

## The Role of Job Satisfaction in Mediating The Effect of Organizational Culture and Work Motivation on Employee Performance

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**Abstract:** *This study aims to analyze and explain the Role of Job Satisfaction in Mediating the Effect of Organizational Culture and Work Motivation on Employee Performance with research subjects of the Public Works Office and Spatial Planning of the Province of Bali. The research design used to answer this problem is quantitative with a sample size of 85 people calculated using the Slovin formula and determining the sample size using the probability sampling method. The data used in this study are primary and secondary data both quantitative and qualitative data. Data analysis used structural equation modeling (SEM) with the partial least square (PLS) method which obtained the following results: 1) Organizational culture has a positive and insignificant effect on employee performance at the Office of Public Works and Spatial Planning of Bali Province. 2) Work motivation has a positive and non-significant effect on employee performance at the Public Works Office and Spatial Planning of Bali Province. 3) Organizational culture has a positive and significant effect on employee job satisfaction at the Office of Public Works and Spatial Planning of Bali Province. 4) Work motivation has a positive and significant effect on employee job satisfaction at the Office of Public Works and Spatial Planning of Bali Province. 5) Job satisfaction has a positive and significant effect on employee performance at the Office of Public Works and Spatial Planning of Bali Province. 6) Job satisfaction is not a mediator of the influence of organizational culture on the performance of employees of the Public Works Office and Spatial Planning of the Province of Bali. 7) Job satisfaction is not a mediator of the effect of work motivation on the performance of employees of the Public Works Office and Spatial Planning of the Province of Bali.*

**Keywords:** *Organizational Culture; Work Motivation; Job Satisfaction; Employee Performance*

**How to cite;**

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## I. Introduction

To compete competitively, companies need responsive and quality human resources in achieving Faslah (2013) corporate goals. Furthermore, Ali et al. (2012) stated that human resources are the most important assets of the company as executors of policies and operational activities of the company in achieving the goals set by the company, both to obtain profits or to maintain the survival of the company itself. The quality of human resources is reflected in the performance of employees at the company in facing and winning competition both locally and globally (Nurwati and Surachman, 2012; Stephen and Sthepen, 2016).

Employee performance is an employee's achievement of assigned tasks (Robbin and Judge, 2013), and Koesmono, (2005). According to the behavior approach in management, employee performance is the quantity or quality of something produced or services provided by someone who does the work (Luthans, 2011). This opinion is also supported by Gibson (2012) who states that employee performance is the result of work related to organizational goals, efficiency and other performance effectiveness performance, so that the achievement of organizational goals can be influenced by improving employee performance..

Previous literature studies stated that employee performance can be improved through job satisfaction, application of organizational culture and work motivation. Stephen and Sthepen (2016) state that organizational culture in the workplace, is a very large force that continues to be developed for incoming employees. Cultural rules and traditions have great importance in any organization and have a large impact and significant impact on employees and organizations in general. Omolo et al. (2015) stated that work motivation is the key to successful organizations to maintain work continuity in a strong way and help organizations survive. Motivation is about giving your staff the right mix of guidance, direction, resources, and appreciation so that they are inspired and want to work the way you want (Mohamud, et.al., 2017).

Different results, found by Maabuat (2016). The results of this research prove that organizational culture has a negative and insignificant effect on the performance of employees in North Sulawesi Regional Revenue Service of UPTD Tondano. The research gap is still found in a direct relationship between organizational culture and employee performance, presumably that employee performance is caused not only by organizational culture and motivation, but also by employee job satisfaction. Job satisfaction is a reflection of the feelings and attitudes of individuals towards the results of their work, which is the interaction between those concerned with their work environment (Ahamed and Mahmood, 2015). Individuals with job satisfaction are expected to spend all their abilities and energy to complete the work, so that they can produce optimal performance for the company. Several studies have shown that job satisfaction has a positive and significant effect on employee performance (Destikarini, 2015; Juniari et.al., 2015; Fausi et al., 2016; Iqbal et al., 2015; Ndulu and Eckhumu, 2016; Safada, 2017; Mariati et .al., 2018; Widjaya et al., 2018).

Phenomenon that occurs based on preliminary observations at the Office of Public Works and Spatial Planning of the Province of Bali, many complaints from the public have been found on the performance of employees that have been achieved, such as the construction of unfinished photographic projects on time, the quality of construction work such as fast paving damaged and also the processing time is so long. This becomes interesting to be studied further regarding the level of employee performance.

