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Factors that Influence Organizational Performance in Manufacturing Companies in Batam City

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ABSTRACT

With Organizational Culture, Motivation, Strategic Planning, Challenges, and Program Performance factors as mediation, the aim of this research is to uncover Organizational Performance problems in manufacturing companies located in Batam City. Participants in this research were workers at a manufacturing company in Batam City. Meanwhile, 359 respondents were obtained using Hair et al. (2006) sampling strategy in this study. To test variables, researchers can also use Smart PLS. The findings of this research make it clear that Motivation has a significant impact on Organizational Performance even though the path coefficient is rather high and the p-values show a relatively small influence. In addition, Strategic Planning improves Organizational Performance, but at a lower level. In addition, the challenges faced by companies have a very negative impact on performance, which emphasizes how important it is to manage obstacles well to reduce their negative impact.

Keywords: Challenges, Motivation, Organizational Culture, Organizational Performance, Program Performance, Strategic Planning.

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INTRODUCTION

Researchers (Wollah et al., 2020) state that well-managed organizations try to achieve their goals through clear vision and mission statements. It would be better if the company continues to develop and make progress. Increasing or maintaining benefits is one of the improvements a business wants to achieve. The corporate world is becoming more competitive, and must thrive in this environment. There are also variations in the impact of leadership in business. Developing and perfecting their leadership style is one way for the business world to work better and survive in a very tight competitive climate. According to (Mahmudi & Surjanti, 2020) Rapid progress in science and technology is an indication of the era of globalization.

This encourages the business world to increase production in order to compete in the global market. Increased productivity not only makes workers feel better about their work as individuals or as a group, but also motivates them to perform better. Among the many things that may be done to improve performance is human resource management.

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One economic sector that plays a very important role in the expansion of a country's economy is manufacturing. The manufacturing industry is the main sector in supporting the economy which is supported by other industrial sectors, so the manufacturing industry can be said to be a large industry both in terms of production volume and number of workers (Alden Nelson et al., 2023). Batam City is in the Riau Islands Province, which is along the international shipping route that connects Singapore and Malaysia. Batam City's favorable position makes it a key component in the country's continued expansion. Riau Islands' Gross Regional Domestic Income in 2021 will mainly come from Batam, with an increase in exports of 10.85% being the catalyst (Keho, 2017). Thus, Batam has a fairly large contribution to income in Indonesia, including in the manufacturing industrial sector. The performance of manufacturing companies in Batam cannot be separated from the contribution of their employees' performance. Where employee performance is influenced by various factors, both related to internal and external conditions of the Company (Nguyen et al., 2020). So a number of variables can influence how well a company performs in the manufacturing sector. These elements may come from outside the organization or from within.

In this research, we will examine how factors can influence Organizational Performance in manufacturing companies in Batam City. As well as strategies that can be implemented to improve Organizational Performance based on these factors. In operating a good manufacturing sector company, it must be proficient in managing the variables that influence Organizational Performance in the manufacturing sector and how to manage them effectively, further studies must be carried out. By understanding the factors that influence Organizational Performance, Batam City manufacturing companies are expected to be able to develop effective strategies to improve their performance and growth in a competitive market. So that the business world in the manufacturing sector can function well and advance a country's economic development.

To operate well, companies in the manufacturing sector must be adept at managing the variables that influence their performance. To find out the elements that influence organizational performance in the manufacturing sector and how to manage them effectively, further studies must be carried out. In this way, the business world in the manufacturing sector can function well and advance a country's economic development.

METHODS

Design in Research

The main method used in research is collecting primary data sources through online questionnaires. According to (Dianna, 2020) Quantitative research methods are a problem solving approach in research that uses numerical data and statistical analysis software. Proficiency in expressing these concepts in research proposals, demographic and sample reporting, research instruments, data collection techniques, and data analysis is essential. Researchers also use SmartPLS, (Chandra & Rodhiah, 2023) state that Partial Least Square, or PLS, is an alternative model to covariance-based SEM. This tool can be used to confirm theories and determine whether there is a relationship between latent variables, because there are mediating variables to make data processing easier.

