The Influence of Organisational Culture on Performance and Sustained Business Growth of Cooperatives in Purwakarta Regency, Indonesia

— Review of —
Integrative
Business &
Economics
— Research —

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ABSTRACT

This research aimed to analyse influence of organisational culture on performance and sustained business growth of cooperatives in Purwakarta Regency. Currently, there are more inactive cooperatives than the active counterparts, which have not reported sustained business growth. According to the initial observations and interviews, organisational culture did not contain values with effectiveness impacting cooperative performance. Quantitative methods were also used with descriptive and verification analyses through the Partial Least Square (PLS) method. The results showed that organisational culture had a significant effect on performance and sustained business growth. Additionally, the variable had an indirect significant effect on sustained business growth through performance. In this context, future cooperatives should improve organisational culture and performance in achieving sustained business growth.

Keywords: Organisational culture, performance, sustained business growth.

1. INTRODUCTION

Humans are important capital in running organisation and the management has a positive effect on employee performance (Savitri and Suherman, 2018). Therefore, cooperatives are a crucial business entity used to overcome economic problems. Some cooperatives are inactive since the sustainability of businesses has become a problem. In this context, efforts are needed to support the sustainability and the ability to carry out proper roles.

Table 1. Active Cooperatives in West Java

No	Active Cooperatives						
	2015	2016	2017	2018	2019	2020	2021
1	16.855	16.963	16.203	16.203	13.247	25.391	22.814

Sources:
1)   Years 2015 to 2016 processed from (*Kemenkop-UKM*, 2016, 2016)
2)   Years 2017 to 2021 processed from https://opendata.jabarprov.go.id/id/dataset/ jumlah-koperasi- berdasarkan-jenis-koperasi-dan-status-keaktifan-di-jawa-barat

According to Central Bureau of Statistics or *Badan Pusat Statistik* (*BPS*, 2021c), West Java has a total business volume that has continued to increase during the 2018-2020 period. The financing of net income or *Sisa Hasil Usaha* (*SHU)* of cooperatives during the period also

increased (BPS, 2021b). However, the trend in the number of cooperatives has decreased due to inactivity based on the data presented in Table 1. Even though the number of active cooperatives has decreased, the total business volume and SHU value have increased. This shows the ability to carry out activities in enhancing performance compared to other provinces. Therefore, increasing the number of active cooperatives in West Java needs to be the main focus in promoting business volume and *SHU* of cooperatives.
Purwakarta Regency in West Java Province has different cooperatives spread across 17 sub-districts, as shown in table 2.

Table 2 Types and Number of Cooperatives in Purwakarta Regency in 2021

No	Sub-District	Village Unit Cooperative	Cooperative of Public Servants of the Republic of Indonesia	Employee Cooperative	Market Traders Cooperative	Other Cooperative	Total
1	Jatiluhur	1	4	13	1	47	66
2	Sukasari	0	1	0	0	7	8
3	Maniis	1	0	0	1	19	21
4	Tegalwaru	1	1	0	0	20	22
5	Plered	1	5	0	1	51	58
6	Sukatani	1	4	1	2	36	44
7	Darangdan	1	2	1	1	25	30
8	Bojong	1	2	0	2	23	28
9	Wanayasa	1	4	0	1	36	42
10	Kiarapedes	1	0	0	0	20	21
11	Pasawahan	1	2	0	1	45	49
12	Pondoksalam	1	0	0	0	29	30
13	Purwakarta	2	39	15	3	266	325
14	Babakancikao	1	3	3	0	41	48
15	Campaka	1	3	12	1	13	30
16	Cibatu	1	1	6	0	23	31
17	Bungursari	1	4	25	1	17	48
Total		17	75	76	15	718	902

Source : data processed from https://purwakartakab.bps.go.id/indicator/13/89/1/jumlah-koperasi-aktif-menurut-kecamatan.html

The type of cooperatives consist of Village Unit Cooperative, Public Servants Cooperative, Employee Cooperative, Market Traders and Others Cooperative. The number of cooperatives in Purwakarta Regency increases based on data from 2017-2021. There was a decrease in the number between 2018 to 765, and increasing in 2019 to 2021. The number of active cooperatives is in the high or the highest category, as shown in Table 3.

Table 3 Comparison Number of Cooperatives among National, West Java Province and Purwakarta Regency

| Description	Year				
	2017	2018	2019	2020	2021
Number of Active Cooperatives (Nasional - Indonesia) [1]	152.174	126.343	123.048	127.124	127.846
Number of Regencies and Cities (Indonesia) [2]	514	514	514	514	514

Average of Cooperatives per District/City (Indonesia)	296	246	239	247	249
Number of Active Cooperatives in West Java [3]	16.203	16.203	13.247	25.391	22.814
Number of Regencies and Cities in West Java [4]	27	27	27	27	27
Average of Cooperatives per District/City in West Java	600	412	491	940	845
Number of Cooperatives Purwakarta Regency [5]	859	765	769	855	902

