

Analysis of Organizational Culture and Employee Performance Appreciation with Work Motivation as a Mediating Variable at the National Narcotics Agency of North Sumatra Province

Analisis Budaya Organisasi dan Apresiasi Kinerja Pegawai dengan Motivasi Kerja sebagai Variabel Mediasi pada Badan Narkotika Nasional Provinsi Sumatera Utara

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ABSTRAK

Penelitian ini bertujuan untuk menganalisis pengaruh budaya organisasi dan penghargaan terhadap kinerja pegawai dengan motivasi kerja sebagai variabel mediasi pada Badan Narkotika Nasional (BNN) Provinsi Sumatera Utara. Kinerja pegawai merupakan faktor penting dalam pencapaian tujuan strategis organisasi, khususnya di lingkungan BNN yang menghadapi kompleksitas peredaran narkotika serta tuntutan penyelenggaraan layanan rehabilitasi yang berkualitas. Budaya organisasi dan sistem penghargaan diharapkan dapat memengaruhi kinerja pegawai baik secara langsung maupun melalui peningkatan motivasi kerja. Jenis penelitian yang digunakan adalah penelitian kuantitatif dengan pendekatan survei. Populasi penelitian terdiri atas seluruh 84 pegawai tetap BNN Provinsi Sumatera Utara. Data dikumpulkan melalui kuesioner dan dianalisis menggunakan metode Partial Least Squares (PLS). Hasil penelitian menunjukkan bahwa budaya organisasi berpengaruh positif dan signifikan terhadap kinerja pegawai dan motivasi kerja. Penghargaan berpengaruh positif dan signifikan terhadap motivasi kerja, namun tidak berpengaruh signifikan secara langsung terhadap kinerja pegawai. Motivasi kerja terbukti berperan signifikan sebagai variabel mediasi, sehingga budaya organisasi dan penghargaan dapat meningkatkan kinerja pegawai melalui motivasi kerja. Nilai R² menunjukkan bahwa budaya organisasi, penghargaan, dan motivasi kerja mampu menjelaskan sebesar 91,9% variasi kinerja pegawai. Temuan ini mengimplikasikan bahwa BNN Provinsi Sumatera Utara perlu memperkuat budaya organisasi, menerapkan sistem penghargaan yang adil, serta mendorong motivasi kerja pegawai melalui pemberian kemandirian, otonomi, dan pengakuan atas kontribusi mereka. Pendekatan ini diharapkan dapat meningkatkan kinerja pegawai secara konsisten dan profesional

ABSTRACT

This study aims to analyze the influence of organizational culture and rewards on employee performance with work motivation as a mediating variable at the National Narcotics Agency (BNN) of North Sumatra Province. Employee performance is an important factor in achieving organizational strategic goals, especially at the BNN, which faces the complexity of narcotics circulation and demands for quality rehabilitation services. Organizational culture and rewards are expected to influence employee performance directly and through work motivation. The type of research used is quantitative with a survey approach. The research population consists of all 84 permanent employees of the North Sumatra Provincial BNN. Data were collected through questionnaires and analyzed using Partial Least Squares (PLS). The results showed that organizational culture had a positive and significant effect on employee performance and work motivation. Rewards had a positive and significant effect on work motivation but did not significantly affect employee performance directly. Work motivation played a significant role as a mediator, so that organizational culture and rewards could improve employee performance through work motivation. The R² value shows that organizational culture, rewards, and work motivation can explain 91.9% of the variation in employee performance. These findings imply that the North Sumatra Provincial Narcotics Agency needs to strengthen its organizational culture, implement a fair reward system, and encourage employee work motivation through independence, autonomy, and recognition of their contributions. This approach is expected to improve employee performance consistently and professionally.

INTRODUCTION

Employee performance is one of the important factors that determine the success of an organization in achieving its strategic objectives. In government agencies such as the North Sumatra Provincial National Narcotics Agency (BNN), the demands on employee performance are increasingly high due to the complexity of narcotics circulation, the increasing need for supervision, and the demand for quality rehabilitation services. Robbins and Judge (2021) emphasize that employee performance is

the level of work achievement that is influenced by ability, motivation, and organizational conditions, and reflects the contribution of individual to the achievement of organizational goals. This shows that improving employee performance is a crucial aspect for the BNN as an institution with a strategic role in the prevention and eradication of drug abuse.