Researchers (Sebayang, 2022) stated that simple linear regression analysis is another tool that researchers use to evaluate hypotheses. Simple linear regression analysis is one way to represent how the dependent and independent variables relate to one another. Regression analysis uses the independent variable to explain the dependent variable. In simple regression analysis, changes in variable X will always be followed by changes in variable Y because the connections between the variables are linear.

Making a statement that is relevant to the research focus and outlining the research objectives is the first stage. After that, the researchers produced 359 respondents from the population who

received the questionnaire via an online platform. The research objective of utilizing online questionnaires is to simplify data processing, speed up the research process, and enable effective and real-time data collection.

Population

The research population for Organizational Performance at PT Panasonic Industrial Devices Batam and PT EPSON Batam was selected based on 2024 Central Statistics Agency (BPS) data which emphasizes the importance of the Batam manufacturing sector for the Indonesian economy. Batam's manufacturing sector makes a significant contribution to Gross Regional Domestic Product (GRDP) and grows at a stable rate every year, according to BPS. These two companies, PT EPSON Batam and PT Panasonic Industrial Devices Batam, are significant players in the electronics sector and have a significant impact on the country's export performance. Although PT EPSON Batam is famous for its production of printers and high-tech optical devices, PT Panasonic Industrial Devices Batam is famous for its inventiveness and production of electronic components.

These two companies were selected for their economic contribution as well as the fact that they embody a number of significant operational and strategic aspects of the electronics manufacturing sector. According to BPS data for 2024, PT Panasonic Industrial Devices Batam and PT EPSON Batam have effectively combined cutting-edge technology and effective management techniques, resulting in increased productivity and competitiveness in the international market. Researchers can gain a deep understanding of how internal elements such as technological innovation, human resource management, and operational strategy impact company outcomes by analyzing the Organizational Performance of both organizations. It also helps in discovering best practices that can be used by other manufacturing companies to increase productivity and competitiveness.

Sample

Researchers used the method of Hair et al., (2006) as a tool for determining sample size in their research on manufacturing companies, taking into account the uncertainty surrounding the data or the number of people in the company studied. Researchers increased the number of respondents from 290 to 359 because the final results obtained were 359 respondents. By applying the calculation technique of Hair et al., (2006), namely 29 times the number of variables multiplied by a factor of 10. This methodology offers a reliable statistical basis for producing a fairly representative sample, even though the initial data regarding the company's workforce population is insufficient. To ensure the validity and correctness of analytical results, Hair et al., (2006) This technique serves as an important foundation for research design.

RESULTS AND DISCUSSION

Respondent Characteristics

Table 1. Respondent Demographics

Variable	Category	Amount	Percentage
Gender	Male	209	58%
	Female	150	42%
Age	20 - 30 Years	237	66%
	31 - 40 Years	70	19%
	41 - 50 Years	52	14%
	Over 50 Years	0	0%

Education	SMA	247	69%
	Sarjana	107	30%
	Magister	5	1%
Type of Company	Manufacturing	359	100%
Long Time Working	6 Month - 1 Years	133	37%
	1 Years – 3 Years	204	57%
	3 Years - 6 Years	22	6%

Source: data processed by researchers

Based on the response statistics above, there are 150 female employees and 209 male employees (58%) in manufacturing companies. The results from employee responses have been extraordinary. Additionally, the average of workers in the last 20 to 30 years is higher than 237 by percentage level (66%). The highest education data for high school respondents was 247 respondents with a percentage (69%), and the results for Bachelor respondents were also high, namely 107 respondents with a percentage (30%) compared to Masters respondents and other employees who worked longer from 1 year to 3 years, 204 respondents. more (57%), and 133 fewer respondents from 6 Months to 1 Year, by 37%.

To enable a more accurate generalization of the findings to the entire population, this sample is considered to accurately reflect the various traits and dynamics that may exist in the entire manufacturing workforce in Batam City. As a result, the number of workers in the manufacturing sector of Batam City is very relevant to the research objective, namely to evaluate organizational performance in an industrial environment.

