Published by Management Department, Faculty of Economics and Business, Kuningan University

Indonesian Journal of Strategic Management

Journal homepage – https://ijsm.uniku.ac.id/pub/index



Synergy of Interpersonal Intelligence and Organizational Culture in Improving Employee Performance in the Retail Industry in Bandung

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ARTICLE INFO

Keywords:
interpersonal intelligence, organizational culture, employee performance, Factory Outlet, retail industry.

JEL Classification: M12; M51

ABSTRACT

This study aims to analyze the influence of interpersonal intelligence and organizational culture on employee performance at Factory Outlets in Bandung City. The phenomenon of decreasing number of visitors at several Factory Outlets indicates a challenge in service quality that is suspected to be related to human resource aspects. This study uses a quantitative approach with an explanatory method. Data were collected through questionnaires distributed to 137 respondents from four Factory Outlets, then analyzed using multiple linear regression. The results of the analysis indicate that interpersonal intelligence and organizational culture have a significant influence simultaneously and partially on employee performance. The significance value of the F-test is 0.000 with an F count of 1601.703, while the results of the t-test show a t count value for interpersonal intelligence of 19.319 and organizational culture of 25.939, both of which far exceed the t table. Organizational culture has a dominant influence compared to interpersonal intelligence, but both complement each other in shaping effective work behavior. These findings emphasize the importance of strengthening interpersonal intelligence such as empathy, communication, and teamwork and developing an organizational culture that emphasizes the values of discipline, adaptability, and participatory leadership. The resulting managerial implications include strengthening soft skills training, integrating values into recruitment and performance evaluation, and establishing a consistent work culture as a strategy to increase business competitiveness. This research provides a strategic contribution to human resource management in the customer service-based retail industry.

Introduction

Micro, Small, and Medium Enterprises (MSMEs) play a vital role in Indonesia's economic structure, contributing more than 60% to the national Gross Domestic Product (GDP) and absorbing almost the entire domestic workforce. Not only do MSMEs contribute economically, they also contribute to equitable prosperity and poverty alleviation through job creation and increased purchasing power. Bandung, as one of the centers of creative economic growth in Indonesia, reflects the dynamics of a very active MSME, particularly in the culinary, fashion, handicraft, and service sectors. According to data from the Bandung City Cooperatives and Small Enterprises Office (2022), there are more than 460,000 active MSME units, with an annual turnover

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reaching IDR 1.3 trillion. This success underscores the strategic role of MSMEs, including Factory Outlets, in supporting the regional economy.

The increasing contribution of MSMEs to Bandung City's Gross Regional Domestic Product (GRDP) is concrete evidence of the substantial economic added value of this sector. Statistics Indonesia (BPS) data from 2025 shows that the tertiary sector, particularly wholesale and retail trade, has consistently contributed more than 25% to Bandung City's total GRDP over the past three years. This reflects the city's economic transformation, which is increasingly reliant on the services and trade sectors as key pillars of growth. This sector encompasses a variety of activities such as modern retail, food and beverage services, banking, and transportation. However, this dynamic economic growth is not without challenges. An anomaly was identified in the fashion retail sub-sector, specifically Factory Outlets, which actually showed a downward trend in performance based on visitor data. Four factory outlets in Bandung – Cargo, Blossom, Episode Fashion House, and Merdeka Arcade – experienced a significant decline in visitor numbers between 2023 and 2024. Episode Fashion House, for example, saw a decline from 110,003 to 73,218 visitors, while Cargo Factory Outlet saw a decline from 58,171 to 41,713 visitors. This sector is a key driver of shopping tourism in Bandung. This disparity indicates internal organizational issues that impact service quality and the customer shopping experience. One suspected contributing factor is declining employee performance, particularly in terms of customer service and interaction.

