. These achievement needs to be related for developing the profit and business development cannot always increase significantly every month.

Performance, according to [4], is the result of work that can be achieved by an individual or group of individuals in an organization, in accordance with their respective authorities and responsibilities to achieve the objectives of the organization concerned legally, not against the law, and in accordance with morals and ethics. Some of the aforementioned factors contribute to the subpar performance of MSE actors. Effectiveness is demonstrated by the monthly production quantity/capacity of MSEs, which is nevertheless unstable. Some MSE actors have not been able to estimate or foresee the production capacity required by the market, resulting in a production that is occasionally high and occasionally low and unexpected. Manufacturing costs have not been projected if raw material prices increase, and efficiency related to marketing and manufacturing costs cannot be exactly predicted to prevent overspending. Due to the lack of a defined standard operating procedure, business actors have not completely exercised their authority, and order errors of client orders may still occur during the production process. The management of working hours has not always been done correctly; occasionally, orders are not completed by the deadline, and MSE actors' discipline often puts their interests ahead of the needs of the company. In the event of an emergency, the production process is stopped right away. Furthermore, there is a lack of discipline in financial recording; many MSE actors lack balance sheets, profit and loss statements, inventory, and journals, and some just have records of their income and expenses. Some business players have not been able to keep up with the developments in market demand, demonstrating a continued lack of ambition. The potential of social media as a marketing tool has not been fully realized; some MSEs use it exclusively for personal promotion. In addition, there is sometimes a concern about not being able to offer a unique product, which prevents MSEs from making the effort to develop one. According to earlier research by [5], the findings of his study significantly and favorably impact organizational performance. Meanwhile, as per [6], his study findings demonstrate that motivation, the work environment, and partnerships significantly impact employee performance at the same time.

The MSE actors' discipline tends to prioritize their personal interests over the proper management of working hours. Even though working hours are still effective, they

immediately halt production in the event of an emergency. Occasionally, orders are not completed by the deadline. Discipline in financial recording is also lacking; many MSE actors lack balance sheets, profit and loss statements, inventory, and diaries, and some merely have records of their income and expenses. Business actors continue to lack initiative; some have not been able to keep up with shifts in market demand. In addition, taking the initiative to create original product innovations is not always possible due to fear of not finding success in the market. Social media, which is now a viable marketing channel, has not been well leveraged. Some MSEs use social media primarily for personal media. The findings of his research have a favorable and noteworthy impact on organizational performance, based on earlier research from [5]. Conversely, according to [6], the findings of his investigation demonstrate that employee performance is significantly impacted by collaboration, work environment, and motivation all at the same time.

The following list identifies the issues with this study: What is the extent to which business alliances, organizational culture, and motivation impact the performance of small and micro business actors in Sleman Regency? How do business partnerships, organizational culture, and motivation all affect the performance of small and micro business actors in Sleman Regency at the same time?

1.1. Literature Analysis and Development of Hypothesis

The performance of business actors is something that should be continuously improved because as business actors perform better, employees and their organizations perform better as well. In this study, performance will be measured by three variables: organizational culture, business partnerships, and motivation. Researchers noted the effects of these variables on the performance of micro and small business actors. The term “organizational culture” describes a framework that, when understood collectively, naturally encourages support among members, sets a positive example for others, and serves as a constant reminder to one another to keep pushing the boundaries of business improvement. The innovative culture that the firm has created, along with its emphasis on risk-taking, attention to detail, results-oriented thinking, people, teams, and aggression, should help micro and small business players operate better.

To improve the performance of micro and small business actors in their business development into larger-scale businesses, business partnerships—cooperation

between various parties, including fellow micro and small business actors—are encouraged. These partnerships are bolstered by coaching and development from large businesses, the government, and related agencies. For the business goals to be achieved, motivation—which includes a growing need for affiliation, power, and achievement—must be owned by every business actor to inspire and energize them to work—must be mobilized. This is done by mobilizing abilities, skills, energy, and time that are jointly responsible for achieving business goals and objectives.

1.2. The Effect of Organizational Culture on Performance of Business Actors

Organizational culture, according to [7], is a set of values that all people of a company share and are aware of. The organization's beliefs, symbols, rituals, myths, and activities all represent this value. Members of the organization are given instructions on how to behave based on these ideals. The members of an organization can be subjugated mentally, spiritually, and physically by a powerful organizational culture. [Organizational culture is a set of principles that members of an organization hold to set it apart from other organizations.