Measurement Model Testing (Outer Model)

Based on research from (Oktavia et al., 2021) The measurement model, also known as an external link or measurement model, defines each indicator block based on its latent variables. The measurement model is used to evaluate the validity and reliability of the model. To specifically verify the relationship between latent variables and indicators, the measurement model (outer model) was tested for discriminant validity, convergent validity and reliability. SmartPLS software facilitates measurement model computation.

The extent to which each indicator reflects the variable being measured is determined by convergent validity. To achieve this, verify the loading value of each indicator on the variable being measured. In general, convergent validity is considered quite good, meaning that the indicator reflects the variable accurately, if the indicator loading value on the variable is 0.50 or higher. Validity is said to be high if the loading value is 0.70 or higher, which indicates that the indicator consistently and strongly reflects the variable being assessed. A loading value of 0.60 or less indicates moderate validity (Revaliana, 2019)**.** Research theory states that when evaluating discriminant validity in the context of validity testing constructs in social research using the Partial Least Squares structural equation modeling (PLS-SEM) method, the square root value of each variable's Average Variance Extracted (AVE) is compared with the relationship between that variable and other variables in the model (Henseler et al., 2022)**.**

Research on the application of the Partial Least Squares Structural Equation Modeling (PLS-SEM) method in measuring construct validity and reliability in business and management research (Magno et al., 2022) identifies two methods to measure construct reliability: composite reliability and Cronbach's Alpha. The construct is deemed reliable if both Cronbach's Alpha and Composite Reliability values are higher than 0.70.

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Researchers have tested the results of respondents' questionnaire variable data processed in the SmartPLS application. The data consists of outer loadings, AVE, Cronbach's Alpha and Composite Reliability values which can be seen in table 2. below:

Table 1. Outer Loading, AVE, Cronnbach's Alpha and Composite Reliability

Variabel	Indikator	Outer Loading	AVE	Cronbach's Alpha	Composite Realibility
Organizational Culture	OC1	**0,715**	**0,569**	**0,810**	**0,868**
	OC2	**0,698**			
	OC3	**0,791**			
	OC4	**0,733**			
	OC5	**0,827**			
Motivation	M1	**0,623**	**0,645**	**0,853**	**0,899**
	M2	**0,664**			
	M3	**0,895**			
	M4	**0,885**			
	M5	**0,900**			
Startegic Planning	SP1	**0,687**	**0,547**	**0,791**	**0,857**
	SP2	**0,673**			
	SP3	**0,763**			
	SP4	**0,807**			
	SP5	**0,758**			
Challenges	C1	**0,640**	**0,546**	**0,789**	**0,857**
	C2	**0,751**			
	C3	**0,774**			
	C4	**0,689**			
	C5	**0,826**			
Program Performance	PP1	**0,781**	**0,575**	**0,814**	**0,871**
	PP2	**0,714**			
	PP3	**0,687**			
	PP4	**0,794**			
	PP5	**0,806**			
Organizational Performance	OP1	**0,842**	**0,636**	**0,804**	**0,873**
	OP2	**0,869**			
	OP3	**0,815**			
	OP4	**0,644**			

Source: data processed by researchers

All indicator statements have an Outer Loading value, as shown in table 2 above. This means that all indicator statements are valid if the value is more than 0.6. However, if the Outer Loading value is between 0.5 and 0.6, then it is sufficient. Several indicators in the table above have an external load of 0.6. Then the discriminative validity test stage can be continued for indicators that are already valid. Apart from that, from the table above, it can be seen that all indicators have AVE values above 0.5, which means they are valid. Furthermore, the Cronbach's Alpha, Composite Reliability and Composite Realibility indicators have almost the same final values. And it is said to be valid because it has values of 0.7 and 0.8.

Table 2. Discriminant Validity of AVE

	C	M	OC	OP	PP	SP
Challenges	0,739					
Motivation	0,779	0,803				
Organizational Culture	0,784	0,660	0,754			
Organizational Performance	0,695	0,663	0,700	0,797		

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Program Performance	0,809	0,740	0,796	0,905	0,758	
Strategic Planning	0,825	0,618	0,817	0,683	0,760	0,739

Source: data processed by researchers

In table 3 above, it can be shown that the AVE root value for each variable in the form of Organizational Culture, Motivation, Strategic Planning, Challenges, Program Performance, and Organizational Performance has its own correlation value. There are two variables that do not meet the criteria, namely Program Performance. This is proven by the high AVE Program Performance value (0.809) and negative correlation with Organizational Performance (0.700).

