

## Analysis of The Mediating Role of Organizational Culture In Linking Competence and Discipline To Work Effectiveness: A Study of Creative Kokedama SMEs in Batu

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*Abstract: This study aims to analyze the impact of competence and discipline on employee performance through the mediating role of work culture at Creative Kokedama Batu. Using path analysis on 50 samples, the data indicate that competence and work discipline are crucial foundations for establishing a solid organizational work culture. Notable findings reveal that competence exerts a more significant influence than discipline, both in shaping work culture and in directly enhancing performance. Overall, the integration of competence, discipline, and work culture has been proven to significantly boost employee performance. The role of work culture as a mediator has also been confirmed to maximize the impact of competence on work outcomes. Therefore, human resource development strategies at Creative Kokedama Batu should prioritize enhancing competence to achieve optimal organizational performance.*

### INTRODUCTION

In this contemporary era, the creative industry sector that champions environmental sustainability has shown significant progress, particularly in regions with vital geographical locations such as Batu City. As an area serving as the upstream buffer for the Brantas River Basin (DAS), Batu City requires every business operator there not only to pursue profitability but also to maintain ecosystem harmony.

Creative Kokedama has emerged as a business unit that embodies green innovation through the art of ecological plant decoration. The company's existence is highly strategic, given that tourism growth in Batu City risks triggering environmental damage if not accompanied by the provision of sustainable products.

Therefore, the effectiveness of performance from every organizational element, particularly the staff, is the primary determinant of Creative Kokedama's success in realizing its mission. Employee performance within such a business entity serves as a fundamental indicator for evaluating whether the company's overarching vision can be realized.

Referring to the theoretical framework, Mangkunegara (2009) defines performance as the quality and quantity of work achieved by an individual in completing tasks within their authority. At the operational level in Creative Kokedama, performance standards are not measured solely by production volume but also involve design creativity, service timeliness, and

efficiency in reducing waste.

Meeting these targets poses a complex management challenge, as fluctuations in the creative industry market demand a high level of professionalism from every staff member. In this context, work competencies serve as one of the primary internal pillars driving such performance. Based on the theory by Spencer & Spencer (2023), competence is defined as the fundamental characteristics of an individual that have a causal relationship with effective or superior work outcomes. The dimensions of competence encompass five aspects: motivation, personality, self-concept, as well as knowledge and skills. At Creative Kokedama, this is reflected

through technical botanical understanding and artistic skill in assembling kokedama.

Without adequate qualifications, staff will struggle to meet the company's quality standards, which risks hindering productivity and competitiveness in the broader market. In addition to competence, work discipline also plays a vital role as the foundation of professional conduct. Hasibuan (2008) states that work discipline is an individual's awareness and willingness to comply with company regulations and prevailing social norms.

In the Creative Kokedama work environment, this discipline is evident in adherence to operating hours, efficient use of raw materials, and responsibility for production equipment. Low levels of discipline not only disrupt internal work rhythms but also risk eroding customer trust if service commitments are not met. Therefore, strengthening discipline is a crucial managerial tool to ensure all employees are moving toward the same organizational vision.

Although competence and discipline have been met, the reality on the ground shows that work results are often not optimal without the support of a conducive work atmosphere. This is where the role of work culture becomes crucial as a variable capable of strengthening the correlation between individual capacity and actual performance.

## **THEORETICAL FOUNDATION**

### **Employee Performance**

Performance manifestation is an individual's ability to transform their potential into tangible and measurable work outcomes. According to Mangkunegara (2017), performance is understood as an employee's concrete achievements in fulfilling their duties—both in terms of quality and quantity—that align with the authority and responsibilities entrusted to them. At Creative Kokedama, performance is not only viewed as the achievement of production targets but also as effectiveness in product innovation and the efficient use of resources. Performance indicators include the quality of work output, the quantity of output, timeliness, and the effective utilization of supporting facilities (Arikunto, 2010).

### **Competence**

An individual's ability to perform tasks professionally is largely determined by their competency foundation. According to Spencer & Spencer's (2023) theory, competency is understood as an individual's fundamental traits that have a direct correlation with the achievement of superior or effective performance. This encompasses five main dimensions: motivation, personal characteristics, self-concept, knowledge, and skills. In the context of Creative Kokedama, technical mastery in the fields of botany and the aesthetics of plant arrangement, combined with behavioral competence in serving customers, are key factors that strengthen the product's market value in the creative industry.

