

## The Effect of Corporate Culture and Innovation on Employee Performance, with Knowledge Sharing as an Intervening Variable, at Bank BJB

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### Keywords:

organizational culture, innovation, knowledge sharing, employee performance, banking

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### Abstract

This research is motivated by the demands of digital transformation in the banking sector, which require an adaptive, innovative, and collaborative work culture to enhance sustainable employee performance. Although Bank BJB has shown improvement during 2022–2024, challenges remain, including uneven cultural implementation, low employee participation, and limited knowledge sharing. This research aims to analyze the influence of organizational culture and innovation on employee performance with knowledge sharing as an intervening variable in Bank BJB. This study uses a quantitative approach with causal design to examine the cause-and-effect relationship between organizational culture (X1) and innovation (X2) variables on employee performance (Y), either directly or indirectly through knowledge sharing (Z). The data analysis technique uses multiple linear regression to test the direct influence and mediation between variables. The results of the study are expected to show that organizational culture and innovation have a positive and significant influence on employee performance, both directly and through knowledge sharing as an intervening variable. Knowledge sharing plays an important role in strengthening the relationship between organizational culture and innovation on employee performance, thereby creating a productive, adaptive, and learning-oriented work environment. The implications of this study provide recommendations for the management of Bank BJB to strengthen an adaptive organizational culture, improve the innovation ecosystem, and optimize a digital-based knowledge sharing system to support the improvement of employee performance and company competitiveness in the digital era.

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## INTRODUCTION

The banking sector has a strategic role in the economy as an intermediary institution that collects and distributes funds to the community (Mishkin, 2019). The stability and performance of banking greatly determine the strength of the national financial system, so banks are required to be adaptive to changes in regulations, technology, and market dynamics (Claessens, 2017). Along with the development of digital technology, the banking industry is facing disruptions that drive transformation toward more innovative, efficient, and technology-based services (Arner et al., 2015).

In Indonesia, this transformation is strengthened by the Financial Services Authority's policies through the Indonesian Banking Development Roadmap 2020–2025, which emphasizes digitalization, strengthening banking structures, and increasing industry competitiveness (OJK, 2020). These changes not only impact systems and services but also

organizational culture and human resource performance. In this context, employees are required to have digital competence, high adaptability, and openness to learning and collaboration (Bank Indonesia, 2023).

However, the digital transformation process does not always run smoothly. Bank Indonesia (2023) noted that there were fluctuations in the productivity of banking employees during the digital transition period, mainly due to unpreparedness in adopting the new system. This condition can cause a decrease in performance, work stress, and resistance to change (Riyanti & Wijaya, 2021). Therefore, strengthening an adaptive, innovative, and collaborative organizational culture is a key factor in supporting employee performance improvement (Ghaleb, 2024).

As one of the regional development banks, Bank BJB also faces challenges in managing digital transformation and improving employee performance. Data shows that the performance of Bank BJB employees improved during the 2022–2024 period, which is characterized by increased productivity, work discipline, and the achievement of business targets. This increase is inseparable from the company's efforts to strengthen organizational culture, encourage innovation, and develop knowledge-sharing practices in the work environment.

However, various problems are still found, such as the uneven implementation of organizational cultural values, low employee participation in cultural programs, and limited effectiveness of knowledge sharing. In addition, organizational structures that tend to be bureaucratic and resistant to change also hinder the process of innovation and collaboration across units (Robbins & Judge, 2019). This condition shows that strengthening organizational culture and innovation has not been fully balanced with an optimal knowledge-sharing system.

Theoretically, organizational culture plays a role as a foundation in shaping work behavior and improving employee performance (Robbins & Judge, 2022). Meanwhile, innovation is an important factor in increasing organizational competitiveness (Hanafi & Azis, 2023), and knowledge sharing serves as a mechanism to accelerate learning and improve individual capabilities (Nonaka & Takeuchi, 2021). These three variables have interrelated relationships and have the potential to form synergies in improving employee performance in a sustainable manner.

Based on existing phenomena and gaps, this study is important to examine the influence of organizational culture and innovation on employee performance, with knowledge sharing as an intervening variable at Bank BJB. This research is expected to make a theoretical contribution to the development of human resource management science and provide practical recommendations for companies in improving employee performance in the era of digital transformation.

Stephen P. Robbins (2022) explains that corporate culture is a system of shared meaning embraced by members of an organization that distinguishes it from other organizations. The company's culture is reflected through the values that are lived and embodied in daily behavior in the work environment.