## II. Conceptual Framework

Based on the problem formulation, literature review, the results of previous research, and the frame of mind, this study explored the influence of organizational culture (X<sub>1</sub>) work motivation (X<sub>2</sub>), and job satisfaction (Y<sub>1</sub>) on employee performance (Y<sub>2</sub>). Based on the frame of mind described earlier, then a concept was developed which explained the relationship between variables in this study. The concept is presented in the following figure:

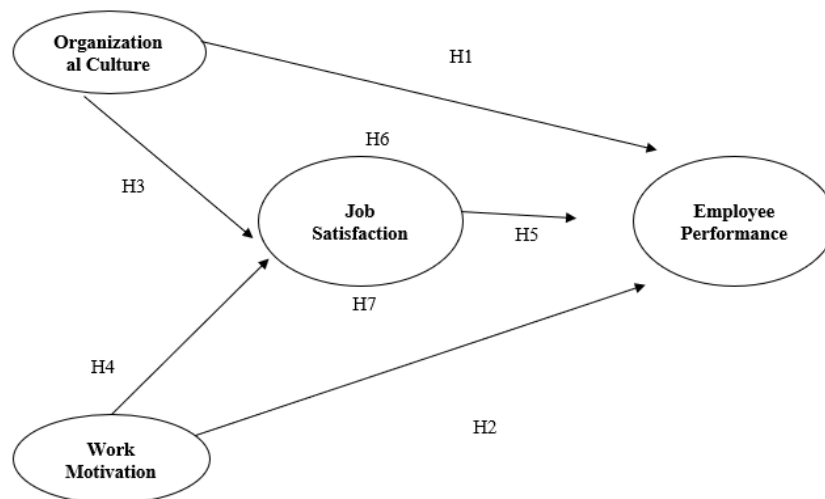


Figure 1. Conceptual Framework

### Research Hypothesis

H.1. Organizational culture has a positive and significant effect on employee performance.

H.2. Work motivation has a positive and significant effect on employee performance.

H.3. Organizational culture has a positive and significant effect on employee job satisfaction.

H.4. Work motivation has a positive and significant effect on employee job satisfaction.

H.5. Job satisfaction has a positive and significant effect on employee performance.

H.6. Job satisfaction mediates the relationship of organizational culture to employee performance.

H.7. Job satisfaction mediates the relationship between work motivation and employee performance.

### *Employee Performance (Y<sub>2</sub>)*

Performance is the result or level of success of the employees of the Public Works Office and Spatial Planning of the Province of Bali as a whole for a certain period in carrying out tasks compared to the standards of work results, targets or criteria that have been determined in advance and have been agreed upon. Employee performance indicators in this study were adapted from the research of Mas'ud (2004) namely 1) quality, 2) quantity, 3) timeliness, 4) effectiveness and 5) independence.

### *Job Satisfaction (Y<sub>1</sub>)*

Job satisfaction is a statement that describes the general attitude towards the work of the Office of Public Works and Spatial Planning of Bali Province. Job satisfaction is the difference between the number of rewards received by an employee and the amount of rewards that are believed to be accepted. Someone will be satisfied if there is no difference between and the amount they believe they should receive. Indicator of job satisfaction in this study was adapted from Luthans (2006) and Destikarini (2015) which states that perceptions of job satisfaction are measured by 5 dimensions namely 1) Dimension of the work, 2) satisfaction with salary, 3) satisfaction with promotion, 4) satisfaction with supervision.

### *Organizational Culture (X<sub>1</sub>)*

Organizational culture is a set of key values, trust, understanding and norms which members of the organization share in the office of the Public Works Department and the Provincial Spatial Planning Bali. Denison (1990) measures organizational culture into four dimensions, namely: 1) Dimensions of Engagement, 2) Consistency Dimensions, 3) Dimensions of Adaptability and Mission Dimensions.

### *Work motivation (X<sub>2</sub>)*

Work motivation can be interpreted as the morale that exists in employees that makes these employees can work to achieve certain goals (George and Jones, 2005). The indicators of work motivation variables refer to George and Jones (2005) and Tania and Sutanto (2013) which consist of three indicators with the following 11 questions 1) direction of a person's behavior in the organization, 2) business level and 3) persistence level or resilience in the face of an obstacle or problem.

### III. Method

This research was conducted at the Office of Public Works and Spatial Planning of Bali Province. This study uses a quantitative type survey method. Quantitative research is defined as an investigation of social or humanitarian problems by testing theories that are built on a number of variables, measured by numbers, and analyzed by statistical procedures. The sampling technique used in this study uses the probability random sampling method where the size of the sample uses the Slovin formula and obtained a number of 85 people. The nature of this research is explanatory research, which aims to explain the causal relationship between exogenous and endogenous variables. In analyzing the hypothesis test the influence of exogenous variables with endogenous variables in this study was used Smart PLS (Partial Least Square) software.

### IV. Result and Discussion

The results of the validity and reliability construct test show that all indicators used reflecting the construct under study show that the Cronbachs Alpha value is greater than 0.60 and the person correlation coefficient value is greater than 0.30 means that all measured indicators are reliable and valid.