### **Work Discipline**

Work discipline is understood as a manifestation of employees' self-control and orderliness within the organizational environment. According to Hasibuan (2019), this aspect

represents an individual's awareness and willingness to comply with all internal company regulations and prevailing social norms. The essence of discipline is not limited to punctuality alone, but also includes adherence to standard operating procedures (SOPs) for production and the maintenance of work facilities. This high level of discipline reflects the significant responsibility employees bear for every task entrusted to them by Creative Kokedama's management.

### **Work Culture**

Work culture serves as a compass of values that guides the behavior of every member within an organization. As stated by Denison (2020), work culture encompasses a set of values, beliefs, and fundamental principles that form the foundation for management systems and practices. Within the creative industry ecosystem of Batu City, the implementation of a solid organizational culture has helped forge a distinctive identity for Creative Kokedama. Values such as creativity, a spirit of cooperation, and environmental awareness serve as internal motivators for staff to deliver their best performance, while also functioning as mediating variables that strengthen the contribution of competence and discipline to final performance outcomes.

## **RESEARCH METHOD**

This study employs an explanatory research method aimed at analyzing causal relationships among variables through hypothesis testing (Singarimbun & Effendi, 2015). Using a quantitative approach, social information is processed into numerical data to enable statistical analysis and yield unbiased conclusions. Research activities were centered at Creative Kokedama in Batu City to explore the relationship between internal employee factors and overall organizational performance.

All active employees at Creative Kokedama Kota Batu were defined as the population for this study. Since the population consisted of only 50 people, the researcher applied a saturated sampling technique, in which all members of the population were included as research samples. The use of this total sampling method aimed to ensure that the data obtained had a high level of representation of the company's objective conditions.

The researcher collected primary data directly from respondents using a questionnaire designed based on relevant theoretical variables. Respondent answers were measured using a 1-to- 5 Likert scale to obtain precise perception data. Data collection also involved secondary sources such as official company documents and a literature review to enrich the discussion and background analysis of the study.

The initial stage of data processing began with validity and reliability tests of the instruments, followed by classical assumption tests to ensure that the regression model met the BLUE criteria. The core analysis was conducted using path analysis to identify the direct effects of independent variables on performance, as well as their indirect effects through the mediation of work culture. Hypothesis testing was performed using independent (t-test) and joint (F-test) analyses using SPSS software.

## **RESULTS AND DISCUSSION**

### **Instrument Validity Test**

Validity testing was conducted to ensure that the quantitative research instruments accurately measured the variables in accordance with their intended purposes. The study at Creative Kokedama used the Pearson Product-Moment correlation technique to test the validity of each statement item by comparing the calculated r value with the table r value. For a sample

size of 50 respondents and a significance level of 5%, the table r value was 0.279. The SPSS analysis results showed that every statement item in the Competence (X1), Work Discipline (X2), Work Culture (Z), and Employee Performance (Y) variables yielded a calculated r value above 0.279. Furthermore, the significance value (two-tailed) of 0.000 also confirms that the data is valid because it falls below the 0.05 threshold. The high consistency of these calculated r values confirms that each indicator is capable of strongly explaining its respective variable. In conclusion, all questionnaire items have met the criteria for empirical validity and are therefore suitable for use as a data basis in subsequent statistical analysis stages.

**Table1. Validity Test**

	Statement Item	Calculated r (Range)	rtable	Status
Competency (X1)	X1.1 – X1.5	0.782 – 0.845	0.279	Valid
Work Discipline (X2)	X2.1 – X2.7	0.695 – 0.812	0.279	Valid
Work Culture (Z)	Z.1 – Z.4	0.740 – 0.861	0.279	Valid

Source: Processed Data, 2026

### Reliability Test

The purpose of the reliability test is to evaluate the level of consistency and stability of the research instrument when used to measure the same phenomenon repeatedly. In this study, reliability was estimated using Cronbach's Alpha, with a cutoff value of 0.60 or higher to indicate that a variable is reliable. Statistical analysis of data from 50 respondents revealed that all four variables studied—namely Competence, Work Discipline, Work Culture, and Employee Performance—recorded Cronbach's Alpha values exceeding 0.60. These findings confirm that the questionnaire possesses a very high degree of reliability as a data collection instrument in this study.