Structural Model Testing

The structural assessment model uses the R square and t and significance tests. With the R Square value, the independent variable's capacity to explain the dependent variable is assessed. The following Table 4 displays the expected R Square value:

Table 4. R Square

	R Square	
Organizational Performance	0,826	0,823
Program Performance	0,747	0,744

Source: data processed by researchers

Organizational Performance and Program Performance were the only variables considered, according to the results of R Square data processing. Organizational Performance's R Square values are 0.747 and 0.744, but Program Performance's are 0.826 and 0.823. The choice to only include these two variables may stem from an emphasis on the key variables that are seen to have the greatest influence on how well an organization performs. The high R Square value offers a better understanding of the relationship between the two in the context of the analysis carried out, indicating that the variables Organizational Performance and Program Performance probably explain most of the variation in Organizational Performance.

Analysis of Direct Influence and Indirect Influence (Mediation)

By examining mediator factors, the research process known as "analysis of direct and indirect influences," or "mediation," aims to understand the relationship between independent and dependent variables. In the meantime, the effect of the independent variable on the dependent variable that is explained by the mediator variable is referred to as indirect influence, or mediation. Direct influence occurs when the independent and dependent variables exhibit a direct correlation with one another.

In research conducted (Fitria & Linda, 2020), the relationship between employee performance (dependent variable), organizational commitment (mediator variable), and job satisfaction (independent variable) was examined within a banking framework using mediation analysis. The findings of their analysis indicate that organizational commitment plays an important role in influencing employee outcomes in organizations by mediating the relationship between job satisfaction and employee performance.

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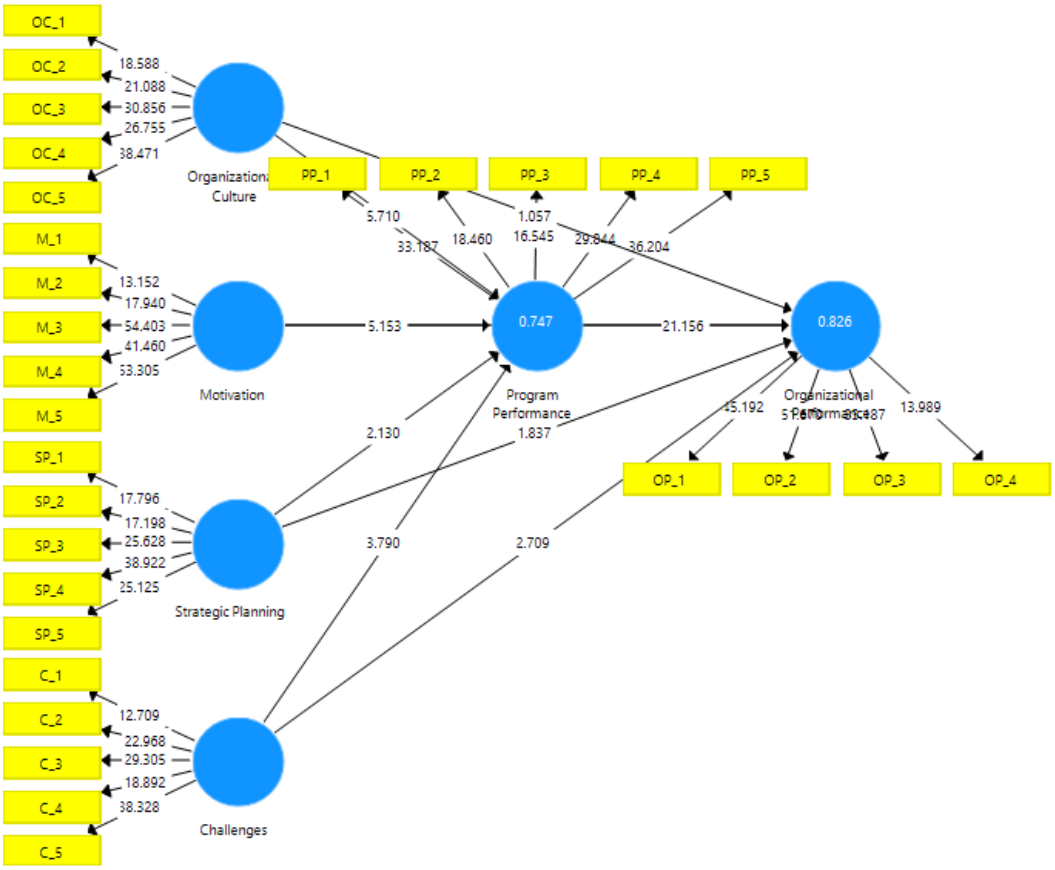