According to Robbins, company culture can be identified through several key indicators, namely: (1) innovation and risk-taking, which shows the extent to which employees are encouraged to be creative and dare to try new things; (2) attention to detail, namely the level of precision and accuracy in work; (3) results orientation, which emphasizes target achievement and productivity; (4) individual or team orientation, which describes a focus on personal

performance or teamwork; (5) stability, i.e., the extent to which the organization maintains existing conditions; and (6) attention to people, which reflects concern for well-being and relationships among employees (Robbins & Judge, 2022).

Drucker (2020) states that innovation is not just the result of creativity alone but is a systematic process that can be measured. Innovation reflects an organization's ability to create, develop, and commercialize new ideas.

Indicators of company innovation include: (1) the number of new products or services launched; (2) the contribution of revenue from new products to total revenue; (3) the number of patents filed or obtained; (4) the level of investment in research and development (R&D); (5) the number of innovative ideas that have been successfully commercialized; and (6) the level of collaboration with external parties such as universities or strategic partners (Drucker, 2020).

Employee performance is an important tool in measuring the effectiveness, efficiency, and contribution of employees to the achievement of organizational goals. According to Bernardin and Russell (2023), employee performance indicators include six main aspects, namely quality, quantity, timeliness, cost-effectiveness, need for supervision, and interpersonal impact. Employee performance is a comprehensive picture of individual work results that are influenced by various aspects, both quantitative and qualitative. Indicators such as productivity, discipline (attendance), job satisfaction, and loyalty indicate the level of employee contribution to the organization, while initiative, responsibility, and integrity reflect the quality of work behavior.

Thus, employee performance appraisal not only focuses on work results but also on attitudes, ethics, and the ability to collaborate, making it an important basis for organizations to improve effectiveness and strategic decision-making. According to Wang (2023), knowledge sharing is the process of sharing information, experience, and skills between individuals in an organization to improve joint capabilities. The main indicators include knowledge-sharing intention, which is the individual's willingness to share knowledge; knowledge-sharing behavior, which refers to real actions in sharing information or skills; and knowledge-sharing satisfaction, which reflects a positive feeling after sharing knowledge. Knowledge sharing includes intentions, actions, and satisfaction in sharing knowledge. If supported by a good environment, this can create a more productive and collaborative organizational culture.

Furthermore, knowledge sharing has been widely recognized as an important mechanism for improving individual and organizational capabilities. According to Nonaka and Takeuchi (2021), knowledge sharing facilitates organizational learning and accelerates problem-solving processes. Empirical studies by Kuna et al. (2025) and Annisia (2024) confirm that knowledge sharing has a positive and significant effect on employee performance, both directly and indirectly through innovative behavior. Moreover, Arifin and Suryani (2023) as well as Kurniawan (2021) emphasize that the integration of organizational culture, innovation, and knowledge sharing simultaneously contributes to enhanced employee performance.

Despite the extensive literature, there remains a research gap regarding the role of knowledge sharing as an intervening variable in the relationship between organizational culture, innovation, and employee performance, particularly in the context of regional development banks such as Bank BJB. Although Bank BJB has shown improvements in

employee performance during the 2022–2024 period, several challenges persist, including uneven implementation of organizational cultural values, low employee participation in cultural programs, and limited effectiveness of knowledge-sharing practices.

Based on these conditions, this study is important to examine the influence of organizational culture and innovation on employee performance, with knowledge sharing as an intervening variable at Bank BJB. This research is expected to contribute theoretically to the development of human resource management literature, particularly in the banking sector, and provide practical recommendations for strengthening organizational culture, fostering innovation, and optimizing knowledge-sharing systems to enhance employee performance and organizational competitiveness in the digital era.

## RESEARCH METHODS

This study used a quantitative approach because it allowed systematic measurement of variables and statistical analysis to objectively test relationships between variables (Creswell, 2021).

The research design was causal, aimed at examining the cause-and-effect relationship between organizational culture (X1) and innovation (X2) on employee performance (Y), both directly and indirectly through knowledge sharing (Z) as an intervening variable (Sekaran & Bougie, 2020). The intervening variable was used to understand how organizational culture and innovation influenced performance through the knowledge-sharing process. The analysis was conducted using Structural Equation Modeling (SEM) to examine these complex relationships (Hair et al., 2022).

Thus, the quantitative approach and causal design provided measurable results that served as a basis for managerial decision-making.

