

The Effect of Work Motivation and Organization Culture to Employee Performance and Work Satisfaction (Case Study on 'X' Corporation)

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Abstract: A good corporate performance is not only defined by increased profit, but also by how successful the corporate manage their human resource as well. Lots of company has put aside the importance of their well-managed human resource which results in non-optimal corporate performance. Work motivation plays an important role inside corporate's human resource performance, because working quality, productivity, commitment, and job responsibilities are all depends on work motivation. Satisfying employee performance is the one that is able to achieve corporate goals, or achieve even better than the target itself. This study aims to test the effect of Work Motivation and Organization Culture to Employee Performance and Work Satisfaction, and Work Satisfaction to Employee Performance. Sampling technique that is use in this study is saturated sampling, and the number of selected sample is 138 people. Work Motivation and Organization Culture as independent variables, Work Satisfaction as intervening variable, and Employee Performance as dependent variable. Analysis method used in this study is Structural Equation Modelling (SEM) with STATA 14 as statistic tool.

Keywords: Employee Performance, Organization Culture, Work Motivation, Work Satisfaction

1. Introduction

A good corporate performance is not only defined by increased profit, but also by how successful the corporate manage their human resource as well. Lots of company has put aside the importance of their well-managed human resource which results in non-optimal corporate performance. Work motivation plays an important role inside corporate's human resource performance, because working quality, productivity, commitment, and job responsibilities are all depends on work motivation. Satisfying employee performance is the one that is able to achieve corporate goals, or achieve even better than the target itself.

Work Satisfaction is an emotional attitude in which a person's love their job and be happy while doing it [1]. This kind of attitude reflected in their work morale. A person with a high level of job satisfaction has positive feelings about their job, while someone who is dissatisfied has negative feelings about their job. Work satisfaction is influenced by compensation, promotion, physical and non-physical environment. Smoothness at work processes will usually supported by high job satisfaction from employees and conversely employees who are not satisfied in their work will have a negative influence on the performance or work process in the environment where the employee is assigned [2]. Same thing for corporate culture. Organizational culture is a difficult thing to determine and describe, but this is a very important related to improving company performance. Organizational culture between one company and another usually differs from the organizational culture in different countries. Therefore companies and employees must understand these cultural differences. Work motivation plays an important role inside corporate's human resource performance, because working quality, productivity, commitment, and job responsibilities are all depends on work motivation. Satisfying employee

performance is the one that is able to achieve corporate goals, or achieve even better than the target itself [3].

There are many previous study that examine the effect of work motivation and organizational culture. Prior study suggest that work motivation takes no significant effect on employee work satisfaction, which means that even if the employee has higher work motivation, it does not have much effect on work satisfaction, prior study also suggest that work motivation takes no effect on employee performance [4]. On the other hand, prior study suggest that work motivation plays an important role in determining employee performance, and work satisfaction [5]–[9]. Organizational culture has positive and significant effect to employee performance, this result suggest that if a company has good corporate culture, the employee will show good performance [10],[11]. Prior study also suggest that organizational culture takes positive and significant effect on work satisfaction [12]–[14]. Work satisfaction has a significant effect on employee performance, this result suggest that employees who feel satisfied with their job also feel happy at work, thus lower the chance of looking for another job. While on the other hand, dissatisfied employee has a negative feeling about their job and tend to look for another alternative [15],[16].

1.1 Problem Statement

This study have multiple problem statement as follows:

- 1) Is work motivation affect employee performance?
- 2) Is organization culture affect employee performance?
- 3) Is work motivation affect work satisfaction?
- 4) Is organizational culture affect work satisfaction?
- 5) Is work satisfaction affect employee performance?

2. Research Design

2.1 Research Framework

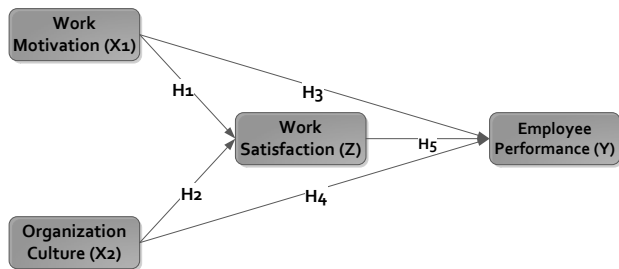


Figure 1: SEM Research Framework

2.2 Population, Sample Selection, and Dataset

This study using population of all 158 employee who work at 'X' Company. Sample selection is based on number of population, and this study is using saturated sampling technique, then a final sample of 138 employee is obtained. To get data as a discussion, dataset were conducted by collecting, processing, and analyzing it. The techniques used in data collection is through a set of questionnaire.

