

## ORGANIZATIONAL CULTURE TRANSFORMATION AND ITS IMPACT ON EMPLOYEE PERFORMANCE IN THE READY-FOOD SECTOR

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### ABSTRACT

The fast food industry has experienced rapid growth over the decades, making it one of the most dynamic sectors in global and local markets. This research explores how to change organizational culture and influence employee motivation and organizational performance in this sector. This research aims to encourage interactions between organizations and performance. Using qualitative methods including in-depth interviews and participant observation, it was found that the application of values such as cooperation and honesty builds a cooperative work environment, increasing employee engagement and productivity. Leadership commitment has been proven to overcome challenges and ensure the success of cultural change. Practical recommendations include a focus on strengthening cultural values within oneself and open communication between teams. Future research could expand the scope of the sample and include other industries to increase the generalizability of the findings and explore broader implications for customer satisfaction and long-term network operations.

**Keywords:** Organizational Culture Transformation, Employee Performance, Employee Motivation.

### 1. INTRODUCTION

The fast-food industry has experienced rapid growth in decades, making it one of the most dynamic sectors in global and local markets (Gond et al. 2023; Kee et al. 2021; Wang et al. 2016). This growth is driven by changes in consumer lifestyles which increasingly increase the speed and ease of meeting daily food needs (Chun and Nyam-Ochir 2020; Singh et al. 2023; Sridevi and Priyanka 2018). Globalization, urbanization, and increasing people's incomes accelerate the expansion of restaurants in Indonesia with many local and international players competing for market share which not only lies in their contribution to the economy, but also influences food culture and people's consumption patterns (Putra, Tong, and Pribadi 2020; Ruel et al. 2017). Transformation in this industry includes product innovation, aggressive marketing strategies, and adoption of digital technology to improve operational efficiency and customer experience (Bollweg et al. 2020; Husriadi 2023; Husriadi and Bahar 2024; Masoud and Basahel 2023; Pascucci,

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Savelli, and Gistri 2023; Vimalnath et al. 2023 ; Therefore, understanding the dynamics of the food industry is important to analyze how these changes affect various aspects of the organization, including work culture and employee performance (Besley and Persson 2022; Husriadi, Aswin, and Wahidin 2024; Narayana 2017; Njonge 2023) . Organizational culture transformation is a process of deep change (Hamedani et al. 2023; Sackmann 2021) and evenly distributed values (Aliyev 2024; Sackmann 2021; Smit 2021) beliefs, norms and applications that underlie the way an organization operates (Keup et al. 2001) .

In the context of modern business, this transformation is not only the key to surviving in increasingly tight competition (Aggarwal, Baker, and Joshi 2024; Bayramov et al. 2023) but also to encourage innovation (Bayramov et al. 2023; Bendak, Shikhli, and Abdel-Razek 2020; Chen et al. 2018; Jensen 2020; Orozco Arias and Anzola Morales 2023) adjusts (Kreutz and Schenkel 2022; Szomszor, Pendlebury, and Adams 2020) as well as prolonged developments (Hermayawati 2023) . In the fast food industry, market dynamics and changing consumer expectations require the industry to adapt quickly and efficiently (Chun and Nyam-Ochir 2020; Husriadi et al. 2024; Husriadi and Ode Muhammad Sardin 2024; Ong et al. 2022; Pelesco, Delfin, and Cepe 2023) . Although much research has examined organizational culture transformation in a broader business context, there is still a lack of research that specifically studies the impact on employee performance in the fast food zone. Therefore, it is important to do in-depth research to understand how organizational culture transformation can affect productivity, job satisfaction and employee retention in this industry. The fast food industry has unique characteristics, such as large work demands, significant employee performance, and intense market competition, which requires a unique management approach. In this regard, organizational culture transformation has become an important theme in management and organizational literature because of its potential to improve employee performance. Several previous studies show that transformations in organizational culture can have a significant impact on product (Ahsan 2024; Aliyev 2024; Lasrado and Kassem 2021; Tadesse Bogale and Debela 2024), job satisfaction (Wijaya, Haryokusumo, and Akbar 2021) , and retention (Husriadi and Nurjanah nd; Lee et al. 2022; Meirinhos and Pp 2013) .