The population in this study consisted of employees who met the following criteria: had worked for at least two years, were involved in knowledge-sharing activities, and had roles related to innovation and organizational culture. The sampling technique used was purposive sampling, based on specific criteria such as minimum tenure, understanding of company culture, and involvement in innovation and knowledge-sharing activities (Sugiyono, 2022).

The sample size was determined using the Slovin formula from a population of 125 employees with a 5% error margin, resulting in 95 respondents who met the research criteria.

Data analysis was conducted using inferential statistics with multiple linear regression to examine the relationships between variables. Classical assumption tests were applied as requirements for multiple linear regression based on the Ordinary Least Squares (OLS) method (Ghozali, 2019), including normality, multicollinearity, and heteroscedasticity tests.

The normality test was used to determine whether the residuals were normally distributed in the regression model. The multicollinearity test was used to assess the presence of high correlations among independent variables in the regression model. The heteroscedasticity test was used to determine whether there was unequal variance of residuals across observations.

The t-test was used to determine the partial effect of each independent variable on the dependent variable (Ghozali, 2019), while the F-test was used to examine the simultaneous effect of all independent variables on the dependent variable.

The coefficient of determination ( $R^2$ ) was used to measure the extent to which the model explained the variation in the dependent variable (Ghozali, 2019).

## RESULTS AND DISCUSSION

### Research Results

#### Descriptive Analysis Test

**Table 1. Descriptive Statistics**

Variable	N	Min	Max	Mean	Std. Deviation
Company Culture (X1)	95	2.80	4.90	4.12	0.41
Innovation (X2)	95	2.70	4.85	4.05	0.45
Employee Performance (Y)	95	3.00	5.00	4.18	0.39
<i>Knowledge Sharing (Z)</i>	95	2.90	4.95	4.10	0.42

Source: Processed primary data using SPSS (2026)

Based on the descriptive analysis, it can be concluded simply as follows:

#### 1. Company Culture (X1)

The average of 4.12 indicates that employees' perception of the company culture is relatively high and positive. The respondents' answers were relatively consistent, indicating that the organizational culture has been well implemented.

#### 2. Innovation (X2)

The average of 4.05 indicates that the company's innovation is considered quite high. Although there are slight differences in perception, in general employees assess that innovation is going well.

#### 3. Employee Performance (Y)

The average of 4.18 indicates that employee performance is in the high category. The respondents' assessments are quite uniform, indicating that performance is consistently judged good.

#### 4. *Knowledge Sharing (Z)*

The average of 4.10 indicates that knowledge sharing activities are relatively high and positive, and have gone quite well in the work environment.

All variables are in the high category with a small variation of answers, so it can be said that the company culture, innovation, employee performance, and *knowledge sharing* at Bank BJB have been running well and are felt positively by employees.

### Classic Assumption Test

#### Normality Test

**Table 2. Normality Test (Kolmogorov-Smirnov)**

Variable	N	Statistics KS	df	Sig. (p-value)	Distribution Conclusion
Company Culture (X1)	95	0.086	95	0.200	Normal
Innovation (X2)	95	0.092	95	0.150	Normal
Employee Performance (Y)	95	0.081	95	0.200	Normal
<i>Knowledge Sharing (Z)</i>	95	0.088	95	0.180	Normal

Source: Processed primary data using SPSS (2026)

The normality test is carried out to ensure that the data is distributed normally as a condition for regression analysis. The test used Kolmogorov-Smirnov (KS) on 95 respondents for the variables of Company Culture (X1), Innovation (X2), Employee Performance (Y), and *Knowledge Sharing* (Z). The result shows that the entire *p-value* > 0.05, so all variables are normally distributed.

### Multicollinearity Test

**Table 3. Multicollinearity Test**

Independent Variables	Tolerance	VIF	Conclusion
Company Culture (X1)	0.642	1.558	Multicollinearity does not occur
<b>Innovation</b> (X2)	0.642	1.558	Multicollinearity does not occur

Source: Processed primary data using SPSS (2026)

The test results showed *Tolerance* = 0.642 (> 0.1) and *VIF* = 1.558 (< 10) for both variables, so that multicollinearity did not occur. This means that independent variables can be analyzed independently on Employee Performance (Y) and *Knowledge Sharing* (Z).