A cognitive framework comprising common attitudes, beliefs, conventions, and expectations among members of an organization is referred to as its organizational culture. Members of an organization that help one another in enhancing collaborative performance will be more motivated to increase corporate performance if they have similar attitudes, beliefs, norms, and expectations.[8] found that respondents' responses to the organizational culture variables had a good average value, demonstrating that organizational culture had a considerable impact on business actors' performance.

First hypothesis: The performance of micro and small business players in Sleman Regency is positively and significantly impacted by organizational culture.

1.3. The Effect of Business Partnerships on Performance of Business Actors

According to [6], who discovered that subcontracting partnerships can be advantageous for both partnering parties due to technical linkages and risk sharing. In this situation, there is no superiority or inferiority—only a mutually beneficial production process that

fosters mutual relationships and assistance. Micro and small business actors are anticipated to perform better as a result of the advantages of collaboration and partnership, whether it is connected agencies, big enterprises, or other business actors.

His research [9] also produced similar research results, indicating that the partnership of SMEs (small and medium enterprises) and BUMN (state-owned enterprises) through the Community Development Partnership Program (PKBL) can improve SME performance. Previous research [10] showed that business partnerships affect business performance in small and medium enterprises (SMEs) and cooperatives.

Hypothesis 2: The performance of micro and small business players in Sleman Regency is positively and significantly impacted by business partnerships.

1.4. The Effect of Motivation on Performance of Business Actors

According to [13], motivation is the process of providing individual encouragement to act, which drives the person to behave in a certain way that leads to goals. It also describes the intensity, direction, and perseverance of an individual's effort to attain goals. Motivating someone to strive for their goals with greater diligence would undoubtedly enhance performance and enable goals to be met on time.

According to [6], the study findings demonstrate that the motivation variable has a positive impact on SMEs' performance. As a result, SMEs must be innovative in growing their businesses; new and creative ideas must be fostered for SMEs to fulfill their aspiration of one day becoming a large company.

Hypothesis 3: The performance of micro and small business players in Sleman Regency is positively and significantly impacted by motivation.

1.5. The Effect of Organizational Culture, Business Partnerships, and Motivation on Performance of Business Actors

According to [13], organizational culture is a shared meaning system that members adopt to set the organization apart from other organizations. The goal of collaboration or a corporate partnership is to create a synergistic relationship in which neither party is compromised for the benefit of the other. Connections between large entrepreneurs and small and medium-sized entrepreneurs in the form of business partnership relationships (business cooperation) between state-owned firms, private companies, and other economic organizations (Law No. 5 of 1984 concerning Small Industry Article 11). According to [13], motivation is the will to work toward achieving high levels of effort

for organizational goals, contingent on the effort's capacity to satisfy a person's needs. Micro and small business actors are expected to perform better in an organizational culture that fosters mutual support and partnerships/cooperation to raise each other's business levels and motivation in each micro and small business actor.

According to [11], the findings of his study demonstrated that motivation and organizational culture both positively and significantly affect performance. Businesses can implement strong organizational cultures, and as motivation keeps rising, so does individual performance. [12], the findings of his study show that business partnerships, or institutional collaboration, have a noteworthy and beneficial impact on the performance of companies. A positive impact can imply that performance will rise in proportion to the quality of the business partnership or cooperation.

Hypothesis 4: The performance of micro and small business players in Sleman Regency is positively and significantly impacted by organizational culture, business partnerships, and motivation at the same time in Sleman Regency.

Drawing from this framework, Figure ??.1 presents the study paradigm structure in the following manner:



Figure 1: Research Paradigm Scheme.

2. Research Methods

The community of micro and small business actors in Sleman Regency who are members of the MSME Communication Forum is the subject of this study. The performance of micro, small, and medium-sized businesses is the dependent variable, and the independent factors are corporate culture, business relationships, and employee motivation. Primary data can be gathered directly from the source through questionnaire tools;

secondary data can be obtained through documentation and literature studies. These are the sources of the data. The opinion of [13], according to which the number of representative samples depends on the number of measurement dimensions multiplied by five to ten, is the basis for calculating the sample size in this study. A sample that can satisfy these requirements is $\text{Sample} = 17 \text{ (number of variable measurement dimensions)} \times 6 = 102$ respondents.