One factor that greatly influences employee performance is organizational culture. Organizational culture reflects the values, beliefs, and norms held in common by members of the organization and serves as a guideline for action. According to Robbins and Judge (2021), a strong organizational culture can create a shared identity, strengthen commitment, and encourage employee behavior to be in line with organizational goals. Meanwhile, Luthans (2020) explains that a positive organizational culture can significantly increase employee motivation, loyalty, and performance. In the context of the North Sumatra Provincial BNN, a culture that emphasizes integrity, confidentiality, discipline, team synergy, and commitment to drug eradication is an important foundation for shaping professional and responsible work behavior.

In addition to organizational culture, rewards are also a key factor in influencing employee performance. Rewards are forms of compensation, both financial and non-financial, given to employees for their contributions and performance achievements. Wibowo (2021) states that a fair and proportional reward system can increase work motivation, job satisfaction, and encourage employees to achieve higher performance. Similarly, Hasibuan (2020) emphasizes that rewards are an important instrument in human resource management that can increase work enthusiasm, loyalty, and productivity. For BNN employees, rewards that are commensurate with the risk of their work—such as bonuses, recognition, promotions, or training opportunities—are very important for maintaining work motivation and commitment.

However, the influence of organizational culture and rewards on employee performance is not always direct. Many studies show that work motivation often acts as a mediating variable in this relationship. Work motivation is a drive that arises from within the individual or from the work environment to achieve certain achievements. According to Vo et al. (2022), work motivation arises from the need for competence, autonomy, and social connectedness, which are the main drivers of productive work behavior. Meanwhile, Rivai (2020) states that employees with high motivation will work more diligently, be more creative, and be able to face work challenges more effectively. Thus, work motivation is an important factor that mediates the relationship between organizational culture and employee performance rewards.

In the context of the North Sumatra Provincial Narcotics Agency, there are still various challenges related to employee motivation and performance. These include high workloads, significant responsibilities for complex narcotics cases, limited support facilities, and some employees' perceptions of reward fairness. These conditions have the potential to reduce work motivation and impact the quality of employee performance. Therefore, it is very important to analyze how organizational culture and rewards can increase work motivation and employee performance.

Based on this description, the research entitled "Analysis of Organizational Culture and Rewards on Employee Performance with Work Motivation as a Mediating Variable at the North Sumatra Provincial National Narcotics Agency" is of high urgency to provide a comprehensive empirical description of the factors that influence employee performance, as well as to provide recommendations for strengthening human resource management policies within the North Sumatra Provincial BNN.

LITERATURE REVIEW

Employee Performance

According to Wibowo (2021), performance is the result of work achieved by individuals or groups in accordance with their assigned responsibilities, which is influenced by ability, competence, motivation, and work environment support.

Work Motivation

According to Vo et al., 2022, work motivation is a drive that stems from individual needs (competence, autonomy, social relations) that encourages productive and effective individual work behavior.

Recognition

According to Mdhlalose (2024), recognition is the provision of rewards to employees for their ideas or innovations, which demonstrates the function of recognition as a driver of specific desired behaviors.

Organizational Culture

According to the National Institute for Health and Care Excellence (2023), organizational culture is understood as a set of beliefs and expectations shared by members of an organization, which form common norms, values, and perspectives.

