Is the Employee Performance Influenced by Organizational Culture, Work Environment, Work Motivation, and Job Satisfaction?

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Abstract: The aim of this research is to examine the factors that affect, both directly and indirectly, employee performance. The internal factors that directly play a major role in affecting employee performance are work motivation and job satisfaction. The external factors that are assumed to have a role, either directly or indirectly, in employee performance are organizational culture and work environment. The study employed a cross-sectional survey design with cluster sampling technique the Tangerang Regency Revenue Agency. The sample chosen consisted of 85 respondents. To measure the five variables, Likert scale questionnaire was used. The results show that the variables that directly and significantly affect employee performance are work motivation and job satisfaction. In addition, job satisfaction indirectly affects performance through work motivation. The effect of organizational culture on performance is indirect, i.e. through job satisfaction. An interesting finding is that organizational culture has no direct effect on work motivation. The effect of organizational culture on work motivation is indirect, i.e. through job satisfaction. Meanwhile, the environment indirectly affects motivation and performance, i.e. through job satisfaction. Out of all variables analyzed, the variable most significantly affecting employee performance is work motivation (directly), followed by job satisfaction (directly and indirectly), work environment (indirectly), and organizational culture (indirectly).

Keywords: Organizational Culture, Work Environment, Job Satisfaction, Work Motivation, and Employee Performance

1. Background

Technological and information advancement requires all components of society to keep in track with the changes. The changes become challenges that need to receive serious attention from company managers in managing their organization. These constantly changing situations require a careful attitude of the managers of an organization to immediately make adjustments to the occurring changes in order to survive.

The competition in today's business demands all components in the organization to always be prepared, especially in terms of the quality of its human resources, in the face of the emergence of new competitors in the business. High-quality human resources are those capable of creating not only comparative values but also innovative-generative-competitive values using the greatest energies, such as: intelligence, creativity, and imagination; no longer solely using rough energy, such as raw materials, water, physical force, and so on. Therefore, the progress of a company can be determined by the ability of its individual human resource to show the best performance.

Nowadays, there are many challenges that must be encountered by an institution or company to build a quality company/institution. A company is required to behave effectively and efficiently in running its business; otherwise, it will not be able to compete with other companies of better quality. Thus, the institution or company should always create competitive advantages that can ensure its long-term viability.

Werther and Davis (1996) argued that human resources are employees who are ready, capable, and prepared to achieve organizational goals. This is because the fundamental dimension of resource is their contribution to the organization, while that of the human resources is the treatment of the contribution, which in turn will determine the quality and capacity of their life. Thus, the main factor or key to success for a company lies in its qualified human resources (HR).

In a democratic system, the state apparatus, as the state employees and public servants, have a very important role, namely as thinkers, planners, mobilizers, and participants in the development so as to keep the unity of the nation with full loyalty to Pancasila and the 1945 Constitution. At the same time, they serve as controllers and guardians of the implementation of the development itself.

In this case, it is very clear that the position and role of civil servants are very important. It is mentioned in the State Civil Apparatus Act no. 43 of 1999 on the Fundamentals of Civil Service that in an attempt to meet the national goal to realize a civil, law-abiding, modern, democratic, prosperous, fair and highly moral society, civil servants are required to serve the public, providing services fairly and evenly.

The performance of government officials is often the focus of society. Complaints are often addressed to the various services provided by the government apparatus. In addition to productivity and discipline that still need improvement, accuracy is also a problem because there are still errors made by the officials (Kusuma, 2013). Meanwhile, according to research of civil servants in the municipal government of Metro, a discrepancy was found between placement and the educational background of some structural officials within the Metro Municipal Government; in addition, there was an indication that the principles of good governance in the process of employee placement at Metro Municipal Government were not met (http://www.digilib.unila.ac.id/16557/13/BAB%20f.pdf). It is further explained that the two factors are the impact of several problems, namely changes in leadership, limited resources of apparatus, lack of motivation, and conflict of
interest. Furthermore, there are external inhibitors such as intervention, lack of independent institutions, and social conditions of society.