Employee performance in the retail industry is heavily influenced by psychological aspects and the work culture within the organization. Interpersonal intelligence, which encompasses emotional, intellectual, and spiritual intelligence, is a key determinant of employee competence and effectiveness. A study by Juniarti et al. (2021) showed that emotional intelligence has a direct influence on employee competence of 32.95% and performance of 15.88%. This finding is supported by research by Ahmed et al. (2024), which confirms that emotional intelligence plays a crucial role in improving service quality in the service and retail sectors. Employees who are able to manage their emotions and interact empathetically are more likely to build positive relationships with customers, ultimately increasing customer satisfaction and loyalty. However, interpersonal intelligence alone is insufficient without the support of a strong organizational culture. Organizational culture creates a framework of values and behaviors that serve as a reference for working, interacting, and innovating. Research by Adhika et al. (2022) concluded that an inclusive and collaborative organizational culture can improve employee performance by increasing motivation, a sense of belonging, and teamwork. In the context of the retail industry, such as Factory Outlet, a work culture that emphasizes excellent service, openness to change, and appreciation for individual performance can be a catalyst for increased productivity. Furthermore, a culture that supports innovation and active employee participation contributes to creating a dynamic work environment that adapts to market trends (Rahmayanti & Johan, 2024).

In the era of digitalization and increasingly competitive business, employees' ability to provide superior service is essential. The decline in visitor numbers at Factory Outlets in Bandung not only reflects external issues but also indicates the need for internal improvements, particularly in human resources and work culture. Therefore, this study focuses on analyzing the influence of interpersonal intelligence and organizational culture on employee performance in the Factory Outlet sector in Bandung City. The results are expected to provide strategic input for retail business owners and managers, in an effort to improve organizational effectiveness and business sustainability amidst constantly changing economic challenges.

Literature Review

The Relationship Between Interpersonal Intelligence and Employee Performance

Previous research has provided a strong theoretical foundation regarding the relationship between interpersonal intelligence, organizational culture, and employee performance. Juniarti et al. (2021) found that emotional intelligence contributed 32.95% to improving employee competency and 15.88% to performance, while intellectual intelligence also showed a positive influence of 22.49%. These results indicate that interpersonal skills, particularly in understanding and managing emotions, are important factors in increasing work productivity. Furthermore, Lee and Kusumah (2020) emphasized that emotional and intellectual intelligence play a significant role in increasing work motivation and creating effective social interactions in the workplace. In the context of organizational culture, Adhika et al. (2022) revealed that a strong and positive work culture can increase employee engagement and motivation, which has a direct impact on improving individual and team performance. This is reinforced by research by Sihombing (2024), which shows that an inclusive and collaborative organizational culture can encourage job satisfaction and employee loyalty, creating a work environment conducive to the development of interpersonal skills. Meanwhile, research by Ahmed et al. (2024), which focused on the service and retail sectors, confirmed that emotional intelligence plays a role in helping employees cope with work pressure and improving the quality of customer service. These findings collectively emphasize that strengthening interpersonal intelligence and establishing a

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supportive organizational culture are relevant and crucial strategies for improving employee performance, particularly in retail sectors such as Factory Outlets, which rely heavily on direct interaction with consumers.
Hypothesis 1: Interpersonal intelligence influences employee performance

The Relationship Between Organizational Culture and Employee Performance

Several previous studies have consistently shown that organizational culture plays a strategic role in improving employee performance in various sectors, including the retail industry. Adhika et al. (2022) revealed that a strong organizational culture contributes significantly to creating a supportive work environment, which ultimately impacts employee motivation and performance. A work culture that prioritizes the values of togetherness and responsibility can encourage active employee involvement in achieving organizational goals. Similarly, Sihombing (2024) emphasized the importance of an inclusive and collaborative organizational culture in increasing loyalty and job satisfaction. Employees who feel valued and have space to participate tend to consistently demonstrate better performance. Furthermore, Mohsin (2022) demonstrated that an innovative organizational culture strengthens work effectiveness by increasing employee adaptability to market changes and customer needs. Research by Sari & Utomo (2021) also adds that an organizational culture that emphasizes discipline and accountability has a positive impact on productivity and work efficiency, especially in the service and trade sectors. When organizational cultural values are internalized by employees, they not only comply with regulations but also develop a sense of collective responsibility in carrying out their duties. On the other hand, according to Gunawan (2020), a weak organizational culture characterized by ineffective communication and a lack of a shared vision contributes to low performance and increased employee turnover. Therefore, these five studies emphasize that organizational culture is not merely symbolic or decorative, but rather a system of values and norms that shape work attitudes, increase employee emotional attachment to the institution, and strengthen the organization's overall sustainability and performance. In the context of Factory Outlets in Bandung City, strengthening organizational culture is crucial to address performance challenges and declining customer appeal.