According to [14], the sampling methodology makes use of the proportionate stratified random sampling method, which selects samples at random by first segmenting a population into smaller groups. Regarding the data analysis, multiple linear regression analysis approaches were employed in SPSS.

3. Research Results

3.1. Partial Hypothesis Test of Organizational Culture, Business Partnerships, and Motivation on MSE Performance

Using the IBM SPSS 21 software, the t-test is utilized as part of partial hypothesis testing to demonstrate that organizational culture, commercial partnerships, and motivation have an impact on the performance of Forkom Sleman MSE actors. The findings are as follows.

TABLE 1: The results of t-test.

Model		Coefficients ^a				
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	8,265	2,854		2,896	,005
	Culture Organization	,316	,081	,339	3,894	,000
	Partnership Business	,252	,100	,205	2,507	,014
	Motivation	,395	,095	,353	4,175	,000

a. Dependent Variable: Performance

Source: Processed primary data (2022)

3.2. Hypothesis Test of Organizational Culture on MSE Performance at Forkom UMK Sleman

The t-count value for the organizational culture variable is 3.894, while the t-table value can be seen from the statistical t-table by looking at $df = N$ (number of variables - 1) or $102-3 = 99$ is 1.660. Thus, the motivation variable affects the performance of UMK actors as evidenced by the value of $t\text{-count} > t\text{-table}$ or $3.894 > 1.660$, which means that H_0 is rejected and H_a is accepted. It is concluded that the organizational culture variable has a positive effect on the performance of MSE members of Forkom UMK Sleman.

3.3. Hypothesis Test of Business Partnership on MSE Performance in Forkom UMK Sleman

The t-count value for the business partnership variable is 2.507, while the t-table value can be seen from the statistical t-table by looking at $df = N$ (number of variables - 1) or $102-3 = 99$ is 1.660. Thus, the business partnership variable affects the performance of MSE actors as evidenced by the value of $t\text{-count} > t\text{-table}$ or $2.507 > 1.660$, which means that H_0 is rejected and H_a is accepted. This means that the business partnership variable has a positive effect on the performance of MSE members of Forkom UMK Sleman.

3.4. Hypothesis Test of Motivation on MSE Performance at Forkom UMK Sleman

The t-count value for the motivation variable is 4.175, while the t-table value can be seen from the statistical t-table by looking at $df = N$ (number of variables - 1) or $102-3 = 99$ is 1.660. Thus, the motivation variable affects the performance of MSE actors as evidenced by the value of $t\text{-count} > t\text{-table}$ or $4.175 > 1.660$, which means that H_0 is rejected and H_a is accepted. It is concluded that the motivation variable has a positive effect on the performance of MSE members of Forkom UMK Sleman.

3.5. Simultaneous Hypothesis Test (F) Organizational Culture, Business Partnerships, and Motivation for Entrepreneurial Interest

The following results of the F test, which is performed in conjunction with the IBM SPSS 21 program, demonstrate the simultaneous influence of organizational culture

characteristics, commercial partnerships, and motivation on the performance of MSE actors at Forkom UMKM Sleman:

TABLE 2: F Test Results.

ANOVA ^a						
Model	Sum of Squares	Df	Mean Square	F	Sig.	
1 Regression	1312,330	3	437,443	42,288	,000 ^b	
Residual	1013,758	98	10,344			
Total	2326,088	101				

a. Dependent Variable: Performance

b. Predictors: (Constant), Motivation, Business Partnership, Organizational Culture

Source: Processed primary data (2022)

This regression's F-count value is 42.288, and the statistical F table is F-table value may be found by looking at $df_1 = \text{number of variables } (k) - 1 = 4 - 1 = 3$. Conversely, 2.70 is $df_2 = N - k$, or $102 - 3 = 99$. As a result, when $F \text{ count} > F \text{ table}$ or $42.288 > 2.70$, the factors of organizational culture, commercial partnerships, and motivation on the performance of MSE actors are rejected, indicating that H_a is accepted. It indicates that motivation, commercial relationships, and company culture have an impact on MSE actors' performance at the same time.