The above finding is reinforced by Syarifudin (2012) who explained why in majority Indonesian civil servants are considered unproductive. The stigma of “being lazy” is always attached to the civil servants. So attached is the stigma that people can be amazed to see civil servants who work diligently. The people are even more surprised finding civil servants who work diligently and do their job without the frills of money.

However, not all research on Civil Servants found that their performance is not satisfactory. Fathoni’s (n.d.) research results discovered that the performance of the civil servants at the Office of the Ministry of Religious Affairs of Jombang can be categorized as very good when measured using performance indicators. The indicators include: a) quantity of work, b) quality of work, c) timeliness, d) attendance, and e) ability to cooperate. Thus, the performance of employees, especially those in the government agencies, cannot be generalized. However, the research results presented above show the same common thread, i.e. employee performance is determined by various factors, both the internal and external ones.

Quality human resources as an internal factor become the main asset in improving the employee performance so as to build a good company or institution, both private and government. The environment and organizational culture also play an important role in the performance of individual employees. In some theories, employee performance is said to be influenced by many factors, including internal factors, namely competence, work motivation, discipline, and external factors, namely work environment, leadership, and organizational culture. Theoretically, the external factors will greatly influence the internal factors.

In addition to competence, motivation is the first internal factor that plays a role in employee performance. High competence without work motivation will create low performance; on the other hand, an employee with low competence but high motivation will have good performance. Buhler (as cited in Noerhayati, 2011) argued that motivation is a process that determines how much effort is devoted to doing work. It means that motivation has a fundamental role in improving performance.

Motivation is influenced by employee satisfaction in work. However, motivation is not the only factor affecting the level of work performance (Sutrisno, 2017). Sutrisno added that there are other factors that also play a role in influencing the performance, both from outside and from within the employee. One of the internal factors related to work motivation is job satisfaction. An employee who does not get satisfaction in his/her job will never achieve psychological satisfaction and will eventually resort to negative attitudes or behaviors, which will lead to frustration and lack of enthusiasm and ultimately inability to excel in work (Sayles in Sutrisno, 2017). Thus, job satisfaction will either directly or indirectly affect employee performance.

Employee performance here is defined as the extent to which an employee can perform the task well in a sense that the implementation of the task is in accordance with the plan, so as to obtain satisfactory results for the achievement of good employee performance. Therefore, employees as human resources are required to be qualified, capable of performing duties as government officials in accordance with the tasks assigned. In order to have good performance, a person must have a high desire to work and know his work. In other words, an individual’s performance is influenced by job satisfaction. Job satisfaction itself is the feeling of the individual towards his/her work.

Job satisfaction is influenced by various factors. Sutrisno (2017) mentioned some of the major factors that affect job satisfaction include wage, supervision, work serenity, and opportunities to progress. In addition, Gilmer in Sutrisno (2017) noted that there are many factors that affect job satisfaction, such as the opportunity to advance, security, salary, management, supervision, working conditions, facilities, and so forth. It shows that job satisfaction is influenced by the work environment and the management or organization created by the company or institution in which the employee works. Thus, in addition to affecting work motivation, job satisfaction is influenced by the organizational culture created by the leaders of an institution or company.

Organizational culture is concerned with how people feel about doing good jobs and what makes equipment and people work together in harmony. Organizational culture is a complicated pattern of how people do things, what they believe, what is valued, and what is punished. It deals with how and why people take on different jobs within the company (Phegan, 1995). Meanwhile, Vecchio (1995) defined organizational culture as the shared values and norms that exist within an organization and taught to the incoming workers. This definition suggests that organizational culture involves shared beliefs and feelings, order of behaviors, and historical processes to pass on values and norms.

The virtue of organizational culture is its function to control and direct the attitudes and behaviors of people who engage themselves in an organization’s activities. The influence of organizational culture is not static because employee performance keeps changing; in other words, organizational culture influences performance (Jusmin, n.d.). Jusmin's research results on the employees of Jayapura Transportation Office are reinforced by Ramadhan (it) who examined the influence of organizational culture on the performance of employees at the library of a state university. It was found that the organizational culture created by the head of the institution had a statistically significant influence on the performance of the employees. Thus it can be concluded that organizational culture has an influence on employee performance.