**Table 2. Reliability Test**

Variable	Cronbach's Alpha	Minimum Threshold	Status	Variable
Competence (X1)	0.865	0.60	Reliable	Competence (X1)
Work Discipline (X2)	0.842	0.60	Reliable	Work Discipline (X2)
Work Culture (Z)	0.818	0.60	Reliable	Work Culture (Z)

Source: Processed Data, 2026

### Partial Significance Test (t-Test)

The t-test was applied to evaluate the magnitude of each independent variable's independent contribution to the dependent variable. Through the second regression model analysis, it was found that the Competence variable (X1) has a positive and significant impact on Employee Performance, as evidenced by a calculated t-value of 7.243, which substantially exceeds the critical t-value (2.013), and a significance level of 0.000. Similarly, the Work Discipline variable (X2) showed a positive and significant influence on Performance, with a calculated t-value of 2.139 and a significance level of 0.038 (below the 0.05 threshold). Furthermore, the Work Culture variable (Z), which acts as a mediator, was also found to have a significant effect on Performance, with a calculated t-value of 3.467. Of these three factors, Competence recorded the highest beta coefficient, namely 0.512. This indicates that strengthening employees' technical skills and knowledge is the most crucial factor in driving productivity at Creative Kokedama, compared to aspects of discipline or organizational culture alone.

Table 3. t-Test

Variable	Beta Coefficient ( $\beta$ )	Calculated t	Sig.	Status
Competence (X1)	0.512	7.243	0.000	Significant
Work Discipline (X2)	0.165	2.139	0.038	Significant
Work Culture (Z)	0.314	3.467	0.001	Significant

Source: Processed Data, 2026

### Simultaneous Significance Test (F-Test)

The F-test was applied to evaluate whether all independent variables—including Competence (X1), Work Discipline (X2), and Work Culture (Z)—collectively have a significant impact on the dependent variable Employee Performance (Y). Based on the data analysis, the calculated F-value is 118.506 with a significance level of 0.000. Since this significance level is far below the probability threshold of 0.05 ( $0.000 < 0.05$ ) and the calculated F-value exceeds the F-table value, this regression model is deemed to fit or is suitable for use. These findings confirm that the combination of good competence, high discipline, and a supportive organizational culture contributes substantially to improving staff performance at Creative Kokedama in Batu City. Thus, the hypothesis stating that there is a simultaneous influence among these variables has been empirically tested.

Table 4. F-test

Model	*Sum of	df	Mean Square	Calculated F	Sig.
Regression	567.112	3	189,037	118,506	0.000
Residual	73,388	46	1,595		
Total	640,500	49			

Source: Processed Data, 2026

### Path Analysis

Path analysis was applied to test the effectiveness of the Work Culture variable (Z) in mediating the effects of Competence (X1) and Work Discipline (X2) on Employee Performance (Y). The data show that Competence has a direct effect of 0.512 on performance; however, through the mediation of Work Culture, an indirect effect of 0.167 ( $0.534 \times 0.314$ ) emerges, resulting in a larger total effect of 0.679. On the other hand, Work Discipline recorded a direct effect of 0.165, with an indirect effect through Work Culture of 0.112 ( $0.358 \times 0.314$ ), resulting in a total effect of 0.277.

These findings confirm the role of Work Culture as a significant mediator (partial mediation), where the existence of a solid organizational culture at Creative Kokedama has proven capable of strengthening the positive contributions of individual competence and discipline in holistically optimizing company performance.

Table 5. Path Analysis

Relationships Between Variables	Direct Effect	Indirect Effect (via Z)	Total Effect
Competence (X1) -> Performance (Y)	0.512	0.167	0.679
Work Discipline (X2) -> Performance (Y)	0.165	0.112	0.277
Work Culture (Z) -> Performance (Y)	0.314	-	0.314

Source: Processed Data, 2026

## DISCUSSION

### 1. The Effect of Competence on Work Culture.

The first hypothesis confirms a significant impact of competence on work culture, supported by a regression coefficient of 0.534 and a calculated t-value of 4.772, which exceeds the critical t-value of 2.013 (sig. 0.000). This finding demonstrates that enhancing staff competencies at Creative Kokedama is directly proportional to the depth of internalization of the corporate culture. Staff with strong botanical knowledge and artistic skills tend to be more responsive in adopting the creative values and professional standards that define the organization's identity.