Although this literature provides a solid foundation for understanding the concept of organizational culture transformation universally, more specific research in the context of the fast-food industry is still limited. This industry has unique dynamics that include pressure for product innovation, intense competition, and human resource management challenges such as large employee rotation. Therefore, a comprehensive literature review will help fill this knowledge gap by identifying key findings and highlighting the need for further research to explore the relationship between organizational culture transformation and employee performance in the context of the fast-food industry.

Although research on organizational culture change and employee engagement has yielded many important insights, there are significant gaps in the literature that require further attention. In particular, only a few studies have focused on the fast food sector. Even though this industry is a unique profession with unique challenges related to employee performance. Previous research tends to focus on other aspects or use samples that do not reflect the work environment in the fast food industry, including flexible working hours, pressure to meet sales targets, and difficulties in maintaining product quality. Additionally, most research has not taken a comprehensive and holistic approach linking organizational culture change to overall employee performance. This shows that a more focused and in-depth research approach is needed to understand how changes in organizational culture affect productivity, job satisfaction and employee retention in the fast food industry. By filling this gap, it is hoped that this research will contribute not only to management theory, but also to practitioners seeking to improve management efficiency and business continuity in a competitive industry.

Therefore, this study aims to fill an important knowledge gap in the literature on organizational culture change, with particular attention to the fast food sector. In particular, this research takes an innovative approach by exploring aspects of culture that have not been explored before in this industrial context. In addition, the method used is an important new thing in this research. By using a comprehensive and quantitative approach, this research aims to identify elements of organizational culture that significantly influence employee performance and explain the impact of these cultural changes in a comprehensive approach. It is hoped that this research will not only increase understanding of the relationship between organizational culture and employee performance, but also provide practical solutions to the management challenges faced by modern industry. Research on organizational culture transformation and its impact on employee performance in the fast food sector has deep relevance for various scientific fields and human resource management practices. Academically, it is hoped that this research will enrich our understanding of how organizational culture can be the key to increasing operational efficiency and effectiveness in an ever-changing industrial context. By exploring the relationship between organizational culture transformation and performance indicators such as productivity, job satisfaction, and employee retention, this research will make a significant contribution to the management literature, especially in expanding existing theories and frameworks.

## **2. RESEARCH METHODS**

This research uses a qualitative approach to understand changes in organizational culture in the fast food industry and its impact on employee performance. The research

method involves in-depth interviews and participant observation of owners or managers of fast food businesses in Kendari, especially in the Mandonga area. The results of data analysis show key themes related to changes in organizational culture and their impact on employee performance. A qualitative approach was chosen because it provides an opportunity to explore entrepreneurs' thoughts, experiences and opinions. The research target population is all fast food business actors in the city of Kendari. In addition, this approach allows researchers to explore perspectives and experiences in depth and connect them with relevant concepts from the literature to develop a deeper understanding of the context of the phenomenon under study. This method provides a comprehensive picture of organizational culture changes in the fast food industry and its impact on employee performance in the region.

### 3. RESULTS AND DISCUSSION

Transformation of organizational culture plays an important role in the fast food industry in Kendari City. Changes in organizational culture not only reflect values and norms , but also impact employee performance and operational effectiveness. This can be seen from the results of research findings:



Source: Data processed, 2024

## **1. Organizational Culture: Values of Transparency, Cooperation, and Honesty**

### **a. Transparency Values**

The research results show that changes in organizational culture greatly influence employee performance in the fast food industry. Values such as transparency, cooperation and honesty are very important in creating an effective and efficient management system. Transparency is key in building trust among employees and creating an environment where information can flow freely. These transparent practices not only increase employee engagement but also make them more connected to the company's goals and vision.

### **b. Cooperation**

team productivity and effectiveness . A collaborative culture allows employees to work as a team , share ideas, and solve problems. Research finds that collaboration between employees improves work quality and reduces internal conflict, as well as making employees more motivated and committed.

### **c. Honesty**

Honesty is an important cultural value in organizations and can create a positive work environment. Honesty in interactions and decision making helps build credibility and the ability to act. Organizational commitment creates a sense of security and gratitude, thereby increasing job satisfaction and employee loyalty. These values are related to employee performance. Understanding, cooperation , and trust are key elements of organizational culture that support employee productivity, engagement, and job satisfaction, as well as increasing employee retention. An organizational culture based on transparency, collaboration, and trust can have a positive impact on employee performance and the long-term success of organizations in the fast food industry.