Figure 4. 1 Structural Model
Source: data processed by researchers

Table 3. Result of Path Coefficient and Indirect Effect

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values	Results
C -> OP	-0,167	-0,170	0,062	2,709	**0,007**	**Accepted**
M -> OP	0,049	0,048	0,042	1,173	**0,241**	**Unaccepted**
OC -> OP	-0,053	-0,055	0,050	1,057	**0,291**	**Unaccepted**
PP -> OP	0,977	0,981	0,046	21,156	**0,000**	**Accepted**
SP -> OP	0,091	0,092	0,050	1,837	**0,067**	**Unaccepted**
C -> PP -> OP	0,243	0,250	0,068	3,595	**0,000**	**Accepted**
M -> PP -> OP	0,240	0,238	0,047	5,100	**0,000**	**Accepted**

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OC -> PP -> OP	->	0,322	0,322	0,059	5,487	**0,000**	**Accepted**
SP -> PP -> OP	->	0,131	0,130	0,062	2,132	**0,033**	**Accepted**

Source: data processed by researchers

Influence Organizational Culture on Organizational Performance

The t statistic is 1.057, the sample mean is -0.055, the standard deviation is 0.050, the original sample path coefficient is -0.053, and the p value is 0.291, all of which show that there is no significant relationship between OC and OP. In the context of this study, these results imply that OC has no discernible direct affect on OP. Research by (Akpa et al., 2021) supports this which shows that other factors, such as organizational strategy and external market conditions, often impact the relationship between OC and performance. They emphasize that although OC is important, performance may not always reflect its direct influence if mediating or moderating elements are not considered.

Additionally, OC can function more as a contributing element than a direct predictor of organizational success, according to research conducted (Joseph & Kibera, 2019) that further validates this conclusion. They found that although a strong culture can increase the effectiveness of management methods and help an organization adapt to changes in the business environment, its impact on performance may not be immediately felt. To achieve optimal performance, the business world must adopt a comprehensive approach that includes management strategy, environmental adaptation and culture.

Influence Motivation on Organizational Performance

In table 5, the original sample path coefficient is 0.049, the sample mean is 0.048, the standard deviation is 0.042, the t-statistic is 1.173, and the p-values are 0.241, if analyzed to test the influence of the variable M on OP, it shows that the influence of M on OP in this research is not significant. A low route coefficient value indicates that M has very little influence on OP. In addition, this relationship is not statistically significant according to the t-statistic which is smaller than 1.96 and the p value is greater than 0.05. This shows that in the context of this research, M is not the main factor influencing organizational effectiveness.

Supervisors need to ensure changes in the way employees behave at work and conduct a thorough review of employee motivation. The degree of job satisfaction among employees will decrease if work motivation is ignored (Asri & Moderin, 2024). The importance of other variables in influencing OP according to research by (Kroon et al., 2017) shows that the impact of transformational leadership on OP is greater than individual motivation. Furthermore, research by (OBENG et al., 2020) shows how other factors, such as organizational climate and management support, often change the relationship between motivation and organizational success.

According to their research, environments that encourage employee engagement and receive strong support from management may have a greater impact on improving organizational performance. Consequently, managers must adopt comprehensive strategies that consider elements other than employee motivation, such as management support, organizational culture, and leadership, to improve OP.