Sources :
1)   https://www.bps.go.id/id/statistics-table/2/NzYwIzI=/jumlah-koperasi-aktif-menurut-provinsi.html
2)   Decree of the Minister of Home Affairs of the Republic of Indonesia Number 050-145 of 2022 Concerning the Granting of Codes, Regional Data and Government and Island Administration in 2021
3)   https://opendata.jabarprov.go.id/id/dataset/jumlah-koperasi-berdasarkan-jenis-koperasi-dan-status-keaktifan-di-jawa-barat
4)   Decree of the Minister of Home Affairs of the Republic of Indonesia Number 050-145 of 2022 Concerning the Granting of Codes, Regional Data and Government and Island Administration in 2021
5)   https://purwakartakab.bps.go.id/indicator/13/89/1/jumlah-koperasi-aktif-menurut-kecamatan.htm

The data in Table 2 is the rationality for selecting Purwakarta Regency as a study location. First, the average number of cooperatives is above the national average in Indonesia and West Java. Second, the results obtained are used as a reference or benchmark in the development of cooperatives.

Figure 1. Comparison of Active and Inactive Cooperatives in Purwakarta (2021)
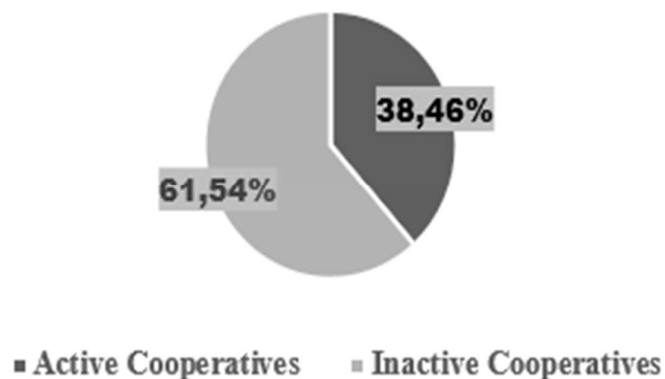
Source: Processed from *BPS* dan *Opendata Purwakarta* (*data.purwakartakab.go.id*)

The observation in Figure 1 shows the challenge faced by cooperatives, reporting a threat to survival. In devising a strategy for development, a survival strategy must be formulated. Additionally, the existing cooperatives, from the *BPS* and *Opendata Purwakarta*, do not show sustained institutional growth. In line with the increase in active cooperatives, the issue of sustained business growth has become important. This is because the establishment of cooperatives has the aim of overcoming economic problems in

Indonesia. To carry out these goals, cooperatives must be able to become business entities that grow sustainably.

Based on initial observations and interviews, preliminary information was obtained that some cooperatives carry out regular annual member meetings or *Rapat Anggota Tahunan (RAT)* activities. This is because RAT activities ensure cooperative activities run properly with transparent management. Therefore, good governance should be improved to increase transparency, accountability and responsibility to the members. Efforts to support this require the improvement of human resources as cooperative managers. Cooperatives need to have values firmly held by members to build the effectiveness of cooperative organisations in terms of innovation, risk-taking, as well as team orientation. These values are known as organisational culture, which is required to improve members' performance and effectiveness.

According to Kasmir (2016), performance can be influenced by cultural factors, training and work motivation. In this context, organisational culture influences performance and previous results show a significant influence between the variables (Maduningtias *et al.*, 2022). This research aims to determine the effects of organisational culture on performance and growth of sustainable businesses for cooperatives in Purwakarta Regency. The results can be a basis for formulating strategies to maximise performance of cooperatives, positively impacting economic conditions in the region. The preparation of this research also presents results for academics and practitioners, as well as provides directions for further analysis.

2 LITERATURE REVIEW AND HYPOTHESIS

2.1 Cooperatives

Cooperatives are associations established to promote the prosperity of members by engaging in business activities aimed at meeting shared needs (Sitepu and Hasyim, 2018). Furthermore, the associations conduct business by prioritising the welfare of members rather than obtaining profits carried out by other business entities besides cooperatives (Ramadhaniah, 2017). Despite the size and importance to the national economy, cooperatives have attracted limited interest from management scholarship, with work related to the fields of social policy and agricultural economics or social studies (Mazzarol, Limnios and Rebous, 2011). Cooperatives are characterised by a system that implements broad objectives combining the interests of all workers of the consortium. Under the systems, the formula for sharing supports collective social welfare (Surroca, Garcia-Cestona and Santamaria, 2006). Cooperatives are business entities formed to develop the economy of a society or community. The role is quite large in organising joint efforts of people with limited economic capabilities (Sitepu and Hasyim, 2018).

2.1 Organisational Culture

The definition of organisational culture is a system of meaning, values and beliefs shared to provide differences (Mas'ud, 2004). Meanwhile, (Robbins, 1996) defines the variable as a perception held by organisational members and is a system of shared meaning. Organisational culture is interpreted as values or norms that have existed for a relatively long time and are adhered to by employees as norms for behaving and resolving problems (Sukoco and Dewi, 2019). Organisational Culture is developed from a collection of norms, values, beliefs, expectations, assumptions, and philosophies of the people (Widarko and Brotosuharto, 2022).