Conceptual Framework

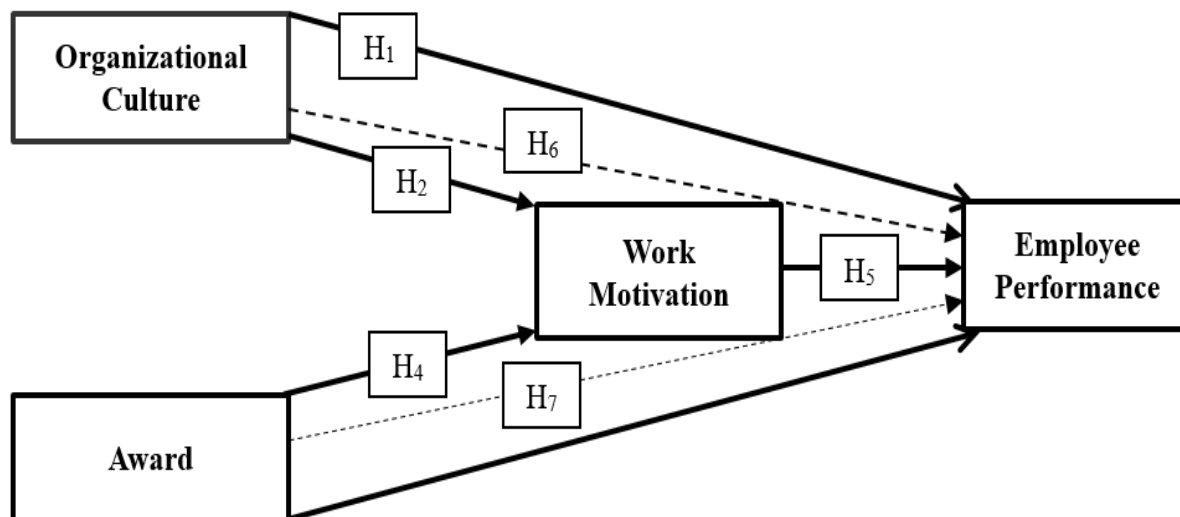


Figure 1. Conceptual Framework

Research Hypothesis

- H₁: Organizational culture has a positive and significant effect on employee performance at the North Sumatra Provincial National Narcotics Agency.
- H₂: Organizational culture has a positive and significant effect on work motivation at the North Sumatra Provincial National Narcotics Agency.
- H₃: Recognition has a positive and significant effect on employee performance at the North Sumatra Provincial National Narcotics Agency.
- H₄: Rewards have a positive and significant effect on work motivation at the North Sumatra Provincial National Narcotics Agency.
- H₅: Work motivation has a positive and significant effect on employee performance at the North Sumatra Provincial National Narcotics Agency.
- H₆: Organizational culture has a positive and significant effect on employee performance through work motivation at the North Sumatra Provincial National Narcotics Agency.
- H₇: Recognition has a positive and significant effect on employee performance through work motivation at the North Sumatra Provincial National Narcotics Agency.

RESEARCH METHOD

Type of Research

The type of research used by the researcher is quantitative research. According to Sugiyono (2022), quantitative research can be defined as a method based on positivism philosophy, used to study a specific population or sample, with sampling techniques generally conducted randomly, data collection using research instruments, and quantitative/statistical data analysis with the aim of testing predetermined hypotheses. This type of quantitative research was conducted to create a study aimed at adjusting a study and analyzing organizational culture and appreciation of organizational commitment with work motivation as a mediating variable at the North Sumatra Provincial National Narcotics Agency.

RESULTS AND DISCUSSION

Validity Test

Table 1. Outer Loadings Values

	Award	Employee Performance	Organizational Culture	Work Motivation
X1.1			0.765	
X1.2			0.827	
X1.3			0.717	
X1.4			0.777	
X2.1	0.877			
X2.2	0.925			
X2.3	0.892			
Y.1		0.731		
Y.2		0.715		
Y.3		0.649		
Y.4		0.833		
Y.5		0.638		
Y.6		0.724		
Y.7		0.852		
Z.1				0.888
Z.2				0.844
Z.3				0.849

Source: Smart PLS Output, 2025

Based on the values in Table 1 above, which show the results of outer model testing through loading factor/outer loadings values, all indicators in each variable have a loading value ≥ 0.70 . This indicates that each indicator is measured validly and strongly. Therefore, it can be concluded that all items in the questionnaire have met the validity criteria, as shown in the following figure.