Organizational culture is expected to raise organizational commitment, so employees have high motivation in improving their work ethics. According to Mowday, Porter, and Steers in Slocum & Hellriegel (2007), organizational commitment reflects the strength of
employees in identifying their involvement in the organization, which is marked by: acceptance of organizational values and goals, preparedness and willingness to work earnestly for the sake of the organization, and desire to maintain membership in the organization (becoming part of the organization).

Organizational culture will eventually create a high performance of employees. As Armstrong (1999) pointed out, there are two schools of thought of commitment. First is a school of thought that flows from control to commitment as pioneered by Walton. According to Walton, performance will increase if organizations move away from traditional approaches that emphasize control over approaches that focus more on workforce management. This is achieved by stabilizing orders and controlling and achieving efficiency in the workforce.

Another external factor affecting work motivation and job satisfaction and performance is work environment. Work environment indeed does not carry out the production process within a company, but it has a direct influence on employee performance (Nitisemito, 1992). Work environment can create a binding working relationship between the people in the environment. Therefore, the company should endeavor to create a good and conducive work environment to make employees feel at home, happy, and eager to carry out every task. Leblebici (2012) described that employees’ behaviors in the work environment have a great influence on productivity. The results of his research show that the behavioral components of work environment have a greater effect on productivity, compared to the influence of physical components.

Based on the above background, it is necessary to conduct research on: An Analysis of Organizational Culture, Work Environment, Work Motivation, Job Satisfaction and Employee Performance. The research was conducted at Tangerang Regency Revenue Agency, Banten. The problems under study are further elaborated as follows:

- Is there any influence of organizational culture and work environment on job satisfaction?
- Is there any influence of organizational culture, work environment, and job satisfaction on work motivation?
- Is there any influence of organizational culture, work environment, job satisfaction, and work motivation on job performance or achievement?

2. Research Method

Research Design
The research aims to investigate the relationships among the variables of organizational culture, job satisfaction, work motivation, and employee performance. Hence, it is categorized as quantitative research. The design employed was an across-sectional survey, namely collecting data at a certain time in several sites.

Research Site
The research took place at the Office of Demography and Civil Registry of Tangerang Regency, Banten Province.

Research Period
The research was conducted from May 2017 to January 2018.

Research Variables and Their Measurements
There are five variables in this study, namely: organizational culture, work environment, job satisfaction, work motivation, and employee performance. Two of the five variables are purely exogenous: organizational culture and work environment; and there is one purely endogenous variable: employee performance. Meanwhile, the variables of job satisfaction and work motivation are simultaneously exogenous and endogenous. This is because job satisfaction and work motivation variables are viewed as intermediary variables which can directly impact performance, but also act as an intermediary for organizational culture and work environment in improving employee performance.

To measure the five variables, the likert scale questionnaire was used as the instrument. Prior to use in the research, the questionnaire was tested, the result of which indicated that five variables are reliable, and the items in each questionnaire showed a significant validity. The reliability values of each measurement are presented in Table 1, whereas the validity can be seen in the appendix to this article.

Table 1: Instrument Reliability

<table>
<thead>
<tr>
<th>No</th>
<th>Variable</th>
<th>Alpha</th>
<th>Quality</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Cultural Organization</td>
<td>0.733</td>
<td>Good</td>
<td>Significant</td>
</tr>
<tr>
<td>2</td>
<td>Work Environment</td>
<td>0.689</td>
<td>Good</td>
<td>Significant</td>
</tr>
<tr>
<td>3</td>
<td>Job Satisfaction</td>
<td>0.840</td>
<td>Very Good</td>
<td>Significant</td>
</tr>
<tr>
<td>4</td>
<td>Work Motivation</td>
<td>0.646</td>
<td>Good</td>
<td>Significant</td>
</tr>
<tr>
<td>5</td>
<td>Performance</td>
<td>0.776</td>
<td>Good</td>
<td>Significant</td>
</tr>
</tbody>
</table>

Based on the results of calculations on the instrument testing, it was found that all questionnaires are reliable, and all measurement items in organizational culture (10 items), work environment (10 items), job satisfaction (12 items), work motivation (8 items), and employee performance (10 items) are valid.