Based on the definitions, organisational culture is a perception shared by members to

achieve goals and becomes a characteristic differentiating organisation from others. According to (Robbins, 1996), the indicators of this variable are as follows:

1. Innovation and risk-taking, this indicator reflects the extent to which organisation supports employees to act innovatively and be able to take risks.
2. Attention to detail is the extent to which employees are expected to show precision, analysis and attention to work details.
3. Results orientation is the extent to which organisation focuses on achieving predetermined results.
4. People orientation, this indicator explains the extent management decisions are determined based on consideration of the impact on employees in organisation.
5. Team orientation, this indicator describes the extent organisational activities prioritise teamwork implementation.
6. The indicator of aggressiveness is related to employee aggressiveness.
7. Stability emphasises the stable state of organisation.

These seven indicators offer insights into organisational culture, serving as the foundation for members' collective comprehension, methods for task completion, navigation of challenges, and shaping members' behaviours within the framework (Robbins, 1996).

2.2 Performance

According to (Bernardin and Rusell, 1993), performance is a record of the results obtained from specific job functions or certain activities over a certain period. In the definition, Bernardin and Russell emphasise the understanding of performance as the work and employee contributions to organisation. Meanwhile, Amir (2015) defined performance as something related to the tasks carried out, showing all input, process and output activities. Performance is the work achieved after carrying out duties based on skill, effort and opportunity (Hasibuan, 2012). Based on the explanation, it is conducted by employees within a certain period to achieve organisational goals. According to Bernardin and Rusell (1993), five indicators can influence performance, namely:

1. Quantity
   This shows that the production can be reported in currency units, number of units, or activity cycles completed.
2. Quality
   This is the level at which the process or result of completing an activity is close to perfect.
3. Timeliness
   This is related to the ability to accomplish an activity promptly or attain a production outcome at the outset of the designated period while coordinating with other productions and optimising the available time for additional activities.
4. Cost effectiveness
   This is related to the extent to which organisational resources, such as human capital, finances, technology, or raw materials can be enhanced to obtain the greatest returns or minimise losses incurred per unit.
5. Interpersonal impact
   This refers to the extent an employee promotes a sense of mutual respect, goodwill, and cooperation among colleagues.

2.3 Sustained Business Growth

Business growth is showed by the tendency to increase the scale of operations significantly

and this is a difficult phase for an entrepreneur. Many entrepreneurs run businesses and only grow in a matter of a year or a few months. According to C. Churchill and Virginia L. Lewis, 1983 in "The Five Stages of Small Business Growth" written by Neil, the 5 stages for solving problems in small business growth include:

Stage 1: Existence

The main problem of business in the existence stage is obtaining consumers and delivering products or services. Meanwhile, cooperatives in this stage vary from start-up restaurants and retail stores. Businesses without consumer acceptance and stable product quality may fold up after a few years of operation.

Stage 2: Survive

The viability of business is shown in the survival stage, which is expected to contain enough consumers who are satisfied with the products and services offered. However, the problem at this stage is related to income and expenses since cooperatives are expected to experience growth. Some remain in survival stage for some time, resulting in a break-even point and bankruptcy when the leader gives up or retires.

Stage 3: Success

The decision an entrepreneur must face at this stage is to exploit cooperatives' achievements and expand business, providing alternative activities for the entrepreneur.

Stage 4: Take-off

In this stage, the primary concern is related to the strategies for rapid expansion and securing adequate financing to facilitate growth. The important considerations include delegation and liquidity, investigating whether proprietors can effectively delegate responsibilities to increase managerial efficacy.

Stage 5: Resource Maturity

The biggest focus for cooperatives in this stage is to consolidate and monitor profits due to rapid growth and to retain the advantages of small size including flexibility of response and entrepreneurial spirit. Cooperatives in stage five have the staff and financial resources to participate in detailed operations and strategic planning (Lewis and Churchill, 1987).

Continuous business growth over a certain period or sustainably is a parameter of entrepreneurial success in starting and managing business. Barringer, Jones and Neubaum (2005) stated that sustained business growth was related to revenues and profits over a period. Business experiences sustainable growth when revenue and profit are recorded over a period.

Various criteria are used as a basis for assessing sustained business growth. (Wilson and Bates, 2003) reported the following criteria, first, the continuation of excellent service to customers as showed by repeat orders, customer retention, referrals from satisfied customers and sustained gross profit margins. Second, the effectiveness and efficiency of internal operations as shown by control of unit cost and satisfactory net margin. Third, track record of sustained profitability. Fourth, sufficient credibility to raise the necessary finance.

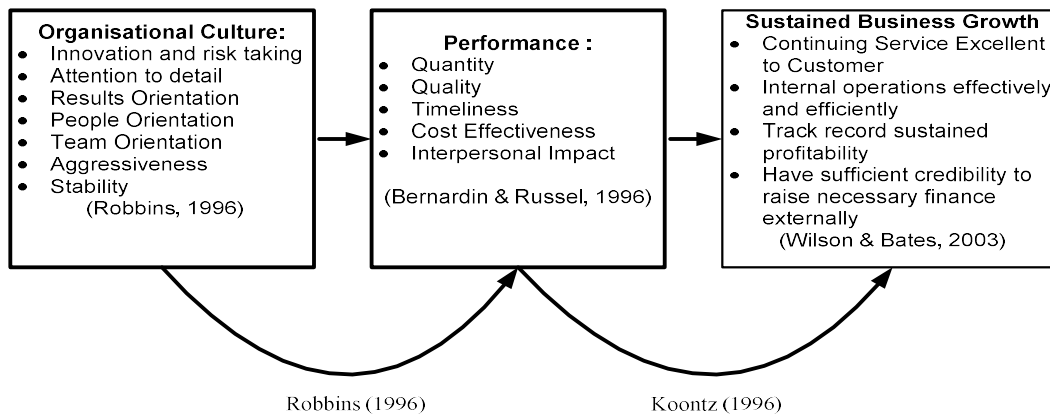## 2.4 The Relationship between Organisational Culture, Performance and Sustained Business Growth

