

EFFECT OF ORGANIZATIONAL CULTURE ON MOTIVATION, SATISFACTION AND JOB PERFORMANCE

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EFFECT OF ORGANIZATIONAL CULTURE ON MOTIVATION, SATISFACTION AND JOB PERFORMANCE

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ABSTRACT

This study is directed to study the change in paradigm in running good government administration through implementation of Regional Autonomy as intended by Law No. 32 the year 2004 on Regional Government Administration through the performance improvement of government autonomous agencies as detailed clarification of vision, mission and strategy indicating the level of success or failure in implementing the activities pursuant to the specified program and policy. Performance of government agencies constitutes the achievement of the government employees (civil servants) in giving services to people in certain period of time, through the performance achievement plans at the organization of regional apparatuses in maintaining and keeping the existing goals to achieve the targets on Work Plans of Regional Government Administration (RKPD). Performance achievement of government employees or civil servants pursuant to the Work Plans of Regional Government Administration can be carried out by learning the influencing variables, namely organizational culture, work satisfaction and work motivation. Study on influence of these three variables to the performance of government is supported by several previous relevant researches. This study is performed to officials of echelon III and IV at 14 Autonomous Regional Agencies in Regency of Pamekasan. Total samples used in this research are 120 officials of echelon III and IV. Structural Equation Method (SEM) is applied to test the causal relation among variables of organizational culture, work satisfaction, work motivation, and performance with the help of AMOS 20.0 program.

Key words: Organizational culture, work satisfaction, work motivation and performance.

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1
1. INTRODUCTION

Pamekasan Regency Administration is one of the three regencies in Madura Island. The regional apparatuses in Pamekasan Regency are the assisting elements of 'regional head' or 'regent' in running the regional government administration, consisting of 1 (one) work unit of *Regional Secretary*, 1 (one) work unit of *Secretary of Regional House of People Representative*, 7 (seven) work units of *Bodies*, 14 (fourteen) work units of *Regional Autonomous Agencies*, 3 (three) *Offices*, 1 (one) *General Hospital (RSUD)*, 1 (one) work unit of *Inspectorate*, 13 (thirteen) *Sub-Districts*, 11 (eleven) *Compounds*, 1 (one) work unit of *Civil Service Police*, and 1 (one) work unit of *General Election Commission (KPU)*.

Institutional empowerment is applied by means of a coordination system among government, legislative institution, organizations from various Government agencies related periodically to perform evaluation on outputs of activities to determine further steps and performance improvement of Pamekasan Regency Administration. Pursuant to principles of democracy, the regional government institutions consist of *Head of Region* or *Regent* and *Regional House of People Representative (DPRD)*. Each institution runs its roles pursuant to its position, tasks, function and subject in the *State Administration System of Indonesia*. From the view point of public administration, those two institutions constitute an integral unity providing the public services in conformity with their field of tasks in the scheme of achieving the goals of regional government administration.

Government of Pamekasan Regency Administration is a public sector organization. Its activities are to provide services to people effectively and efficiently in order to achieve the organizational goals based on the vision and mission of the organization. The success of performance achievement of government agencies can be influenced by organizational culture, work satisfaction and work motivation. Organizational culture is measured by using the proper policy, ability to carry out supervision, relation among officials of echelon III and IV with their colleagues or work partners and work condition. Organizational culture is measured by motivation, attention to detailed matters, output orientation, individual orientation, team orientation, aggressiveness and stability. *Work motivation* is measured by using effectiveness, efficiency, authority, responsibility and discipline.

From the view point of phenomena previously presented, *research gap* of this study is that the theory of human resources at the public sector organization is different in its implementation from that in private sector, for example *Bureaucratic culture* of bureaucratic apparatuses available in Regional Autonomous Agency of Pamekasan Regency Administration reveals that they like to be ordered and will not do anything before getting an order or instruction / decision from their superior or from the authorized official. Thus, bureaucracy gives an impression as being awkward and slow in responding to all complaints of the community.

Bureaucratic culture cannot be separated from the presence of *paternalism system* already cuffed the people since this country was established for the first time, namely bureaucracy is frequently related to the provision of services given to whoever capable of providing higher pay will get the maximum services. In other words, *the bureaucratic culture is still tied by the old culture stuck deeply in their mind and difficult to be omitted*. Therefore, the dissertation of this study proves and analyses and also discusses about the phenomena occurring at the *Officials of Echelon III and IV* in the scope of Regional Autonomous Agencies of Pamekasan Regency Administration.