Influence Strategic Planning on Organizational Performance

With the original sample path coefficient of 0.091, sample mean of 0.092, standard deviation of 0.050, t-statistic of 1.837, and p-values of 0.067, table 4.5's analysis of the SP variable's impact on OP indicates that, while not yet statistically significant at the 95% confidence level, the effect is approaching significance. The probability of a substantial effect is indicated by a T-statistic value

of 1.96, however the finding is not significant at conventional levels of confidence if the p-value is just above 0.05. This indicates that while there are indications that SP can enhance organizational performance, this assertion lacks sufficient statistical backing in our investigation.

Research studies by (Alosani et al., 2020) found that, compared to companies that did not implement SP, companies that successfully implemented SP showed greater performance benefits. Organizations can allocate resources more effectively, set long-term goals, and adapt to changes in the external environment with the help of SP. These findings suggest that although this study lacks substantial statistical significance, the literature as a whole continues to emphasize the value of SP to OP.

The structure provided by SP helps businesses recognize opportunities and risks and develop superior responses to changing market conditions (George et al., 2019) Another study by (Zhang et al., 2023) shows that, especially in the face of technological progress and economic instability, good implementation of SP is positively related to organizational success. Consequently, recent research emphasizes the importance of SP as a tool that has great potential to increase OP, although research results show that its effect is not yet statistically significant.

Influence Challenges on Organizational Performance

Analysis of the challenge variable's effect on OP reveals a significant negative correlation between the organization's performance and the challenges it faces, as indicated by the original sample path coefficient of -0.167, sample mean of -0.170, standard deviation of 0.062, t-statistic of 2.709, and p value of 0.007. As the resistance rises, OP falls, according to the negative coefficient value (-0.167). The very modest p value (less than 0.05) and high t-statistic value (more than 1.96), both of which imply that this impact is statistically significant at the 95% confidence level.

Employee Engagement is essential for organizations to remain active and contribute to their success. Actively engaged workers usually place more importance on their own achievements than on the progress of the group. The implementation of knowledge management in organizations is also predicted to have a positive effect on employee engagement, so that it will positively improve organizational performance (Asri & Anggraini, 2022).

Organizations that face tough obstacles, including rapid market changes, technology issues, and stringent laws, are likely to perform worse. These difficulties can disrupt daily operations, delay decision making, and drain resources, all of which have a detrimental impact on organizational effectiveness. To overcome this problem, this research highlights the importance of efficient risk mitigation and adaptation measures, study by (Vashishth et al., 2024).

Influence Performance Programs on Organizational Performance

With an original sample path coefficient of 0.977, a sample mean of 0.981, a standard deviation of 0.046, a t-statistic of 21.156, and a p value of 0.000, analysis of the influence of the PP variable on OP shows a very strong and significant influence. relationship between PP and OP The increase in PP is almost proportional to the increase in OP, this is shown by the coefficient value of 0.977 which is very close to 1. This effect is statistically significant at the 95% confidence level as indicated by the high t-statistical value (much greater than 1.96) and a very small p value (less than 0.05).

According to theory (Brown et al., 2019) found a direct correlation between increased OP and well-managed PP, which includes thorough planning, effective implementation, and continuous review. In addition to achieving its specific objectives, successful programs improve an organization's general operations by increasing stakeholder satisfaction, effectiveness, and efficiency.

High PP can improve OP's fundamental competence, enabling him to respond more quickly and effectively to market demands and adapt to changes in the external environment. The importance of efficient program management as an important component of a more comprehensive

organizational strategy is emphasized in this research (Salisu & Abu Bakar, 2020) In addition, research by (Yuniati et al., 2021) shows how successful programs can increase employee engagement and motivation, thereby improving overall company performance. Therefore, management that prioritizes improving PP can have a large positive effect on overall business performance.

Influence Motivation on Organizational Performance is mediated by the Performance Program

In table 4.5, the results of the indirect effect show that M, PP, and ultimately OP have a significant positive relationship. These results are supported by an original sample value of 0.240, a sample mean of 0.238, a standard deviation of 0.047, a t-statistic of 5.100, and a p-value of 0.000. Through OP, M has a large indirect influence on OP as indicated by a significant indirect influence value.