According to Robbins, (1996), organisational culture indicators are a tool for solving problems and promoting increased employee performance. Previous research showed that there was an influence between organisational culture and performance. Organisational culture functions as an adhesive and reference in behaviour to achieve goals (Hendra, 2020). Empirical research by Suryanarayana (2023) investigated the negative and significant effects of Organisation Culture (OC) and 'Person-Job-Fit' (P-J-F) on 'Resistance to

Change (RTC). Based on the explanation, a hypothesis (H1) was proposed as follows, ***Organisational culture has a significant effect on performance.***

According to Wilson and Bates (2003), cooperatives are promoted to meet the criteria for sustained business growth when employees can achieve the indicators reported by Bernardin and Rusell (1993). Based on the explanation, a hypothesis (H2) was proposed as follows, ***Performance has a significant effect on sustained business growth.***

Organisational culture has an important role in improving effectiveness and performance because failure can be caused by internal managerial problems (Koontz, O'Donnell, and Weinrich, 1996). Based on the explanation, a research hypothesis (H3) was proposed as follows, ***Organisational culture has a significant indirect effect through performance on sustained business growth***.

Figure 2. Conceptual Framework

Organisational Culture:
- Innovation and risk taking
- Attention to detail
- Results Orientation
- People Orientation
- Team Orientation
- Aggressiveness
- Stability
    (Robbins, 1996)

Performance :
- Quantity
- Quality
- Timeliness
- Cost Effectiveness
- Interpersonal Impact

(Bernardin & Russel, 1996)

Sustained Business Growth
- Continuing Service Excellent to Customer
- Internal operations effectively and efficiently
- Track record sustained profitability
- Have sufficient credibility to raise necessary finance externally
    (Wilson & Bates, 2003)

Robbins (1996)   Koontz (1996)

Source: Processed by the author, 2023

3. METHODOLOGY

3.1 Measurement and Data Collection

This research used quantitative methods to explain the causal relationship between the variables. The primary data was obtained from the questionnaire, consisting of 26 items of statements. These included 9, 10, and 7 statement items on organizational culture, performance, and sustained business growth, respectively. In addition, the respondents were asked to express their level of agreement using a Likert scale, with points 1 = strongly disagree to 5 = strongly agree. The analysis was supported by secondary data obtained from observations in the field and several literature sources to strengthen and deepen the results.

The sample in this research amounted to 69 respondents and the sampling process is as follows. In 2021, the number of cooperatives was 902, and 347 (38.46%) are actively running business activities. Cooperatives are divided into 5 types, namely Village Unit Cooperative, Public Servants Cooperative, Employee Cooperative, Market Traders Cooperative, and Others Cooperative. Meanwhile, the sampling process is carried out in stages (1) dividing cooperatives into homogeneous groups and obtaining 5 types of (2) detailing the active number according to the respective types and (3) setting samples from each at 20%.

Table 4 Sampling Process

No	Types of Cooperatives	Number of Active Cooperatives	20% Sample	Rounding (final sample)
1	Village Unit Cooperative	8	1,62	2
2	Cooperative of Public Servants of the Republic of Indonesia	35	7,00	7
3	Employee Cooperative	36	7,15	7
4	Market Traders Cooperative	7	1,46	1
5	Other Cooperatives	261	52,15	52
Total		347	69,38	**69**

3.2 Data Analysis

The data analysis and interpretation used were descriptive and verification methods. Descriptive analysis determined the perceptual description of 69 respondents regarding organisational culture, performance and sustained business growth. The process of interpreting the results refers to the following formula:

Maximum score   = 5
Minimum value   = 1
Interval distance   = (maximum value - minimum value): number of
   Categories = (5 - 1) : 5 = 0,80

Table 5. Answer Categories

No	Range Interval	Categories
1	1 – 1,80	Very Low
2	1,81 – 2,61	Low
3	2,62 – 3,42	Medium
4	3,43 – 4,23	High
5	4,24 – 5	Very High

Source: Processed by the author, 2023

The verification method was used to test the research hypothesis through relevant statistical tests and the analysis method used was Partial Least Square (PLS). PLS is a Structural Equation Modeling (SEM) technique used to analyse latent and indicator variables, as well as measurement errors (Cooper and Schindler in Jogiyanto and Willy, 2015).