H2: Organizational culture influences employee performance

The Relationship Between Interpersonal Intelligence and Organizational Culture with Employee Performance

Based on the review in the appendix, several previous studies have shown that the combination of interpersonal intelligence and organizational culture simultaneously has a significant impact on improving employee performance. Research conducted by Ramdhani and Hidayat (2021) states that interpersonal intelligence, particularly in the areas of empathy and communication skills, has a strong influence on employee work effectiveness when supported by a conducive work environment and an adaptive organizational culture. A similar finding was expressed by Wahyuni (2022), who found that the influence of interpersonal intelligence on performance will be more optimal if organizational cultural values such as openness, appreciation for performance, and teamwork are consistently instilled. In another study, Pramudita and Salsabila (2023) showed that employees with strong interpersonal skills but who are in a rigid and bureaucratic organizational culture tend to experience performance stagnation, highlighting the importance of synergy between these two factors. Furthermore, research by Zulfa et al. (2021) shows that an organizational culture that prioritizes collaboration and open communication can enhance the utilization of employees' interpersonal intelligence in resolving conflicts and increasing team productivity. Meanwhile, Hanafiah and Malik (2020) emphasize that organizations that foster a values-based work culture and provide space for the development of employees' social competencies are more likely to achieve optimal performance on a sustainable basis. Therefore, the integration of interpersonal intelligence and organizational culture has been shown to not only impact employees individually but also collectively on organizational performance and competitiveness, including in the retail sector, such as Factory Outlets in Bandung.

H3: Interpersonal intelligence and organizational culture influence employee performance

Methodology

This study uses a quantitative method with an explanatory approach, which aims to examine the influence of two independent variables, namely interpersonal intelligence and organizational culture, on the dependent variable, namely employee performance at Factory Outlets in Bandung City. This approach allows

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researchers to identify and measure the causal relationship between the variables studied objectively and systematically (Sugiyono, 2022). The data analysis technique used in this study is multiple linear regression, which is used to determine the simultaneous and partial effects of the independent variables on the dependent variable. Primary data were collected by distributing questionnaires to 137 respondents who were employees of four Factory Outlets: Cargo, Blossom, Episode, and Merdeka Arcade. Data processing was carried out using statistical software to obtain the results of the t-test and F-test. The operationalization of the variables covers the main dimensions of each concept, such as empathy, social communication, cooperation, conflict management, and social leadership for interpersonal intelligence, and core values, discipline, adaptation, and organizational leadership for organizational culture. With a structured and valid research design, this method allows for the acquisition of empirically robust results to support conclusions about the influence of both variables on employee performance in the retail workplace.

Results and Discussion

This study aims to analyze the influence of interpersonal intelligence and organizational culture on employee performance at several factory outlets in Bandung. Based on the results of statistical tests, both simultaneous and partial, it was found that both independent variables have a very significant influence on improving employee performance. This finding reflects that psychological and structural factors within the organization play a key role in creating productivity and work effectiveness in the context of the retail industry.

Table1. Significant Value of Multiple Linear Regression (f Test)

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7955.930	2	3977.965	1601,703	.000b
	Residual	332,800	134	2,484		
	Total	8288.730	136			

a. Dependent Variable: employee performance
b. Predictors: (Constant), organizational culture, interpersonal intelligence

The results of the multiple linear regression analysis show that interpersonal intelligence has a regression coefficient of 0.680 and organizational culture has a constant value of 0.843, with a constant value of 0.380. This indicates that increasing each variable directly improves employee performance scores. From this data, it can be concluded that the influence of organizational culture is slightly more dominant than interpersonal intelligence. However, the two complement each other and provide a synergistic contribution to work performance.