### 2. The Influence of Work Discipline on Work Culture.

An evaluation of the second hypothesis indicates that work discipline significantly influences work culture with a coefficient of 0.358 and a calculated t-value of 3.200 (> 2.013). This data suggests that employees' adherence to kokedama production procedures and operational schedules plays a vital role in fostering an organized work environment. Discipline serves as the foundation for the formation of consistent work patterns, which ultimately reflect the health of the organizational culture at Creative Kokedama.

### 3. The Influence of Competence on Employee Performance.

Referring to the third hypothesis, competence was found to have a direct and significant impact on performance with a coefficient of 0.512 and a t-value of 7.243, making it the most dominant factor in this study. This confirms that the quality of kokedama output and work efficiency are highly dependent on individual intellectual capabilities and technical skills. Empirically, every one-unit increase in competence increases performance by 0.512 units, reinforcing Spencer & Spencer's theory regarding competence as the primary determinant of professional success.

### 4. The Effect of Work Discipline on Employee Performance.

The fourth hypothesis validates the positive influence of work discipline on performance with a coefficient of 0.165 and a t-value of 2.139. Although its influence is not as significant as that of other variables, discipline remains a crucial element at Creative Kokedama to ensure existing competencies are effectively applied without being wasted. Adherence to operational regulations minimizes technical obstacles and maintains the rhythm of goods delivery, thereby keeping productivity at an optimal level.

### 5. The Influence of Work Culture on Employee Performance.

The fifth hypothesis demonstrates the significant influence of work culture on performance with a coefficient value of 0.314 and a t-value of 3.467. As a mediator, work culture successfully links the aspects of competence and discipline to achieve higher performance, where the total effect of competence increases to 0.679. This finding indicates that the work atmosphere at Creative Kokedama, which is based on creativity and environmental sustainability, functions as a stimulant (booster) for employees to exceed established performance standards.

## CONCLUSION

Based on a series of data analyses and hypothesis testing, the first conclusion shows that competencies play a vital role in constructing the work culture at Creative Kokedama. Through a regression coefficient of 0.534 and a strong level of significance, it is proven that enhancing employees' intellectual capacity, technical skills, and botanical understanding will strengthen the internalization of creativity and professionalism within the organization. Competent staff do not

merely perform tasks but are able to actualize the company's vision through innovative work methods aligned with product aesthetic standards.

The second conclusion confirms that work discipline has a positive and significant impact on work culture with a coefficient of 0.358. This finding indicates that staff adherence to operational regulations, punctuality, and work procedures at Creative Kokedama serves as the primary foundation for creating an orderly organizational climate. A high level of discipline reflects employees' moral responsibility, which in turn strengthens the company's solid cultural character, enabling organizational values to be consistently implemented by the entire team.

Furthermore, the research results demonstrate that competence is the most dominant determinant directly influencing employee performance, with a coefficient of 0.512. This finding provides an objective picture that the quality and quantity of kokedama produced are highly dependent on the specific expertise of the artisans. Employees who master the techniques of kokedama production with precision tend to work more effectively and are able to minimize the risk of production failures, thereby contributing significantly to the achievement of targets and the overall productivity of Creative Kokedama.

Regarding work discipline, although its direct influence on performance is the lowest among the other variables (0.165), this variable remains critically significant. Discipline acts as a regulator to ensure that employees' competencies are channeled correctly and consistently. Without adherence to standard operating procedures (SOPs) and time management, high technical competence will not be able to yield optimal performance. Therefore, discipline remains a supporting pillar that maintains the stability of employees' daily performance.

This study concludes that work culture serves as a vital mediating variable that amplifies the influence of competence and discipline on performance. The total effect of competence on performance increased significantly to 0.679 through the work culture pathway, while work discipline reached a total effect of 0.277. This proves that a work atmosphere supportive of creativity and environmental sustainability at Creative Kokedama is capable of transforming individual potential into outstanding work performance. Thus, strengthening organizational culture is the most effective strategy for optimizing human resource capacity to ensure the company's sustainability in Batu City.

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