4. RESULTS

The results of the descriptive analysis are presented in the form of a frequency distribution to obtain an overview of the perceptions of 69 respondents in the questionnaire regarding organisational culture, performance and sustained business growth. Organisational culture variables consist of 7 dimensions, namely innovation and risk-taking, attention to detail, results orientation, people orientation, team orientation, aggressiveness and stability which are operationalised into 9 statement items. Meanwhile, performance variable consists of 5 dimensions, namely quantity, quality, timeliness, cost-effectiveness, and interpersonal relationships which are operationalised into 10 statement items. Sustained business growth variable consists of 4 dimensions, namely continuing excellent service to customers,

effective and efficient internal operations, track record of sustained profitability, and having sufficient credibility to raise the necessary finance, which are operationalised into 7 question items. The results show that respondents' perceptions of all variables are in the medium category with organisational culture and sustained business growth having the strongest and weakest points, respectively.

Table 6. Results of The Descriptive Analysis

Variables	Avg	Categories
Organisational Culture	3,11	Medium
Performance	2,98	Medium
Sustained Business Growth	2,91	Medium

Source: Processed by the author, 2023

4.1   PLS Model Scheme

In this research, hypothesis testing used PLS analysis techniques with the SmartPLS 3.0 program. The following is a scheme of the PLS program model tested

4.2   Outer Model Analysis

In assessing convergent validity, the outer loading value or loading factor served as an important measure. An indicator is declared to meet convergent validity in the good enough category when the outer loading value is > 0.7. The following table is the outer loading value of each indicator on the research variables.
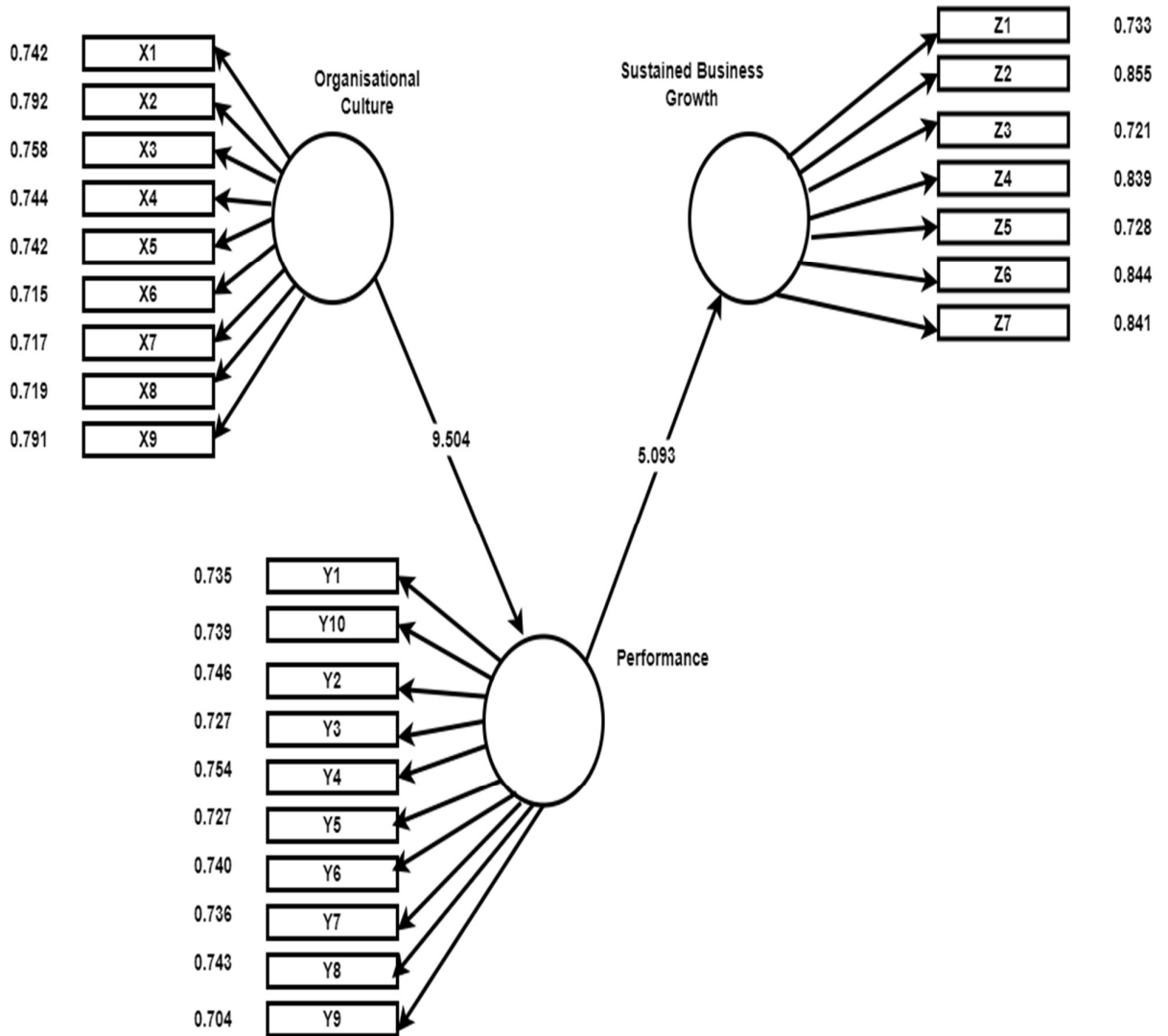
Table 7.1. Outer Loading