1

2. LITERATURE REVIEW

2.1. Organizational Culture

Luthans (2006) gives a description that “*Culture could be defined as the interactive aggregate of common characteristics that influence a human group’s response to its environment.*” Culture can be defined as various kinds of interactions of characteristics of habit influencing groups of people in their environment. Culture is a group of interaction from the habitual characteristics of the members of a group influencing their behavior.

Robbins and Judge (2008) in his research shows that there are at least 7 main characteristics which in general are the same in all organizations and become *the essence of culture in an organization*, namely: 1) *Innovation*. How far are employees motivated to be innovative in performing their tasks. 2) *Attention to detail*. How far are the employees expected to implement the precision, analysis, and attention to the details. 3) *Outcome Orientation*. How far are the Regional Autonomous Agencies focusing more on results or outputs rather than on techniques and process applied to achieve the said outputs. 4) *People Orientation*. How far are the decisions of leaders considering the effects of their results to the people at the organization. 5) *Team Orientation*. How far are the work activities organized rather than being done individually. 6) *Aggressiveness*. How far do employees act aggressively and competitively rather than relaxingly. 7) *Stability*. How far does the organizational activity emphasize to maintain status quo in comparison to its growth.

2.2. Work Satisfaction

Schermerhorn (1993) presents a definition of Work satisfaction as follow: “*Job satisfaction is the degree to which an individual feels positively or negatively about various aspect of the job. It represents the personal meaning aspects of the job.*” This definition is a representation of personal understanding constituting a degree or level of feeling of someone to various aspects of jobs that can be positive or negative. It means that the work satisfaction depends very much on the degree of individual feeling and its understanding upon the aspects of its work.

Variable of work satisfaction in this study is measured by using an instrument called *Minnesota Satisfaction Questionnaires (MSQ)*. Feinstein and Vondrasek (2001) is in the opinion that the level of work satisfaction in general is stated at the dimension of general satisfaction, but in more detailed is divided into indicators of work satisfaction variables, Kreitner and Kinicki (2005) namely: 1) *Intrinsic satisfaction*, the work satisfaction related to utilization of ability, activity, achievement, authority, freedom, moral value, security, responsibility, creativity, social service, social status and variety. 2) *Extrinsic satisfaction*, the work satisfaction related to the progress, company policy, compensation, appreciation, supervision on human relation and technical supervision. 3) *General satisfaction*, the general satisfaction felt by members of organization and constituting a combination between intrinsic and extrinsic satisfactions plus work condition and colleagues or work partners.

2.3. Work Motivation

Motivation is defined by Standford in Mangkunegara (2006) as a *condition moving people to a certain destination*. Based on this opinion, it can be concluded that a *motive* is a *self drive* inside the employee required to be fulfilled so that this employee is able to adjust himself to his environment, whereas motivation is a condition moving the said employee to be able to reach his destinations and its motivations. Motivation is said to be the energy to arise the *self drive* (drive arousal).

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Ivancevich and Gibson (2005) states that there are five motivation theories, namely: 1) *Motivation Theory on Classification System*. 2) *Motivation Theory on Maslow's Hierarchy of Needs*. 3) *Theory of Existence, Relatedness, Growth (ERG) by Alderfer*. 4) *Theory of Two Factors by Herzberg*. 5) *Theory of Needs studied from McClelland*.

The theory of *Existence, Relatedness, Growth (ERG)* by Clayton P. Alderfer agrees to the theory of *Maslow* that the needs are structured hierarchically, however the hierarchy proposed consists of only three sets of needs, namely: a) *Existence*, the needs being satisfied by the factors such as food, air, water, salary, work condition. b) *Relatedness*, the needs being satisfied by the presence of meaningful social and interpersonal relation. c) *Growth*, the needs being satisfied by an individual creating the creative and productive contribution.

2.4. Performance

Mathis and Jackson (2001) declare that performance basically is the thing to do or not to do by an employee. Employee performance is the influence how much contribution they give to the organization.

The work performance of either an individual or a group becomes the center of attention at the effort to improve performance of the organization.

Performance measurement can be observed from various different points of view, and one of them is from the view point of output of a certain program or policy (program performance/policy) as described by Keban (2004).

Further, Ivancevich and Gibson (2005) states that indicators of the official's performance covers as follows: 1) *Effectiveness and Efficiency*. 2) *Authority and Responsibility*. 3) *Discipline*.