Population and Sample
The population in this research included all employees working for the Government of Tangerang Regency. Cluster random sampling was employed. In this sampling technique, the first step was determining a cluster, and it was decided that the existing institutions in Tangerang Regency Government would be selected. From the interviews, it was found that Tangerang Regency Government consisted of 21 departments and five agencies, one inspectorate, two civil service police units, an office of national and political unity, two secretariats (regional secretariat and council secretariat), a regional secretariat of the cooperation affairs, a public hospital and regional general public hospital of Balaraja, and a secretariat of the regional people’s representative council. From these agencies, one agency was randomly selected, resulting in the selection of the regional/local revenue agency.

Of the entire employees in the Regional Revenue Agency, 85 respondents were randomly selected. Thus, the respondents in this research consisted of 85 employees.
with either civil servant or honorary status.

**Data Processing Technique**

The data used to answer the problems formulated in this research are all quantitative, obtained from the measurement results through a questionnaire. Because the statistical analysis used to prove the hypothesis was path analysis, the measurement scale of the questionnaire was first transformed through the Method of Successive Interval (MSI). The analysis was carried out in two stages, namely descriptive analysis to examine the symptoms of the sample, and inferential analysis to prove the formulated hypothesis.

Based on the theoretical analysis, the relationship among the variables is shown in Diagram 1.

![Diagram 1: Structural Model of the Variables](image)

For the calculation, the research used SPSS data processing application program version 20. Linear regression to search the best regression was done backwardly. Through the process, the coefficient of each path of each substructure was obtained, followed by testing of the whole model through ANOVA, individual analysis through t-test, and trimming through backward iteration. Having obtained significant paths and prior to the interpretation of their direct effect, indirect effect, and total effect, a model matching test was done through Q and W tests. If the model is said to be suitable, then the interpretation will be made.

### 3. Results and Discussion

**Research Results**

Based on the calculations using SPSS application, the following significant path coefficient values are obtained.

![Diagram 2: Path Coefficients among Variables](image)

To make it easier for calculating the values of direct effect, indirect effect, and total effect of each exogenous variable on the endogenous variables, see Table 2.

<table>
<thead>
<tr>
<th>Effects between Variables</th>
<th>Direct Effect (DE)</th>
<th>Indirect Effect (IE) through Job Sats. and Work Motiv.</th>
<th>Total Effect (TE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Org.Cult on Emp.Perf</td>
<td>-</td>
<td>0.092</td>
<td>0.121</td>
</tr>
<tr>
<td>Work.Env. on Emp.Perf</td>
<td>-</td>
<td>0.160</td>
<td>0.212</td>
</tr>
<tr>
<td>Work Motiv.onEmp.Perf</td>
<td>0.568</td>
<td>-</td>
<td>0.568</td>
</tr>
<tr>
<td>Job.Sats. on Emp.Perf</td>
<td>0.364</td>
<td>0.116</td>
<td>0.480</td>
</tr>
<tr>
<td>Org.Cult on Job Sats</td>
<td>0.252</td>
<td>-</td>
<td>0.252</td>
</tr>
<tr>
<td>Work.Env. on Job Sats.</td>
<td>0.441</td>
<td>-</td>
<td>0.441</td>
</tr>
<tr>
<td>Work.Env. on Work Motiv.</td>
<td>0.320</td>
<td>0.090</td>
<td>0.410</td>
</tr>
<tr>
<td>Job.Sats. on Work Motiv.</td>
<td>0.205</td>
<td>-</td>
<td>0.205</td>
</tr>
<tr>
<td>Org.Cult on Work Motiv.</td>
<td>-</td>
<td>0.052</td>
<td>0.052</td>
</tr>
</tbody>
</table>

**Table 2:** Direct Effect (DE), Indirect Effect (IE), and Total Effect (TE)
Before the first interpretation was made, an overall testing through Q test was carried out, resulting in the value of Q count of 0.976. Because there was a process of trimming, the elimination of the path, then first W value was calculated, resulting in $W = 2.038$, which is much smaller than $X_{2,0.05} = 5.99$. Thus, it can be concluded that the overall model fits the data.