	Organisational Culture	Performance	Sustained Business Growth
X1	0,742		
X2	0,792		
X3	0,758		
X4	0,744		
X5	0,742		
X6	0,715		
X7	0,717		
X8	0,719		
X9	0,791		
Y1		0,735	
Y2		0,746	
Y3		0,727	
Y4		0,754	
Y5		0,727	
Y6		0,740	
Y7		0,736	
Y8		0,743	
Y9		0,704	
Y10		0,739	
Z1			0,733

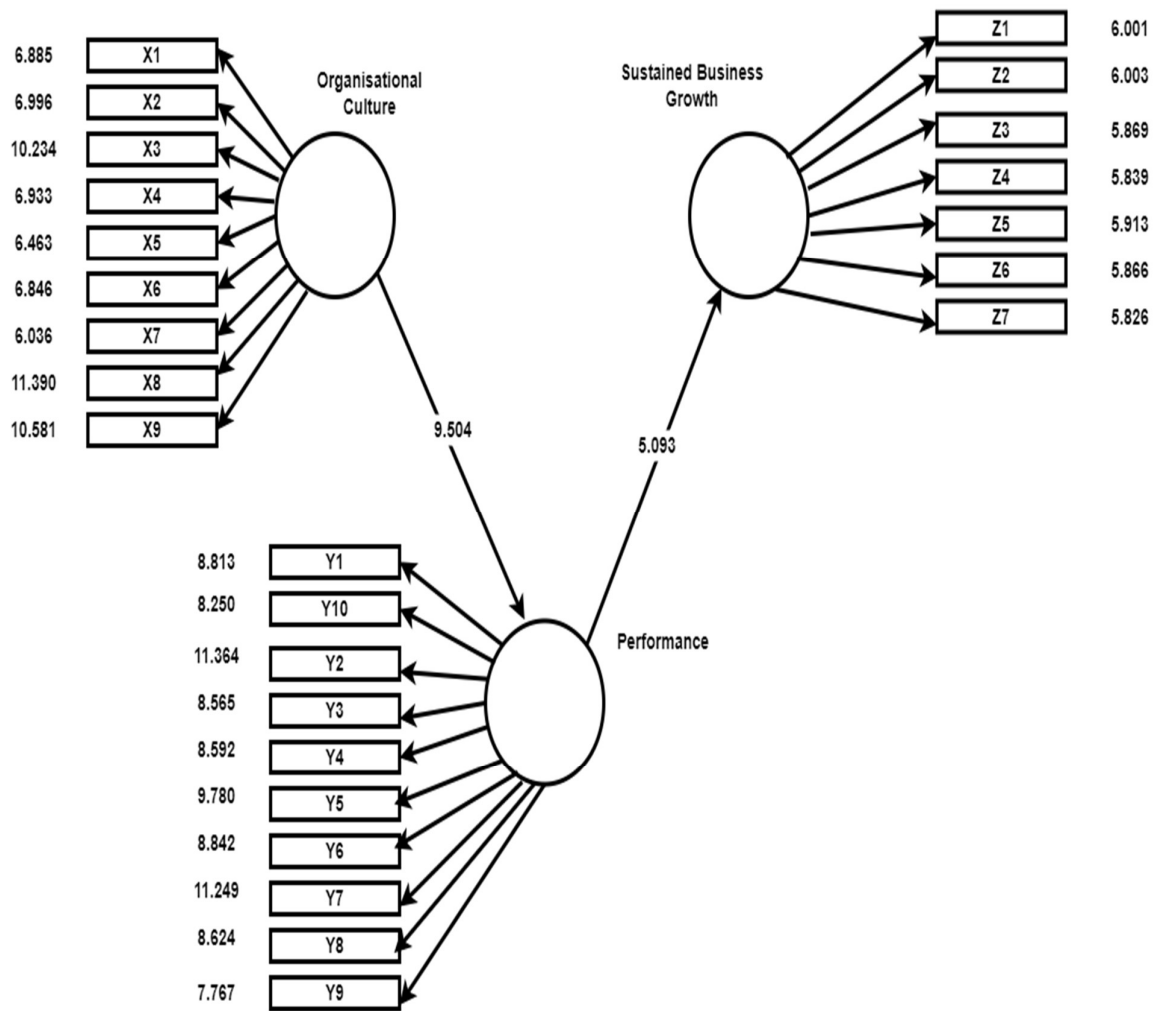|			
Z2			0,855
Z3			0,721
Z4			0,839
Z5			0,728
Z6			0,844
Z7			0,841

Source: Research results, 2023

Figure 3. Outer Model

Source: Research results, 2023

Figure 4. Inner Model

Source: Research results, 2023

The data shows that there are no variable indicators whose outer loading value is below 0.7. Therefore, the indicators are declared feasible or valid and can be used for further analysis.

Table 7.2. Validity and Reliability Value

Variables	Cronbach Alpha	Composite Reliability	AVE
Organisational Culture	0,902	0,919	0,558
Performance	0,906	0,922	0,541
Sustained Business Growth	0,903	0,924	0,635

Source: Research results, 2023

Table 7.2 shows that the Cronbach alpha values are > 0.6 composite reliability with a value> 0.7 and AVE> 0.5. Based on the data above, the outer model criteria are met.