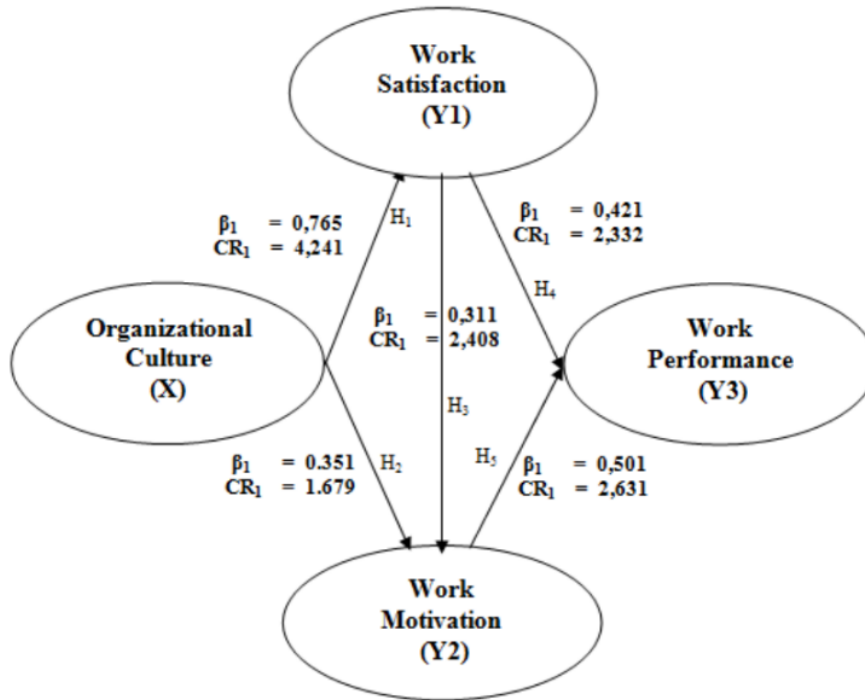
3. RESEARCH METHODOLOGY

This research uses the *quantitative data*, namely the data measured in numeric scale and the samples are taken from 120 officials of echelon III and IV at the Regional Autonomous Agency in Pamekasan Regency Administration. Sample taking is performed by using the *stratified proportional sampling method*, namely the samples are taken from the respective regional autonomous agencies proportionally pursuant to the total population available in each Autonomous Agency. *Exogenous variables* in this study are *work environment and organizational culture*. The intervening variables applied in this study are *the work satisfaction and work motivation*, while the endogenous variable is the performance.

Data collecting applies the techniques of *documentary study, questionnaire and interview*, while the scale applied in this research is the *Likert Scale*. Questionnaire testing is done through *validity testing and reliability testing*. The analytical method applied to answer the hypotheses is *SEM – the Structural Equation Modeling* by using the program of Analysis of Moment Structure (AMOS) 20.0.

4. RESULTS AND DISCUSSION

The data directly obtained from the respondents are processed by using the *descriptive analysis* and also *inferential analysis*. Below are outputs of data processing covering the subjects as follows: *Structural Equation Model* on Fig. 1, *Goodness of fit index* on Table 1, and output of hypothesis testing on Table 2.



1 Figure 1 Structural Equation Model

Table 1 Goodness of Fit Index

Goodness of Fit Index	Cut-off Value	Model Output	Remarks
Chi-Square	Expected in small amount	71,787	χ^2 table with $df = 153$ is 182,864 = Good. χ^2 progression (159,379) < χ^2 table (182,864) = already been fit.
5 Prob	$\geq 0,05$	0,113	Good
GFI	$\geq 0,90$	0,903	Good
AGFI	$\geq 0,90$	0,911	Good
TLI	$\geq 0,95$	0,951	Good
CFI	$\geq 0,95$	0,963	Good
RMSEA	$\leq 0,08$	0,77	Close to

Table 2 Outputs of Hypothesis Testing

Hypothesis	Variables	Coefficient	C.R.	Remarks
H1	Organizational Culture (X1) → Work Satisfaction (Y1)	0.765	4.241	Significant
H2	Organizational Culture (X1) → Work Motivation (Y2)	0.351	1.679	Not Significant
H3	Work Satisfaction (Y1) → Work Motivation (Y2)	0,311	2,408	Significant
H4	Work Satisfaction (Y1) → Performance (Y3)	0,421	2,332	Significant
H5	Work Motivation (Y2) → Performance (Y3)	0,501	2,631	Significant

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The result provide that organizational culture has significant influence to the work satisfaction of the officials of echelon III and IV of Regional Autonomous Agency of the Pamekasan Regency Administration (H1). The linear coefficient with positive sign of 0.765 with the CR at the value of 4.241 is bigger than 1.96, it means that the organizational culture has significant influence to the work satisfaction. Output of this research supports the statement of Luthans (2006) *declaring that work satisfaction is shown at the orderly attitude obeying regulation as well as other positive attitude*. Regional Autonomous Agency of Pamekasan Regency Administration give freedom to the officials of echelon III and IV to use the innovative ways, but they still have to take the guideline based on the *SOP – Standard Operating Procedures* already been specified by the Regional Autonomous Agency.