Because the model has an overall fit, the effects of each variable can then be interpreted, as follows:

1) Work motivation is simultaneously affected by work environment (external variable) and job satisfaction (internal variable) for 32.4%. The effects are 0.320 and 0.205, for work environment and job satisfaction, respectively.
2) Job satisfaction is simultaneously affected by organizational culture and work environment for 21.2%. The effects are 0.252 and 0.441 for work culture and work environment, respectively.
3) Employee performance is simultaneously affected by work motivation and job satisfaction for 60.9%. The direct effect of work motivation variable is 0.568 and job satisfaction 0.364.
4) Organizational culture has an indirect effect on employee performance with a total value of 0.121.
5) Work environment indirectly affect employee performance with a total effect of 0.212.
6) The variable that has the greatest effect on employee performance is work motivation with 0.568, followed by job satisfaction 0.480, work environment 0.212, and work culture 0.121.

4. Discussion

The results of research on employees who worked at one of the government institutions in Tangerang regency show that work motivation is simultaneously affected by work environment (external variable) and job satisfaction (internal variable) by 32.4%. The effects are 0.320 and 0.205 for work environment and job satisfaction, respectively. On the other hand, organizational culture indirectly affects work motivation for 0.052. Thus, to create a high employee motivation, an institution needs to create and improve its conducive working environment, employee job satisfaction, and organizational culture.

Work environment within a company is very important to be taken into consideration by the management. Although work environment does not carry out the production process within a company, it has a direct influence on the employees who carry out the production process (http: //www.unisuska.ac.id40624BAB%20II.pdf). This is reinforced by Nitisemo (in Nuraini, 2013) who argued that work environment can affect the employees in carrying out the tasks assigned to them.

Job satisfaction is simultaneously affected by organizational culture and work environment by 21.2%. The effects of each factor are 0.252 and 0.441, respectively. Thus, it can be concluded that organizational culture and work environment can significantly increase employee job satisfaction. This result is in line with the study undertaken by Ingersoll et al. (2000) which shows that organizational culture is a strong predictor in creating employee commitment to the organization. Walumbwa et al.'s research proves that leaders who play transformative leadership have a strong influence on organizational commitment of employees. This suggests that organizational culture and leadership behaviors have a direct effect on organizational commitment.

Another finding in this research is that organizational culture and work environment have an indirect effect on performance, as can be seen from the result of test which indicates that the path coefficient that directly links both variable to employee performance is not significant. This means that organizational culture and work environment have an impact on employee job satisfaction and work motivation. The creation of a certain work culture and work environment within an institution does not have direct impacts on improved employee performance but will trigger employee job satisfaction and work motivation. With high job satisfaction and motivation, employee performance will increase.

The direct and simultaneous effect of work motivation and job satisfaction on employee performance is very significant and great enough, that is equal to 60.9%. Of the two internal variables, work motivation gives the greatest effect on employee performance, namely for 0.568, while the effect of work satisfaction is 0.364. This finding is in accordance with the results obtained by Londong et al. (n.d.) that there is a linear effect between the independent variable of work motivation on the independent variable of employee performance. This fact is also in line with the theory proposed by Siagian (1992) that employee motivation is influenced by work conditions, feelings of being engaged, humanity, appreciation of achievement, loyalty to subordinates, and interesting job tasks.

Research conducted by Runtuwene (n.d.) also yielded the same result. It was found that the correlation value of work motivation (X) and employee performance is 0.49, which means the correlation of these two variables is categorized as medium, but very significant. The present research shows that the direct effect of motivation on performance is 0.568. With this finding, employee motivation is very important to be taken into account by the manager or head of an institution. This is as proposed by Sutrisno (2009) who evinced that work motivation plays an important role in the productivity of a company. Without the motivation of the employees to work together for the interests of the company, the goals that have been set will not be achieved. Conversely, if there is a high motivation among the employees, then the company's success in achieving its goals can be guaranteed.