4.3   Inner Model Analysis

Coefficient of Determination as shown in Table 8

Table 8. Coefficient of Determination

	R Square
Performance	0,409
Sustained Business Growth	0,320

Source: Research results, 2023

Based on the data presented in Table 8, the R-Square values for performance and sustained business growth variables are **0.409** and **0.320**, respectively**.** Therefore, the percentage of performance explained by organisational culture is **40.9%** and the results are in the medium influence range. Sustained business growth can be explained by performance which is **32.0%** andinfluence is in the medium range.

4.4 Goodness of Fit

The goodness of fit assessment is known from the Q-Square value, which has the same meaning as coefficient determination (R-Square) in regression analysis. Therefore, the R-Square values of 0.409 and 0.320 show the large diversity of research data explained by the research model as 40.9% and 32.0%. The remaining 59.1% and 68.0% are explained by other factors outside this research model. From the results, this research model can be stated to have a fairly good or moderate goodness of fit.

Path Coefficient

Based on the inner model scheme, the largest path coefficient value is shown by influence of organisational culture on performance of 0.640. Furthermore, influence of performance on sustained business growth is 0.566. Based on the description, the greater the path coefficient value of an independent variable on the dependent variable, the stronger influence of the independent variables on the dependent.

Hypothesis test

Based on the data analysis carried out, the results can be used to answer the hypothesis in the research. Hypothesis testing was carried out by analysing the T-statistics and P-value values. The hypothesis can be declared accepted when the P-Values < 0.05. The following are the results of testing obtained through the inner model:

Table 9. Hypothesis Test of Direct Effect

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Organisational Culture → Performance	0,640	0,658	0,067	9,504	0,000
Performance → Sustained Business Growth	0,566	0,573	0,111	5,093	0,000

Source: Research results, 2023

Based on the data presentation in Table 9, the two direct hypotheses proposed are significant since P-values <0.05. According to hypothesis (H1) proposed, organisational culture has a significant effect on performance. The calculation results show the p-value (0.000) <0.05 or T Statistics (9.504) > T Table (1.96) since H1 is accepted. Therefore, organisational culture has a significant effect on performance, as reported by Baustita & Uy (2023).

Performance is an indicator of success, including cooperatives when associated with the objectives of organisation. This is consistent with Rufino (2023), where success is measured by realising objectives. Performance of the management and employees is critical in the attainment of these objectives. For H2, performance has a significant effect on sustained business growth. The calculation results show the P-value (0.000) <0.05 or T Statistics (5.093) > T Table (1.96) since H2 is accepted. This suggests that performance has a significant effect on sustained business growth.

Table 10. Hypothesis Test of Indirect Influence

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Organisational Culture → Performance → Sustainable Business Growth	0,362	0,376	0,078	4,625	0,000

Source: Research results, 2023

Based on the data presentation in Table 10, the indirect hypothesis proposed is significant with a P-value<0.05. For H3, organisational culture has a significant indirect effect through performance on sustained business growth. The calculation results show the P-value (0.000) < 0.05 or T Statistics (4.625) > T Table (1.96) since H3 is accepted. This suggests that organisational culture has a significant indirect effect through performance on sustained business growth.

Table 11 Inter-Dimensional Influence

Variables	T statistics	P values
Aggresiviness -> Cost Effectiveness	2,284	0,011
Aggresiviness -> Interpersonal impact	0,686	0,246
Aggresiviness -> Quality	0,571	0,284
Aggresiviness -> Quantity	1,168	0,121
Aggresiviness -> Timeliness	1,673	0,047
Attention to detail -> Cost Effectiveness	2,632	0,004
Attention to detail -> Interpersonal impact	0,039	0,485
Attention to detail -> Quality	1,677	0,047
Attention to detail -> Quantity	0,688	0,246
Attention to detail -> Timeliness	1,320	0,093
Innovation and risk taking -> Cost Effectiveness	2,650	0,004
Innovation and risk taking -> Interpersonal impact	0,879	0,190
Innovation and risk taking -> Quality	3,145	0,001
Innovation and risk taking -> Quantity	1,227	0,110
Innovation and risk taking -> Timeliness	1,278	0,101
Outcome orientation -> Cost Effectiveness	1,931	0,027
Outcome orientation -> Interpersonal impact	0,247	0,403
Outcome orientation -> Quality	2,295	0,011
Outcome orientation -> Quantity	0,636	0,262
Outcome orientation -> Timeliness	1,853	0,032

People orientation -> Cost Effectiveness	3,156	0,001
People orientation -> Interpersonal impact	0,443	0,329
People orientation -> Quality	2,927	0,002
People orientation -> Quantity	0,958	0,169
People orientation -> Timeliness	1,744	0,041
Stability -> Cost Effectiveness	2,933	0,002
Stability -> Interpersonal impact	7,313	0,000
Stability -> Quality	3,415	0,000
Stability -> Quantity	5,114	0,000
Stability -> Timeliness	3,400	0,000
Team orientation -> Cost Effectiveness	0,764	0,222
Team orientation -> Interpersonal impact	0,244	0,404
Team orientation -> Quality	0,004	0,498
Team orientation -> Quantity	0,616	0,269
Team orientation -> Timeliness	2,101	0,018

Source: Research results, 2023

The analysis of organizational culture and performance shows that the significant effect (P value<0.05) between the dimensions is the influence of Aggressiveness on Cost Effectiveness and Timeliness, Attention to detail on Cost Effectiveness and Quality, Innovation and risk taking on Cost Effectiveness and Quality, Outcome orientation on Cost Effectiveness, Quality, and Timeliness, People orientation on Cost Effectiveness, Quality, and Timeliness, Stability on Cost Effectiveness, Interpersonal impact, Quality, and Timeliness, as well as Team orientation on Timeliness. However, there is no effect of the variables between other dimensions.