The result also show that *Organizational culture has no significant influence to the work motivation* of the officials of echelon III and IV of Regional Autonomous Agency of the Pamekasan Regency Administration (H2). The linear coefficient with positive sign of 0.351 with the CR at the value of 1.679 is smaller than 1.96, it means that the organizational culture has no significant influence to the work motivation. Output of this research does not support the opinion of Wirawan (2007) *declaring that the organizational culture can directly influence the work motivation which then influences the performance*. Organizational culture, according to Umar (1999) is a *group of faiths or beliefs, expectations, and values jointly followed by members of company and spread out, and it can be stated that anything followed and spread out can give direction to the members in having their behaviors*. The aim of having behavior pursuant to the organizational culture is to establish a more effective organization. *The relatedness of faith upon the core values followed by members of organization to the effectiveness of work outputs is described by Denison in Sobrin (2007) that effectiveness is the function of the core values and the organizational faiths implemented into the organizational policy and practices*. Based on the explanation above, it is indicated that the organizational culture gives more influence to the organizational performance and not to influence the motivation of officials of echelon III and IV.

The result also show that *Work satisfaction has significant influence to work motivation* of the officials of echelon III and IV of Regional Autonomous Agency of the Pamekasan Regency Administration (H3). The linear coefficient with positive sign of 0,311 with the CR at the value of 2,408 is bigger than 1.96, it means that work satisfaction has no significant influence to the work motivation. Output of this research support the statement of Kreitner and Kinicki (2005), that there is a positive and significant relation between motivation and work satisfaction. Also, output of this research does not support outputs research of Koesmono (2005) and Komariyah (2006).

The result also show that *Work satisfaction has significant influence to performance* of the officials of echelon III and IV of Regional Autonomous Agency of the Pamekasan Regency Administration (H.4). The linear coefficient with positive sign of 0,421 with the CR at the value of 2,332 is bigger than 1.96, it means that work satisfaction has significant influence to the performance. Output of this research supports output of research by Hochwarter, Perrewé, Ferris and Brymer (1999) *that the best employee will really be satisfied with his job and the really satisfied employee will show his best performance*. Satisfaction given the Regional Autonomous Agency can be carried out by utilizing the skills possessed by officials of echelon III and IV optimally, because the said officials feel as being honored or appreciated by making them as employees useful for people and for the organization they are working for. This satisfaction can increase personal self-confidence to the achievement of organizational goal based on personal ability, status of self respect and self understanding upon the goal of organization.

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The result also show that *Work motivation has significant influence to performance* of the officials of echelon III and IV of Regional Autonomous Agency of the Pamekasan Regency Administration (H.5). The linear coefficient with positive sign of 0,501 with the CR at the value of 2,631 is bigger than 1.96, it means that work motivation has significant influence to the performance. Output of this research supports the output of study of Mangkunegara (2006), *that high integrity available between the psychological function and physic, indicates that such individual has good self concentration, and this good concentration becomes the individual main capital of human being in order to be able to manage and empower his own potential optimally in performing his daily work activities to reach the organizational goal.* Motivation according to the theory of *Existence, Relatedness, Growth (ERG)* by Alderfer in its connection with the existence of officials of echelon III and IV, is the incentive and suitable work condition as having been expected.

5. CONCLUSION

This study concludes as follows: (1) Organizational culture has significant influence to the work satisfaction. (2) Organizational culture has no significant influence to the work motivation. (3) Work satisfaction has significant influence to Work motivation. (4) Work satisfaction has significant influence to the performance. (5) Work motivation has significant influence to the performance.

Suggestions in this study are as follows: 1) *Work satisfaction improvement* can be obtained through policy making adjusted to the vision and missions of the respective Regional Autonomous Agency in order to improve the work achievement of each employee in his work environment; 2). *Work motivation improvement* can be done by providing reward for the officials for their success in implementing the policy to improve work motivation of the officials by fulfilling the needs for respect and self actualization; increasing the intrinsic satisfaction of the officials of echelon III And IV higher than the extrinsic satisfaction. 3) *Performance improvement* can be carried out through the decision making pursuant to the vision and missions leading to efficiency, effectiveness of outputs of the goal achievement; giving freedom to innovate in performing the tasks in order to improve the performance by showing the more effective and more efficient work outputs.

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Effect of Organizational Culture on Motivation, Satisfaction and Job Performance

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EFFECT OF ORGANIZATIONAL CULTURE ON MOTIVATION, SATISFACTION AND JOB PERFORMANCE

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