As explained above, the second factor that directly affects employee performance is job satisfaction. In addition to having a direct effect, this factor has an indirect effect through work motivation. The effect of job satisfaction on employee performance is 0.364 and the indirect effect is 0.116, so the total effect of job satisfaction on employee performance is 0.480. The great influence of job satisfaction is smaller compared to that of work motivation, which has obtained a value of 0.568. Nevertheless, the value of direct effect of work motivation is also driven by job satisfaction.
This means that the high motivation of an employee to achieve is also greatly influenced by his/her job satisfaction. In this case, job satisfaction is a driving force that can generate work motivation so that the employee performance will increase. This is as stated by Sutrisno (2009) that job satisfaction will affect the attitude and behavior of people, especially work behavior, and it is a good tool in motivating employees and preventing harmful behaviors.

The impacts of low job satisfaction can be seen from the research results of Robbins (in Sutrisno, 2009), as follows:
1) There is clear evidence that dissatisfied employees more often skip work and are more likely to resign.
2) It has been demonstrated that satisfied employees have better health and longer lives.

Similar results were revealed by the research of As’ad (in Sutrisno, 2009) that there are three directions in research on employee performance, namely:
1) Efforts to find the factors that become the source of job satisfaction as the conditions that affect it.
2) Efforts to see the impact of job satisfaction on the attitudes and behaviors of employees, such as: productivity, absenteeism, workplace, labor turn over, and so on. By knowing these things, the companies can take appropriate steps to motivate employees.
3) Efforts to get a more precise and comprehensive formulation of job satisfaction.

With the findings and opinions of these experts, it can be concluded that work motivation directly affects employee performance, and job satisfaction also directly affects employee performance, although it can also have an indirect effect, namely through work motivation.

Although the direct effect of organizational culture and work environment on employee performance is not significant, from the results of data processing it is found that both have a non-negligible effect. Empirically, the indirect effect of organizational culture on employee performance is 0.121, and the indirect effect of work environment on employee performance is 0.212. This finding is in contrast to the opinion set out by http://www.uin-suska.ac.id/40624BAB%20II.pdf that work environment has a direct influence on the employees who carry out the production process. This difference is very likely to occur because the present research only covers the non-physical environment, while the research cited from http://www.uin-suska.ac.id/40624BAB%20II.pdf included the physical and psychological aspects of the environment, which are equally important in an organization; in other words, these two work environments cannot be separated. If a company focuses only on one type of work environment, it will not create a good working environment, and a poor working environment can demand more labor and time and does not support efficient work system and will cause the company to decline in its productivity (http://www.uin-suska.ac.id/40624BAB%20II.pdf).

5. Conclusions and Recommendations

5.1 Conclusions

Based on the results of research on the relationships among organizational culture, work environment, job satisfaction, work motivation, and employee performance, the following conclusions can be drawn.

a) Organizational culture directly affects job satisfaction and indirectly affects work motivation and employee performance.
b) Work environment directly affects job satisfaction and work motivation. As for employee performance, the effect of work environment is indirect.
c) Job satisfaction directly affects work motivation and employee performance, and indirectly affects employee performance through work motivation.
d) Work motivation directly affects employee performance.
e) The variable with the greatest effect on improved employee performance is work motivation, followed by job satisfaction, work environment, and organizational culture.

5.2 Recommendations

Drawing upon the conclusions, the following recommendations are made:

1) Improvement of employee performance is strongly influenced by organizational culture, work environment, job satisfaction, and motivation. Hence, a company or institution, both private and government, especially the government of Tangerang Regency need to pay attention to these four factors so that the performance of its employees can be increased.

2) The most influential factor on employee performance is work motivation, but work motivation will emerge if there are supporting external and internal factors, which are work environment and organizational culture, and job satisfaction. Therefore, a company needs to create a clear organizational culture and standards and conducive working environment which will affect employee job satisfaction and ultimately increase employee motivation.

3) This research was conducted on employees who worked in the government of one regency by cluster sampling one of the agencies/institutions/units within the government structure in the regency. Hence, further investigation using stratified random sampling is strongly suggested, so that respondents representing each working unit in the government could be included in the research.

4) Future research can be done by using factor analysis, namely by collecting all external and internal variables that affect employee performance, and then developing the mathematical model of the variables that contribute significantly to the level of employee performance.

References


Websites