Theoretical research from (Akerele, 2023) found that PP is positively influenced by employee motivation, and that increasing PP ultimately leads to increasing OP. This study emphasizes how important it is to manage employee motivation effectively to achieve the best results for the success of programs and organizations. Other research such as that conducted by (KALOGIANNIDIS, 2021) found that high motivation can increase worker commitment to company goals, productivity and output quality, all of which have a direct impact on the success of programs and organizations.

The importance of mediating elements in the relationship between OP and M, such as PP. They found that the effectiveness of a program can serve as a strong link between employee motivation and the company's general goals. Therefore, to improve overall OP, companies must consider not only employee M levels but also how this M can be channeled efficiently through supporting programs.

Influence Organizational Culture on Organizational Performance is mediated by the Performance Program

In table 5, significance is found in investigating the relationship between OC and OP, which is mediated by PP. The results of the indirect effect show that OC, PP, and ultimately OP have a strong positive relationship. These results are supported by an original sample value of 0.322, a sample mean of 0.322, a standard deviation of 0.059, a t-statistic of 5.487, and a p-value of 0.000. OC has a large indirect influence on OP through PP as indicated by a significant indirect influence value.

Research from (Abawa & Obse, 2024) found that OC that supports collaboration, innovation and diversity has a significant positive impact on PP and OP as a whole. This research emphasizes the importance of strengthening OC in line with organizational goals and values to achieve optimal results. According to (Akpa et al., 2021) cultivating an inclusive workplace culture and encouraging staff development can increase the overall effectiveness of programs and OPs.

As a mediator between OC and OP, PP plays an important role. They found that in bridging OC and desired goals such as customer satisfaction, operational efficiency, and organizational sustainability, program performance can be a powerful mediator. Therefore, apart from focusing on OC development, companies also need to consider how the culture is reflected in and influences program performance, which ultimately affects OC as a whole.

Influence Strategic Planning on Organizational Performance is mediated by Program Performance

For this indicator, in table 4.5, the indirect effect value in the original sample is 0.048, indicating that PP, one of the SP components, has a significant impact on OP. Research found from theory (KORNELIUS et al., 2021) about how PP acts as a bridge between SP and OP. These results

provide a strong basis for the development of more effective program strategies to increase the impact of SP on OP, although the route coefficient value is rather low. Emphasizing how program success strengthens the link between projected outcomes and organizational strategy is critical.

In addition, research (George et al., 2019) provides a more holistic perspective on the importance of realizing how PP and SP interact to achieve company goals. The results of the analysis, which show a nearly high T statistical value (2.132) and a relatively low P value (0.033), indicate a trend towards significance in this relationship, but it is not very strong. This prompted deeper investigation and the development of a more robust program approach. The research results show that the sample mean value is in the range of indirect impact values (0.130) and the standard deviation is low (0.062). These results illustrate the consistency and stability of the data, thereby strengthening the validity of the analysis conclusions.

Therefore, although the analysis results show very small impacts, a better understanding of the relationship between PP, OP, and SP can help companies modify their strategies to more successfully achieve their desired goals. The business world is asked to increase PP as a mediator and increase synergy between SP and program implementation to achieve more optimal results.

Influence Challenges on Organizational Performance is mediated by Program Performance
The indirect effect value in table 4.5 shows that the original sample is 0.243, providing an important picture of how PP acts as a mediating factor between obstacles and OP. These results suggest that OPs are highly impacted by the problems they face, and that PPs are critical to mitigating the negative impact of these challenges and improving overall performance. The importance of PP as a useful mediator in resolving organizational problems and improving overall performance is highlighted by research conducted by (Hussainy, 2020) The findings of this research serve as a foundation for creating program strategies that can better address and overcome the various obstacles organizations face.

The indirect effect results indicate a strong positive correlation between PP, the difficulties encountered, and, eventually, OP. The initial sample value of 0.243, the sample mean of 0.250, the standard deviation of 0.068, the t-statistic of 3.595, and the p-value of 0.000 are among these parameters. The significant t-statistic value (greater than 1.96) and very small p-value (less than 0.05) show that this effect is statistically significant at the 95% confidence level, but the indirect effect value is somewhat below average. These results provide a strong indication that challenges do have a significant influence on OP through PP, this is in line with related research findings which highlight the important role of PP as a mediator in facing organizational challenges and significantly improving performance results.