Table2. Significant Value of Simple Linear Regression (t-Test)

Coefficientsa

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	.380	.799		.475	.636
	Interpersonal Intelligence	.680	.035	.456	19,319	.000
	Organizational culture	.843	.033	.612	25,939	.000

a. Dependent Variable: EMPLOYEE PERFORMANCE

In addition, the t-test results prove that both variables have a significant partial influence, with the calculated t value for interpersonal intelligence being 19.319 and organizational culture being 25.939, both of which far exceed the t-table value. Meanwhile, the F-test results show that simultaneously both variables have a very significant influence with the calculated F value of 1601.703 which is greater than the F-table of 3.060.

DISSCUSION

Descriptive Analysis of Interpersonal Intelligence and Organizational Culture with Employee Performance

The findings of this study indicate that interpersonal intelligence and organizational culture have a significant influence on employee performance, both simultaneously and partially. Interpersonal intelligence, which includes the ability to understand and respond to others' emotions, communicate effectively, work in teams, and manage conflict, has been shown to increase work productivity. Employees with strong interpersonal skills tend to be more adaptive in facing the dynamics of the work environment, more easily

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establish constructive professional relationships, and are able to provide service that is more responsive to customer needs. This is especially important in service sectors such as Factory Outlets, where the quality of interactions between employees and customers is one of the main factors determining the level of customer satisfaction and loyalty. On the other hand, organizational culture also plays a crucial role in shaping employee work behavior. A strong organizational culture, grounded in values such as discipline, cooperation, responsibility, and commitment to shared goals, can create a positive and supportive work environment. This environment fosters synergy among employees, increases motivation, and strengthens a sense of belonging to the organization. Therefore, both interpersonal intelligence and organizational culture are two key, complementary factors in shaping optimal employee performance, particularly in the retail sector, which relies heavily on direct interaction and quality service.

Analysis of the Results of the Hypothesis of Interpersonal Intelligence Affecting Employee Performance

This research shows that interpersonal intelligence significantly contributes to improving employee performance, particularly in customer service, teamwork effectiveness, and efficient internal communication. In the retail sector, employees' ability to build positive relationships with customers significantly determines levels of customer satisfaction and brand loyalty. Individuals who are able to actively listen, understand the emotions of their interlocutors, and respond professionally play a significant role in creating a pleasant and value-added shopping experience for customers. These interpersonal skills are not merely optional attributes but are a core element of employee performance, especially in work environments that require intensive interaction. Successfully managing social dynamics in the workplace, both among employees and with customers, is closely linked to the ability to read emotional situations, communicate ideas clearly, and resolve conflicts constructively. Therefore, interpersonal intelligence should be viewed as a key factor in determining success in service-based work environments, such as retail.

Analysis of the Results of the Hypothesis of Organizational Culture Affecting Employee Performance

Organizational culture in the retail sector plays a crucial role in consistently shaping employee behavior and performance. A strong culture creates a collective value system that underpins discipline, customer orientation, teamwork, and a drive for innovation. In the context of this research, it was found that employees working in organizational environments with inclusive and collaborative cultures exhibit higher levels of job satisfaction, increased morale, and more optimal performance compared to those working in organizations with weak or directionless cultures. A strong organizational culture serves as a guide for action, thereby reducing role ambiguity, increasing clarity of responsibilities, and strengthening social bonds in the workplace. Conversely, an unstructured or inconsistently implemented culture tends to lead to value confusion among employees, lowering work motivation, and increasing employee turnover. The absence of shared values can also weaken individual commitment to organizational goals and degrade the quality of interpersonal relationships in the workplace. Thus, organizational culture is not merely a symbol or formality, but rather a foundation that influences every aspect of operations and human resource behavior. The implementation of a clear, strong, and consistent work culture has been proven to create a productive work environment oriented toward achieving shared goals, particularly in industries that emphasize direct interaction and customer satisfaction.