## **2. Implementation of Cultural Values and Norms: Employees are more motivated to contribute and share ideas**

The research results show that changes in organizational culture can have a positive impact on employee motivation to share and contribute ideas. Values such as transparency and honesty create an open and cooperative work environment in the fast food industry in the Mandonga region. Employees feel valued and encouraged to actively participate in company operations. The motivation system created makes employees feel that they play an important role in the company's development, so they provide creative ideas to improve efficiency and service quality. A culture that encourages active participation can result in meaningful employee contributions. Motivation to contribute is strengthened by respecting and valuing employees' ideas. Effective communication between managers and employees builds trust and facilitates the flow of information and makes employees more involved in decision making.

### **3. Impact on Employee Performance**

#### **a. Increased employee productivity**

In the results of this research, it was found that changes in organizational culture in the fast food industry had a positive impact on increasing employee productivity. This research reveals that good management practices, such as transparency, cooperation and honesty, have a positive effect on employee performance. An open and supportive work environment also gives employees the opportunity to contribute to individual and team goals, thereby increasing tasks completed and operational efficiency. Additionally, implementing clear procedures to guide employee behavior also plays an important role in increasing productivity. Strong management support for changes in organizational culture was also found to be the main key in increasing employee productivity. These findings illustrate that changes in organizational culture in the fast food industry can increase employee productivity by creating a supportive work environment, constant cultural values, and strong support from managers.

#### **b. Increased employee retention rate**

This research shows that the implementation of organizational culture changes in the fast food industry in the Mandonga region makes a significant contribution to increasing employee retention rates. Cultural values such as understanding, cooperation, and honesty create a positive and supportive work environment. Employees who feel involved in this change process are more likely to stay in the organization, while those who feel alienated from the previous organizational culture are less likely to stay. This increase in employee retention reduces costs associated with turnover and recruiting new employees. Respect for employees' contributions and their feelings at work influences the value employees feel during their experience at the company. By understanding these principles, fast food companies can maintain long-term success with a supportive work environment.

#### **c. Employees feel more motivated to achieve their goals**

Based on the research results, it can be seen that the implementation of organizational culture transformation has a positive impact on employee motivation at fast food restaurants in Mandonga, Kendar City. Values such as cooperation and honesty create a work environment that supports employee initiative and motivation. Mind maps show that changes in organizational culture strengthen employee participation in achieving goals by directing attention to achieving positive results. Employees feel more cared for and appreciated, increasing productivity and quality of work. Success in motivating employees also depends on the organization's willingness to respond to individual needs and recognize their contributions. Organizational culture change is not only a structural change, but also an effective strategy to improve personal and

collaborative performance at the organizational level. Mind maps visualize organizational cultural values that can shape employee perceptions and actions to achieve individual goals. This research provides an understanding of the relationship between organizational culture and employee performance, as well as guidance for organizational leaders to develop effective strategies.

#### **4. Conclusions and recommendations**

Overall, this research provides an in-depth understanding of how organizational culture transformation can influence employee motivation and organizational performance in the fast food sector in Mandonga District, Kendari City. The research results show that the implementation of cultural values such as cooperation, honesty and responsibility has a significant positive impact in increasing employee involvement in achieving organizational goals. First, clear and consistently applied cultural values help create a work environment that supports collaboration and innovation. Employees feel more motivated to contribute actively and feel appreciated for their participation in achieving common goals. Second, the results of this research underline the important role of management in managing organizational culture change effectively. Support and commitment from organizational leadership is very necessary to overcome challenges and obstacles that may arise during the transformation process. As a practical suggestion, organizations in the fast food industry could consider focusing more of their efforts on building and strengthening cultural values that support organizational goals. Additionally, it is important to continue to encourage open communication and collaboration between teams as an integral part of the desired work culture. For future research, it is recommended to continue this research by involving a wider sample and a variety of industries to expand the generalisability of the findings. Further studies could also explore the further implications of organizational culture transformation on other aspects of organizational performance such as customer satisfaction and long-term operational sustainability. Thus, this research not only makes a meaningful theoretical contribution to the organizational management literature, but also provides practical guidance for organizations in their efforts to improve performance and strengthen their competitive position in increasingly complex markets.



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