4. Discussion

4.1. The Effect of Organizational Culture on the Performance of Small Micro Business Actors

When $t\text{-count} > t\text{-table}$ or $3.894 > 1.660$, the findings of multiple linear regression analysis indicate that organizational culture variables have an impact on the performance of small micro business actors. It suggests that H_a is accepted and H_0 is rejected. The positive motivation variable's regression coefficient of 0.316 indicates that an increase in organizational culture will boost MSE actors' performance. It can be stated that the organizational culture variable influences interest in entrepreneurship. The performance of small microbusiness actors is found to be positively impacted by the organizational culture variable, Forkom Sleman.

The research provides additional support for the study findings. According to earlier research [5], the findings of his study significantly and favorably impact organizational performance. Meanwhile, as per [8], his study findings demonstrate that motivation, the work environment, and partnerships significantly impact employee performance at the same time.

4.2. The Influence of Business Partnerships on the Performance of Micro and Small Business Actors

When $t\text{-count} > t\text{-table}$ or $2.507 > 1.660$, the findings of the multiple linear regression analysis indicate that the business partnership factors have an impact on the performance of small and micro business actors. This suggests that H_a is accepted and H_0 is rejected. It means that the business partnership variable regression coefficient value is positive (0.252). It can be concluded that the business partnership variable influences entrepreneurial interest. Specifically, higher business partnerships are associated with higher performance among small and micro business actors. The performance of small microbusiness actors Forkom Sleman is found to be positively impacted by the business relationship variable.

The findings of this research are corroborated by researcher [15], which also shows a positive relationship between business partnerships and performance; [9] shows that business partnerships have a positive and significant effect on the performance of SMEs and cooperatives; [10] asserts that the relationship between SOEs and SMEs is quite good in terms of internal factors; and [12] states except for knowledge of customer understanding and financial and accounting administration skills, all of these relationships are positively correlated with increasing innovation capabilities and performance.

4.3. The Effect of Motivation on the Performance of Micro and Small Business Actors

The motivating variable on the performance of MSE actors is determined by the multiple linear regression analysis results. If $t\text{-count} > t\text{-table}$ or $4.175 > 1.660$, it indicates that H_a is approved and H_0 is rejected. The positive motivation variable regression coefficient value of 0.226 indicates that MSE actors' performance will increase with increased motivation, it can be stated that the motivation variable influences how well they perform. It is determined that the MSE members of the Sleman MSME Forkom perform better when the motivation variable is present.

Research by [16], found that motivation improves MSE performance in Banjarmasin City, [17], which found that motivation, financial reports, and business independence affect business performance partially or simultaneously, [11], which found that corporate organizational culture and motivation affect employee performance partially and simultaneously, and [18], which found that a person's direct impact on organizational

culture and work motivation is greater than their indirect effect through job satisfaction, all corroborate the findings of this study.

4.4. Effects of Business Partnership and All Motivations at Once on the Performance of Micro and Small Business Players

Multiple linear regression analysis results indicate that when $F\text{-count} > F\text{-tabel}$ or $42.288 > 2.70$ is found for the variables of business partnership and motivation on the performance of MSE actors, then H_0 is rejected, indicating that H_a is accepted. Thus, it can be inferred that the variables of organizational culture, commercial partnerships, and all motivations have an impact on the performance of Sleman MSEs concurrently. This is supported by the p-value and the value of $\alpha = 0.05$. Additionally, the significant value $p (0.000) > \alpha = 0.05$.

Previous research conducted by [19] and [8] has provided support for this study. [19] found that organizational culture, work motivation, and all partnerships have a significant impact on teachers' performance at universities in East Kalimantan. [18] found that the direct impact of organizational culture and work motivation on employee performance is greater than the indirect effect through job satisfaction. The findings of his study indicate that employee performance and job satisfaction are influenced by corporate culture and work motivation.

5. CONCLUSION

Based on this discussion, it can be concluded that partially organizational culture, business partnerships, and work motivation have a positive and significant effect on the performance of micro and small business actors in Sleman Regency, while simultaneously organizational culture, business partnerships, and work motivation have a positive effect on the performance of micro and small business actors in Sleman Regency.

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