Table 12. Summary Statistics

Variables	Indicator	Fit index/cut off value/SEM PLS processing results				R Square
		Outer Loading >0.7	Cronbach Alpha >0.6	Composite Reliability >0.7	AVE >0.5	
Organisational Culture	X1	0.742	0.902	0.919	0.558	
	X2	0.792				
	X3	0.758				
	X4	0.744				
	X5	0.742				
	X6	0.715				
	X7	0.717				
	X8	0.719				
	X9	0.791				
Performance	Y1	0.735	0.906	0.922	0.541	0.409
	Y2	0.746				
	Y3	0.727				
	Y4	0.754				
	Y5	0.727				
	Y6	0.74				
	Y7	0.736				
	Y8	0.743				

	Y9	0.704				
	Y10	0.739				
Sustained Business Growth	Z1	0.733	0.903	0.924	0.635	0.320
	Z2	0.855				
	Z3	0.721				
	Z4	0.839				
	Z5	0.728				
	Z6	0.844				
	Z7	0.841				
Organisational Culture → Performance			p-value (0.000) <0.05 T Statistics (9.504) > T Table (1.96)			
Performance → Sustained Business Growth			P-value (0.000) <0.05 T Statistics (5.093) > T Table (1.96)			
Organisational Culture → Performance → Sustainable Business Growth			P-value (0.000) < 0.05 T Statistics (4.625) > T Table (1.96)			

The results show that the conditions in PLS SEM analysis have been met and the hypothesis directly or indirectly reports significant results

5. DISCUSSIONS

The indicators in organisational culture are in the medium category and the total average is **3.11**. This shows that cooperative employees' perceptions are still not good enough. The highest and lowest dimensions are the results orientation and attention to detail. Meanwhile, performance indicators have a total average performance of 2.98 in the medium category. The average value of employee perceptions is lower than organisational culture with quantity and cost-effectiveness serving as the highest and lowest dimensions, respectively. The variable indicator for sustained business growth has a perception in the medium category with a total average of **2.91**. The highest and lowest dimensions are continuing excellent service to customers and effective internal operations. Additionally, perceptions of sustained business growth are lower than the other variables. In this context, cooperatives in Purwakarta Regency have not achieved sustained business growth and the variable is weak when compared with organisational culture and performance in the medium category. The improvements are mainly in the weakest dimensions, namely attention to detail, cost-effectiveness, and effective internal operations on organisational culture, performance, and sustained business growth variables, respectively.

The results found that organisational culture influenced performance of cooperatives with a range of 64 %. The next hypothesis test reported that there was a significant and positive relationship between performance and sustained business growth. Therefore, improving performance provided positive results for sustainable business growth with a range of 56.6 %. In this context, organisational culture indirectly influences sustained business growth with a range of 36.2 %.

The novelty of this research is to produce a basis for cooperative business development, specifically in Purwakarta Regency. The results report that the three variables classified in the medium category have a positive and significant influence on each other. Therefore, organisational culture should be properly fixed to improve performance and business growth.

6. CONCLUSIONS

In conclusion, the research framework was reported to explain the relationship between organisational cultural conditions and performance on sustained business growth of cooperatives in Purwakarta Regency. The results of the descriptive analysis showed that respondents had perceptions of organisational culture, performance, and sustained business growth in the medium category. This showed that the respondent's perception was not good enough regarding organisational culture, performance and sustained business growth. Therefore, cooperatives were expected to make improvements regarding organisational culture, performance and sustained business growth.

Organisational culture had a significant effect on performance with a path coefficient of 0.640 in a positive relationship direction. In this context, performance was determined by the cultural conditions of organisation by 64 %. For the second hypothesis, performance had a significant effect on sustained business growth with a path coefficient of 0.566 or 56.6 %. The results of testing the third hypothesis were that organisational culture had a significant indirect effect through performance on sustained business growth with a path coefficient of 0.362. The indirect influence of organisational cultural conditions mediated by performance on sustained business growth was 36.2 %.

Based on the results, cooperatives in Purwakarta Regency determined organisational culture to trigger increased performance. Sustained business growth could be increased by establishing organisational culture and implementing the variable by all employees. Another suggestion was to carry out regular annual member meeting activities including discussion of organisational culture evaluation. Based on the analysis, organisational culture had a strong significant positive influence on performance and influenced sustained business growth through performance. Therefore, determining and evaluating an appropriate organisational culture for each cooperative unit was an important matter.

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