#### *The influence of organizational culture on employee performance at the Office of Public Works and Spatial Planning of Bali Province*

Based on the results of the analysis show the influence of organizational culture on employee performance is positive and not significant, meaning that the stronger the organizational culture at the Public Works Office and Spatial Planning of Bali Province will not necessarily improve employee performance.

Hypothesis is not supported, can be seen from the characteristics of the respondents, this can be explained that almost a portion of respondents have an average tenure of employees is between 4-6 years of 65.95% and above 6 years of 12.9%. Respondents with a working period of more than four years and also supported by the age of the majority of respondents more than 30 years, so that the experience of respondents in work tends to be accustomed to working without always depending on the organizational culture applied in the company.

The results of this study contradict the statement from Maith (2015) which states that organizational culture makes a company become successful and become more stable, more advanced, more anticipatory towards environmental changes. In general, the results of this study are different from the results of previous studies conducted by Mariati and Alinuddin (2018) which examined employees in the secretariat staff of Pasuruan Regency and Widjaja et al., (2018) who examined Nurul Hayat Foundation.

It is indicated that the application of organizational culture to the Pasuruan district secretariat and Nurul Hayat Foundation is high, so it significantly affects

employee performance. Although both are objects of research in the public sector, the level of complexity of employee work is different from the Office of Public Works and Spatial Planning of Bali Province. Although the organizational culture has been implemented quite well, this has not been able to improve employee performance. The number of experienced employees is the main reason for employees not to pay attention to local organizational culture.

### *Effect of work motivation on employee performance at the Office of Public Works and Spatial Planning of Bali Province*

Based on the results of the analysis show the effect of positive and not significant work motivation on performance, meaning that the higher the motivation of employee work at the Office of Public Works and Spatial Planning of Bali Province will not necessarily improve employee performance.

The results of this study contradict the statement from Nabi et al. (2017) which states that a person's motivation starts from the needs, desires and incentives to act in order to achieve the needs or goals. This indicates how strong the drive, effort, intensity, and willingness to sacrifice to achieve the goal. In this case the stronger the motivation or motivation and the higher the performance.

It is indicated that the level of work motivation in employees in the industrial sector is somewhat higher so it significantly affects the increase in employee performance. In the public sector, especially in the OPD at the Public Works and Spatial Planning Office of Bali Province, the level of complexity of the work differs from that in the industrial sector. Even though employees are motivated enough not to be able to improve performance.

### *Effect of Organizational Culture on Employee Job Satisfaction at the Office of Public Works and Spatial Planning of Bali Province*

Based on the analysis results show the influence of organizational culture on positive and significant job satisfaction, meaning that the stronger the application of organizational culture to the Office of Public Works and Spatial Planning of Bali Province will immediately increase employee job satisfaction.

With the high enough implementation of organizational culture will have a significant effect on the high job satisfaction of employees of the Public Works and Spatial Planning Office of Bali Province. It can be interpreted that the norms that apply in accordance with the values that exist in each employee significantly influence employee job satisfaction.

The results of this study are in line with the statement from Purba (2016), Ilham (2018) and Sapada et al. (2017) who examined employees in the Government of Pinrang Regency, South Sulawesi who also proved that culture has a positive effect on job satisfaction. Organizational culture is an important factor in giving an impact on increasing employee job satisfaction.

*Effect of motivation on employee job satisfaction at the Office of Public Works and Spatial Planning of Bali Province*

Based on the results of the analysis show the effect of the effect of work motivation on positive and significant job satisfaction means that the higher the motivation of work of the Public Works Office and Spatial Planning of Bali Province will immediately increase employee job satisfaction.

The results of this study are in line with the statements of Noor and Zainordin (2018) which state that high work motivation in employees is characterized by high job satisfaction. Satisfaction with work that is expressed in the sense of pleasure in the work that includes the ability of utilities, achievement, activity, progress, authority, policies and practices of institutions, compensation, colleagues, creativity, independence, moral values of work, appreciation, responsibility answer, security, social services, social status, supervision, type of work and working conditions.

This finding supports the results of previous studies conducted by Astuti (2015) who examined PT. Chitose International Tbk and obtained the results that motivation has a simultaneous influence on employee job satisfaction, and Noor and Zainordin (2018) who researched company consultants in Malaysia obtained evidence that work motivation is an important factor in giving an impact on increasing employee job satisfaction.

*Effect of job satisfaction on employee performance at the Office of Public Works and Spatial Planning of Bali Province*

Based on the results of the analysis show the effect of job satisfaction on employee performance is positive and significant, meaning that the higher the job satisfaction of employees of the Public Works Office and Spatial Planning of Bali Province, the employee's performance also increases.