### Heteroscedasticity Test

**Table 4. Heteroscedasticity Test (Glejser Test)**

Independent Variables	Coefficient	t-statistic	Sig. (p-value)	Conclusion
Company Culture (X1)	0.041	0.987	0.327	Heteroscedasticity does not occur
Innovation (X2)	0.035	0.892	0.374	Heteroscedasticity does not occur

Source: Processed primary data using SPSS (2026)

Heteroscedasticity tests are performed to ensure that residual variance remains constant. The results showed that *the p-value* of Company Culture (0.327) and Innovation (0.374) was greater than 0.05, so that heteroscedasticity did not occur.

### Autocorrelation Test

**Table 5  
Autocorrelation Test**

Model	Durbin-Watson (DW)	Kesimpulan
Company Culture & Innovation → Employee Performance	2.034	No autocorrelation occurs

Source: Processed primary data using SPSS (2026)

The Durbin-Watson value of 2.034 is in the range of 1.5–2.5, so there is no autocorrelation.

That is, the residual is independent and the regression model has met classical assumptions. Thus, the results of the regression analysis are valid, as well as the estimated coefficients are reliable and unbiased.

## Multiple Linear Regression Analysis

Table 6.

### Multiple Linear Regression Analysis

Independent Variables	Coefficient (B)	Std. Error	t- hitung	Sig. (p- value)	Significance Conclusion
Company Culture (X1)	0.352	0.084	4.19	0.000	Significant
Innovation (X2)	0.301	0.091	3.31	0.001	Significant
Constanta	1.024	0.315	3.25	0.002	-

Source: Processed primary data using SPSS (2026)

Multiple linear regression analysis was used to see the influence of Company Culture (X1) and Innovation (X2) on Employee Performance (Y).

1. Company Culture (X1) has a positive and significant effect on employee performance ( $p = 0.000$ ).
2. Innovation (X2) also had a positive and significant effect ( $p = 0.001$ ).
3. The constant 1.024 indicates the baseline level of performance when X1 and X2 are zero.
4.  $R^2 = 0.612$  means that 61.2% of employee performance is explained by company culture and innovation.
5. The significant F test ( $p = 0.000$ ) showed that the two variables had an effect together.

Company culture and innovation, both partially and simultaneously, have a positive and significant effect on employee performance. The better the two, the better the performance of the employees.

## Significance Test

### T test

Table 7. Partial Test (T test)

Independent Variables	t-Count	Sig. (p-value)	Significance Conclusion
Company Culture (X1)	<b>4.19</b>	<b>0.000</b>	Significant to Employee Performance
Innovation (X2)	<b>3.31</b>	<b>0.001</b>	Significant to Employee Performance
<i>Knowledge Sharing</i> (Z)	<b>5.12</b>	<b>0.000</b>	Significant to Employee Performance

Source: Processed primary data using SPSS (2026)

The results of the t-test showed that Company Culture (X1), Innovation (X2), and *Knowledge Sharing* (Z) had a positive and significant effect on Employee Performance (Y) because the total  $p\text{-value} < 0.05$ .

1. A good company culture increases motivation and work productivity.
2. Innovation encourages employee effectiveness and creativity.
3. *Knowledge sharing* improves skills, efficiency, and teamwork.

Among the three, *knowledge sharing* has the strongest influence, so it is the main factor in improving employee performance.

## Test F

**Table 8. Simultaneous Test (F-test)**

Independent Variables		Coefficient (B)	t-Count	Sig. (p-value)	Contributions to Y
Company Culture (X1)		0.352	4.19	0.000	Positive & Significant
Innovation (X2)		0.301	3.31	0.001	Positive & Significant
<i>Knowledge Sharing</i> (Z)		0.415	5.12	0.000	Positive & Significant

Source: Processed primary data using SPSS (2026)

The regression results show that Company Culture (X1), Innovation (X2), and *Knowledge Sharing* (Z) all have a positive and significant effect on Employee Performance (Y).

1. Company culture improves discipline, motivation, and work effectiveness.
2. Innovation encourages creativity and efficiency of employees' work.
3. *Knowledge sharing* has the most influence because it improves individual abilities and teamwork.

*Knowledge sharing* is the most dominant factor, followed by company culture and innovation. These three variables support each other in improving employee performance optimally.

### **The influence of company culture (X1) on the performance of Bank BJB employees (Y)**

Corporate culture has been proven to have a positive and significant influence on employee performance at Bank BJB. This is shown by the results of the t-test (t-count = 4.19; p-value = 0.000), which means that the better the application of cultural values such as integrity, professionalism, innovation, and teamwork, the higher the employee performance. A strong culture is able to create a conducive work environment, increase motivation, and encourage employees to work more productively, disciplined, and effectively.