Analysis of the Synergy Between Interpersonal Intelligence and Organizational Culture Simultaneously Influencing Employee Performance Improvement

The results of the discussion indicate that the synergy between interpersonal intelligence and organizational culture has a significant influence on improving employee performance. When individuals with strong interpersonal skills such as empathy, communication skills, and the ability to build work relationships are in a work environment that implements a healthy organizational culture, mutual support between individuals and the organizational system becomes a major force in shaping optimal performance. Employees who have social sensitivity and collaborative skills tend to more easily absorb the core values adopted by the organization, and are able to apply them concretely in their daily work behavior. The interaction between individual factors and organizational systems creates a balanced work dynamic. An organizational culture that emphasizes openness, responsibility, professionalism, and a results-oriented approach will reinforce the positive attitudes and behaviors of employees who already possess a foundation of interpersonal intelligence. Conversely, when an organizational culture is inconsistent or passive, the potential of truly qualified employees

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can be hampered by an unsupportive work environment. Thus, it can be concluded that the effectiveness of employee performance in work sectors that prioritize service and interaction is largely determined by the alignment between individual qualities and the organizational environment. Implementing organizational values that align with employee character will create high productivity and strengthen the organization's overall competitiveness.

Managerial Implications

In human resource management in the retail sector, there are a number of relevant managerial implications to be implemented to improve employee performance and organizational competitiveness: Interpersonal Skills Development, Improving employee interpersonal intelligence is a strategic priority to support work productivity. Aspects such as empathy, social communication, team collaboration, conflict management, and relational leadership have been shown to have a significant impact on performance. Structured and ongoing soft skills training, for example in the form of customer service training, effective communication, and emotional regulation, can strengthen individual performance and strengthen teamwork. Strengthening Organizational Cultural Values: A consistent and constructive work culture has a dominant influence on performance achievement. Values such as integrity, discipline, adaptability, and participatory leadership need to be instilled through value internalization programs, exemplary leadership, and a reward system based on organizational values. Furthermore, effective internal communication is crucial to ensure the comprehensive and meaningful dissemination of the organization's vision and mission. Value Integration in Recruitment and Careers: The employee selection process should consider not only technical skills but also value alignment and interpersonal skills. A good fit between an employee's character and the organizational culture facilitates adaptation and reduces the potential for value conflicts. In career development, interpersonal indicators such as collaborative skills and social leadership should be a primary consideration in job promotions. Social and Cultural Value-Based Performance Assessment: Effective performance evaluation must include behavioral aspects of work that reflect employee engagement in the organizational culture as well as interpersonal skills. Indicators such as effective communication, teamwork, participatory leadership, and contribution to a positive work environment must be integrated into the assessment system to ensure fairness, objectivity, and ongoing employee motivation. Increasing Competitiveness Through Human Resources: Strengthening the quality of human resources is key to improving business competitiveness, particularly in the context of declining customer base. Employees with strong social skills and working within a supportive organizational culture are more likely to build customer loyalty. Therefore, investment in human resource development needs to be positioned as a long-term strategy to ensure business sustainability and growth. Based on the research findings and discussion, the researchers concluded five key points. The online training program variable has a statistically significant impact on employee performance at eFishery. The better the online

Conclusion

Based on research findings regarding the influence of interpersonal intelligence and organizational culture on employee performance at Factory Outlets in Bandung City, several key points can be concluded. First, interpersonal intelligence has been shown to significantly influence employee performance. Aspects such as empathy, effective communication, team collaboration, conflict management skills, and social leadership are important contributors to increased work effectiveness, particularly in the context of customer service. Employees who have the ability to understand and respond constructively to social dynamics in the workplace tend to demonstrate higher levels of productivity and service quality. Second, organizational culture has a dominant influence on shaping employee performance. Work values such as discipline, adaptability, collaboration, and participatory leadership create a supportive work environment, increasing morale, employee satisfaction, and engagement with organizational goals. A strong organizational culture shapes work behaviors that align with the company's strategic direction and strengthen internal loyalty. Third, simultaneously, interpersonal intelligence and organizational culture significantly impact employee performance. Regression analysis results indicate that the combination of these two variables has a high predictive power for performance. Consequently, human resource management must encompass both individual development and the organization's value system simultaneously. Finally, the decline in visitor numbers at Factory Outlets was indirectly linked to declining service quality, which was influenced by poor employee performance in these areas. This underscores the importance of performance improvement strategies as a priority step to restore customer loyalty and business competitiveness.

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