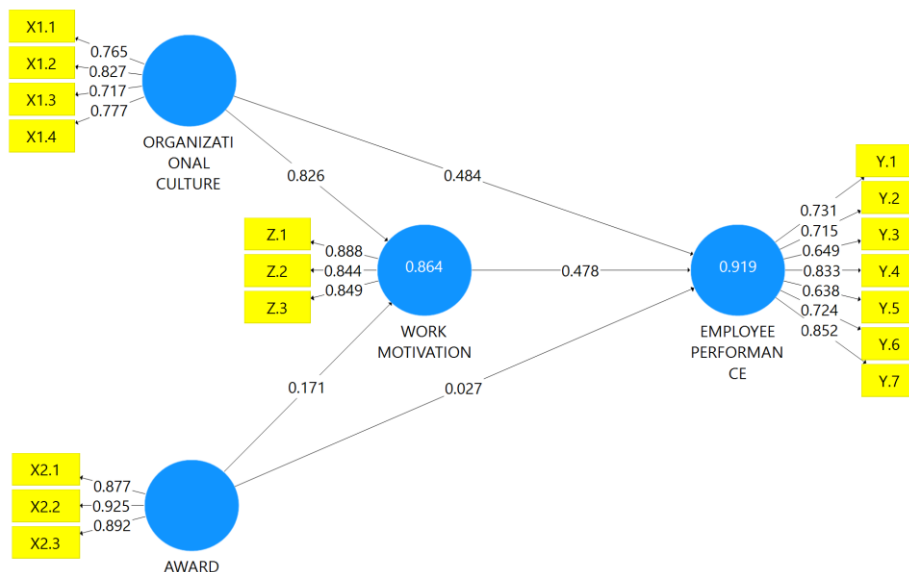


Figure 2 Outer Loading

In this study, there is an equation, and that equation consists of two substructures for substructure

1:

$$Z = \beta_1 X_1 + \beta_2 X_2 + e_1$$

$$Z = 0.826X_1 + 0.171X_2 + e_1$$

For substructure 2:

$$Y = \beta_2 X_1 + \beta_3 X_2 + \beta_3 Z + e_2$$

$$Y = 0.484 X_1 + 0.027X_2 + 0.478Z + e_2$$

Reliability Test

Table 2. Construct Reliability and Validity Test

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Award	0.881	0.885	0.926	0.807
Employee Performance	0.858	0.868	0.893	0.545
Organizational Culture	0.774	0.781	0.855	0.596
Work Motivation	0.825	0.825	0.896	0.741

Source: Smart PLS Output, 2025

From Table 2 above, the reliability test results show that the Cronbach's Alpha and Composite Reliability values for all constructs are above 0.70. This indicates that all indicators have high internal consistency and are reliable in measuring their respective constructs. Thus, the research instrument is declared reliable and suitable for use in structural model testing.

Coefficient of Determination (R²)

In assessing the model with PLS, we begin by looking at the R-square for each dependent latent variable. The table below shows the R-square estimation results using SmartPLS.

Table 3. R Square Results

	R-Square	Adjusted R Square
Work Motivation	0.864	0.861
Employee Performance	0.919	0.916

Source: Smart PLS, 2025

Table 3 shows the R square values for both dependent variables. For the work motivation variable, the R square value is 0.864, meaning that the influence of organizational culture and rewards is 0.864 or 86.4%, with the remainder attributable to other variables outside the model. The R-square value for employee performance is 0.919, meaning that organizational culture, rewards, and work motivation account for 0.919 or 91.9%, with the remainder attributable to other variables outside the model.

Direct Influence Between Variables

The direct effect between variables can be seen in the *path coefficients*. The data analysis results show the direct effect values in the following table.

Table 4. Path Coefficients (Direct Effects)

	Original Sample	T Statistics	P Values	Conclusion
Organizational Culture -> Employee Performance	0.484	5.360	0.000	Accepted
Organizational Culture -> Work Motivation	0.826	12,969	0.000	Accepted
Award -> Employee Performance	0.027	0.607	0.544	Rejected
Award -> Work Motivation	0.171	2.208	0.028	Accepted
Work Motivation -> Employee Performance	0.478	4.802	0.000	Accepted

Source: Smart PLS Output, 2025

The results in Table 4 show the following direct influence values:

1. Organizational culture has a positive and significant effect on employee performance with a t-statistic value of 5.360 above 1.96 and a significance of 0.000 below 0.05, meaning that organizational culture has a real effect on employee performance because the significance value is above 0.05 . The results