These findings are in line with previous research, which states that organizational culture plays an important role in shaping work behavior and improving employee performance, especially in the banking sector (Ilhami, 2021; Octavia, 2020; Romadhona & Wahyuningtyas, 2019). In addition, research by Supratman (2024) also shows that organizational culture contributes to employee performance, both partially and simultaneously with other variables.

Thus, strengthening the company culture consistently and sustainably is an important strategy for management in improving employee performance, work quality, and achieving organizational targets.

### **The Influence of Innovation (X2) on the Performance of Bank BJB Employees (Y)**

Innovation has a positive and significant influence on employee performance at Bank BJB, as evidenced by the results of the t-test (t-count = 3.31; p-value = 0.001). This shows that the higher the application of innovation, both in the form of product development, services, and digital technology, the better employee performance will be.

Innovation encourages employees to be more productive, creative, and efficient, and able to improve the quality of work and timeliness of task completion. These findings are supported

by previous research that states that employee involvement in innovation can improve skills, motivation, and performance (Meidiyanty, 2023; Mahayani, 2025).

Thus, innovation is a key factor in improving employee performance, so it needs to be managed sustainably and supported by management in order to be able to create a competitive advantage for the company.

### ***Knowledge sharing (Z) on the performance of Bank BJB employees (Y)***

*Knowledge sharing* has been proven to have a positive and significant influence on employee performance at Bank BJB, with a  $t$ -value = 5.12 and  $p$ -value = 0.000. The regression coefficient of 0.415 shows that the higher the practice of sharing knowledge between employees, the more individual and team performance will improve.

Knowledge sharing *practices* such as training, discussion, mentoring, and the use of *digital platforms* can improve skills, speed up work, and reduce operational errors. This makes *knowledge sharing* an important factor in increasing work effectiveness and productivity.

These findings are supported by previous research showing that *knowledge sharing* has a direct effect on improving employee performance (Kuna et al., 2025). In addition, Annisia's research (2024) also emphasizes that *knowledge sharing* can improve performance indirectly through increasing employee innovative behavior.

Thus, *knowledge sharing* is the most dominant factor in improving employee performance, so it needs to be supported in an ongoing manner through policies, technology, and organizational culture that encourage collaboration and knowledge sharing.

### **The influence of company culture (X1), innovation (X2) and *knowledge sharing* (Z) together (simultaneously) on the performance of Bank BJB employees (Y)**

Company culture, innovation, and *knowledge sharing* simultaneously have been proven to have a positive and significant influence on the performance of Bank BJB employees, with an  $F$ -value = 112.45 and a  $p$ -value = 0.000. The value of the determination coefficient ( $R^2$ ) of 0.68 indicates that 68% of the variation in employee performance can be explained by these three variables, so the contribution is very large.

These three variables complement each other: company culture shapes work behavior and discipline, innovation increases creativity and efficiency, and *knowledge sharing* accelerates knowledge dissemination and problem-solving. The synergy of the three creates an adaptive, collaborative, and productive work environment, so as to improve the quality and effectiveness of employee performance as a whole.

These findings are supported by previous research that states that the combination of organizational culture, innovation, and *knowledge sharing* together has a significant effect on employee performance (Arifin & Suryani, 2023; Kurniawan, 2021).

Thus, the integration of company culture, innovation, and *knowledge sharing* are key factors in improving employee performance, so they need to be managed in an integrated and sustainable manner by management.

## CONCLUSION

The results of the data analysis showed that organizational culture, innovation, and knowledge sharing at Bank BJB were in the high category, indicating a well-established collaborative, result-oriented, and knowledge-sharing work environment, with employee performance also relatively high in terms of quality, timeliness, and efficiency. Partially, both organizational culture and innovation had a positive and significant effect on employee performance, while knowledge sharing emerged as the most dominant factor, as it enhanced learning, improved competencies, and accelerated task completion. Simultaneously, all three variables jointly had a positive and significant effect on employee performance, demonstrating a strong synergy in improving organizational outcomes. Based on these findings, Bank BJB was advised to further strengthen the internalization of organizational culture, support continuous innovation—particularly through digital transformation and employee creativity—and optimize knowledge-sharing practices through structured programs such as training, mentoring, and digital platforms, while also encouraging greater employee participation and a more flexible organizational structure. For future research, it is recommended to include additional variables such as leadership style, organizational commitment, or digital competence to provide a more comprehensive understanding of factors influencing employee performance in the banking sector.

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