With sufficiently high job satisfaction, employees will have a significant effect on the increasing performance of employees at the Office of Public Works and Spatial Planning of Bali Province. Can be interpreted that employees by getting responsible coworkers significantly influence employee performance.

The findings of this study support the results of previous studies conducted by Fausi et al (2016) who examined PT. Toys Games Indonesia Semarang showed that there was a significant positive effect between job satisfaction on employee performance and Ndulu and Eckhumu (2016) who researched the Breweries PIC company in Kuwait also proved that job satisfaction has a positive effect on employee performance. That employee dissatisfaction can be a threat to the overall performance of the company.

*Job satisfaction mediates the influence of organizational culture on employee performance at the Office of Public Works and Spatial Planning of Bali Province*

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Based on the criteria of Hair (2010) and Solimun (2011) in the test results the results show that job satisfaction is not a mediation on the influence of organizational culture on employee performance, because even though the influence of organizational culture is significant on job satisfaction and the effect of significant job satisfaction on employee performance, Path indices indirect relationship of organizational culture to employee performance is almost the same compared to the effect of the direct relationship of organizational culture to performance without being controlled by mediating variables.

Unacceptable job satisfaction as mediating organizational culture on employee performance, can be explained based on the results of the assessment of respondents' answers to job satisfaction in a fairly good assessment. Employees who are in the assessment are quite satisfied, even though it has a significant effect on performance, but the effect of the effect is almost the same compared to the effect of organizational culture directly on organizational performance.

The results of this study are in line with the research conducted by Ilham (2018) and Sapada et al. (2017) which prove that organizational culture has a positive and significant effect on job satisfaction. Other findings are Ndulu and Eckhumu (2016) and Mariati and Mailudin (2018) proving that job satisfaction has a positive and significant effect on employee performance.

*Job satisfaction mediates the effect of work motivation on Employee Performance at the Office of Public Works and Spatial Planning of Bali Province*

Based on the criteria of Hair (2010) and Solimun (2011) in the test results the results show that job satisfaction is not a mediation on the effect of work motivation on employee performance, because despite the effect of work motivation on job satisfaction and the effect of significant job satisfaction on employee performance, the index path indirect relationship of work motivation to performance is almost the same compared to the effect of the direct relationship of work motivation on performance without being controlled by mediating variables.

Not accepting job satisfaction as mediating organizational culture on employee performance, can be explained based on the results of the assessment of respondents' answers to work motivation, job satisfaction and employee performance in a fairly good assessment. Employees who are in the assessment are quite satisfied, even though it has a significant effect on performance, but the effect of the effect is almost the same as the effect of work motivation directly on organizational performance.

The results of this study are in line with the research conducted by Sapada et al. (2017), Widjaja et al. (2018), Ilham (2018) and Sapada et al. (2017) which prove that work motivation has a positive and significant effect on job satisfaction. Other findings are Rajan (2015) and Noor and Zainordin (2018) which prove that job satisfaction has a positive and significant effect on employee performance.



## V. Conclusion

Based on the description and results of the study, a number of conclusions can be stated as follows.

Organizational culture has a positive and not significant effect on employee performance at the Public Works Office and Spatial Planning of the Province of Bali. These results mean that the better organizational culture will not necessarily be able to improve employee performance.

Work motivation has a positive and not significant effect on employee performance at the Public Works Office and Spatial Planning of Bali Province. These results mean that work motivation is higher and not necessarily able to improve employee performance.

Organizational culture has a positive and significant effect on employee job satisfaction at the Office of Public Works and Spatial Planning of Bali Province. These results mean that the better organizational culture will be able to increase employee satisfaction.

Work motivation has a positive and significant effect on employee job satisfaction at the Office of Public Works and Spatial Planning of Bali Province. These results mean that work motivation is increasing and will be able to increase employee satisfaction.

Job satisfaction has a positive and significant effect on employee performance at the Office of Public Works and Spatial Planning of Bali Province. These results give meaning that increasing job satisfaction will be able to improve employee performance.

Job satisfaction is not a mediator of the influence of organizational culture on the performance of employees of the Office of Public Works and Spatial Planning of the Province of Bali. This result gives the meaning that even though the application of organizational culture is getting better, but it is not able to improve the performance of employees, so mediation is needed, namely job satisfaction. But the effects or effects generated through job satisfaction are smaller than the direct effect. So with an increasingly better organizational culture, it influences job satisfaction, which in turn will also improve performance.

Job satisfaction is not a mediator of the effect of work motivation on the performance of employees of the Public Works Office and Spatial Planning of the Province of Bali. These results give meaning that even though work motivation has increased but it is not able to improve employee performance, so that to improve employee performance mediation is needed, namely job satisfaction. But the effects or effects generated through job satisfaction are smaller than the direct effect. So thus the work motivation is getting higher then it affects the job satisfaction which in the end will also improve performance.

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