- of this study are in line with previous studies, which found that organizational culture has a positive and significant effect on employee performance (Afif & Ferine, 2024).
2. Organizational culture has a positive and significant effect on work motivation with a t-statistic value of 12.969 above 1.96 and a significance of 0.000 below 0.05, meaning that organizational culture has a significant effect on work motivation because the significance value is below 0.05. The results of this study are in line with previous studies, namely that organizational culture has a positive and significant effect on work motivation (Fajrin & Mesra, 2024).
 3. Rewards have a positive but insignificant effect on employee performance with a t-statistic value of 0.607 below 1.96 and a significance of 0.544 above 0.05, meaning that rewards do not have a significant effect on employee performance because the significance value is above 0.05. The results of this study are not in line with previous studies, which found that rewards have a positive and significant effect on employee performance (Siregar & Indrawan, 2024).
 4. Rewards have a positive and significant effect on work motivation with a t-statistic value of 2.208 above 1.96 and a significance of 0.028 below 0.05, meaning that rewards have a real effect on work motivation because the significance value is below 0.05. The results of this study are in line with previous studies, namely that work rewards have a positive and significant effect on work motivation (Ashraf et al., 2024).
 5. Work motivation has a positive and significant effect on employee performance with a t-statistic value of 4.802 above 1.96 and a significance of 0.000 below 0.05, meaning that work motivation has a real effect on employee performance because the significance value is below 0.05. The results of this study are in line with previous studies, namely that work motivation has a positive and significant effect on employee performance (Handoko et al., 2023; Rahayu, 2024).

Indirect Influence Between Variables

The indirect effect between variables can be seen in the *specific indirect effect* value. The data analysis results show the indirect effect value in Table 5 below.

Table 5. Specific Indirect Effects (Indirect Effects)

	Original Sample	T Statistics	P Values	Conclusion
Organizational Culture -> Work Motivation -> Employee Performance	0.395	4.667	0.000	Accepted
Award -> Work Motivation -> Employee Performance	0.082	2,003	0.046	Accepted

Source: Smart PLS, 2025

Table 5 shows the indirect influence between variables, namely:

1. Organizational culture has a positive and significant effect on employee performance through work motivation with a t-statistic value of 4.667 above 1.96 and a significance value of 0.000 below 0.05, meaning that work motivation acts as an intervening variable between organizational culture and employee performance.
2. Awards have a positive and significant effect on employee performance through work motivation with a t-statistic value of 2.003 above 1.96 and a significance value of 0.046 below 0.05, meaning that work motivation acts as an intervening variable between awards and employee performance.

CONCLUSION AND RECOMMENDATIONS

Conclusion

1. Organizational culture has a positive and significant effect on employee performance at the North Sumatra Provincial National Narcotics Agency.
2. Organizational culture has a positive and significant effect on work motivation at the North Sumatra Provincial National Narcotics Agency.
3. Rewards have a positive but insignificant effect on employee performance at the North Sumatra Provincial National Narcotics Agency.
4. Rewards have a positive and significant effect on work motivation at the North Sumatra Provincial National Narcotics Agency.
5. Work motivation has a positive and significant effect on employee performance at the North Sumatra Provincial National Narcotics Agency.

6. Organizational culture has a positive and significant effect on employee performance through work motivation at the North Sumatra Provincial National Narcotics Agency.
7. Recognition has a positive and significant effect on employee performance through work motivation at the North Sumatra Provincial National Narcotics Agency.

Recommendations

1. Employee performance with the lowest value statement is "I am able to complete tasks independently and show initiative at work." Therefore, the recommendation is that the North Sumatra Provincial National Narcotics Agency should encourage employee independence and initiative through trust, clear delegation of authority, and a performance-based reward system so that employee motivation and performance can be optimized.
2. Work motivation with the lowest score was "I am motivated because I am given the freedom to manage how I complete my work." The North Sumatra Provincial National Narcotics Agency is advised to implement a leadership style that provides targeted work autonomy, accompanied by proportional supervision, in order to increase employee motivation and performance.
3. The award with the lowest value statement is "I feel valued through recognition and personal satisfaction with the results of my work." The North Sumatra Provincial National Narcotics Agency is advised to strengthen its reward and recognition system, both formal and informal, so that employees feel valued for their contributions and are motivated to consistently improve their performance.
4. Organizational culture with the lowest value statement: "The leadership style of immediate superiors supports positive values within the organization." The North Sumatra Provincial National Narcotics Agency is advised that leaders continue to uphold and exemplify positive values within the organization through consistent, communicative, and supportive leadership, thereby strengthening the organizational culture and motivating employees to behave in accordance with these values.

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