CONCLUSION

A number of important conclusions regarding the impact of various factors on organizational success can be drawn from the research that has been conducted. After conducting research and testing it can produce several conclusions that there is a relationship between Organizational Culture, Motivation, Strategic Planning, Challenges, and Program Performance as mediation of Organizational Performance in Manufacturing Companies in Batam City.

a) The first hypothesis is that the Organizational Culture variable on Organizational Performance has an original sample value of -0.053, a sample mean of -0.055, a standard deviation of 0.050, a t statistic of 1.057, and a p value of 0.291 indicating that the influence of OC on OP is not significant (Joseph & Kibera, 2019).
b) The second hypothesis is that the Motivation variable on Organizational Performance has an original sample value of 0.049, a sample mean of 0.048, a standard deviation of 0.042, a t-statistic of 1.173, and a p-value of 0.241, if analyzed to test the influence of the M variable on OP, shows that the effect of M on OP in this study is not significant (OBENG et al., 2020).

c) The third hypothesis is that the Strategic Planning variable on Organizational Performance has an original sample value of 0.091, a sample mean of 0.092, a standard deviation of 0.050, a t-statistic of 1.837, and a p-value of 0.067, so analyze the influence of the SP variable on OP in table 4.5 shows that the effect is getting closer to significance but is not yet statistically significant at the 95% confidence level (Alosani et al., 2020).
d) The fourth hypothesis is that the Challenges variable on Organizational Performance has an original sample value of -0.167, a sample mean of -0.170, a standard deviation of 0.062, a t-statistic of 2.709, and a p value of 0.007, analysis of the impact of the challenge variable on OP shows that there is a relationship significant negative relationship between C faced by OP (Sumanti, 2018).
e) The fifth hypothesis is that the Program Performance variable on Organizational Performance has an original sample value of 0.977, a sample mean of 0.981, a standard deviation of 0.046, a t-statistic of 21.156, and a p value of 0.000. Analysis of the influence of the PP variable on OP shows a very strong influence. strong and significant (Kennerley & Neely, 2003).
f) The sixth hypothesis is that the Motivation variable on Organizational Performance is mediated by the Performance Program. The results of the indirect effect show that M, PP, and ultimately OP have a significant positive relationship. These results are supported by an original sample value of 0.240, a sample mean of 0.238, a standard deviation of 0.047, a t-statistic of 5.100, and a p-value of 0.000 (Akerele, 2023).
g) The seventh hypothesis is that the Organizational Culture variable on Organizational Performance is mediated by Program Performance. The results of the indirect influence show that OC, PP, and ultimately OP have a strong positive relationship. These results are supported by an original sample value of 0.322, a sample mean of 0.322, a standard deviation of 0.059, a t-statistic of 5.487, and a p-value of 0.000 (Jigjiddorj et al., 2021).
h) The eighth hypothesis is that the Strategic Planning variable on Organizational Performance is mediated by Program Performance which shows a T statistical value that is almost high (2.132) and a relatively low P value (0.033), indicating that there is a tendency for significance in this relationship, but not too strong. The research results show that the sample mean value is in the range of indirect impact values (0.130) and the standard deviation is low (0.062) (George et al., 2019)
i) The ninth hypothesis, namely that the Challenges variable on Organizational Performance is mediated by Program Performance, has an original sample value of 0.243, a sample mean of 0.250, a standard deviation of 0.068, a t-statistic of 3.595, and a p-value of 0.000. The t-statistic value is significant (more than 1.96) and the p value is very small (less than 0.05) (Campo et al., 2021), (Sulistyo et al., 2023).

To reduce the negative impact of problems on Organizational Performance, companies must also be ready to face these problems directly through creative and adaptable solutions. It is also important to focus on managing Program Performance well in order to encourage optimal organizational performance, considering that program performance acts as a mediator between other factors and Organizational Performance.

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