2.3 Research Variable

This study is using Work Motivation (X_1) and Organization Culture (X_2) as independent variables, Work Satisfaction (Z) as intervening variable, and Employee Performance (Y) as dependent variable.

2.4 Data Analysis and Hypotesis Testing

This study is using SEM model for data analysis and using STATA 14 as statistical tool. SEM is one method that is widely used to close the weaknesses of the regression methods. The approach used in this study is the Variance Based SEM approach. To do the analysis using VBSEM, the analysis is done in three stages, namely Measurement Model Fit, Structural Model Fit, Overall Model Fit.

3. Results and Findings

3.1 Overall Model Analysis

Fit statistic	Value	Description
Likelihood ratio		
chi2_ms(130)	347.496	model vs. saturated
p > chi2	0.000	
chi2_bs(153)	1366.952	baseline vs. saturated
p > chi2	0.000	
Population error		
RMSEA	0.110	Root mean squared error of approximation
90% CI, lower bound	0.096	
upper bound	0.124	
pclose	0.000	Probability RMSEA <= 0.05
Information criteria		
AIC	5060.244	Akaike's information criterion
BIC	5232.952	Bayesian information criterion
Baseline comparison		
CFI	0.821	Comparative fit index
TLI	0.789	Tucker-Lewis index
Size of residuals		
SRMR	0.079	Standardized root mean squared residual
CD	0.978	Coefficient of determination

Figure 2: Goodness of Fit Result

Figure 2 above contains the results for the measurement of goodness of fit (GOF) where the measurements are based on Chi-Square, Root Mean Squared Error of Approximation (RMSEA), Akaike's Information Criterion (AIC), Bayesian Information Criterion (BIC), Comparative Fit Index (CFI), Tucker-Lewis Index (TLI), and Standardized Root Mean Squared Residual (SRMR) values. To state that the research model used meets GOF criteria, the value of each element obtained must meet the minimum value requirements of GOF. The table below will explain the GOF measurements of the models that have been used.

Table 1: Goodness of Fit Results Measurement

Statistics	Value	Criteria	Remarks
Chi ²	347	Smaller, the better	Poor fit
RMSEA	0,11	0.05 < RMSEA < 0.08	Poor fit
AIC	5.060,244	Smaller, the better	Poor fit
BIC	5.232,952	Smaller, the better	Poor fit
CFI	0,821	> 0.90	Marginal Fit
TLI	0,789	> 0.90	Poor fit

Table 1 above has suggest that the minimum requirement for further analysis of this model has already met. This proves that the data used is not in accordance with the model used. However, the model used can still be used for further analysis to determine the effect of exogenous variables on endogenous variables in this study.

3.2 Hypothesis Testing

3.2.1 Work Motivation to Work Satisfaction

Table 2: WM Coefficient to WS

Coefficient	Unstandarized	Standardized
B	0,51	0,39
Z	3,84	4,54

Based on table 2 above, it can be determined that loading factor from Work Motivation (WM) to Work Satisfaction (WS) has a positive value of 0.51, and statistically significant to 0.39 (standarized beta). Because the path coefficient can be defined as a correlation number, then the value is re-measured to a coefficient of determination, it will be $(0.39)^2$, or equal to 0.1521. This indicates that overall WM variables contribute to WS by 15.2%. And to measure the significance of WM on WS, we can see table II with the requirements such as z-standarized > z-unstandarized. Table II above has shown that requirement is already fulfilled. It can be concluded that work motivation has a positive and significant effect on work satisfaction. This results suggest that one of the 'X' corporate strategies, such as incentives and fixed income, and also performance recognition to their employee considered effective to increased employee motivation on their job responsibilities.

3.2.2 Organization Culture to Work Satisfaction

Table 3: OC Coefficient to WS

Coefficient	Unstandarized	Standardized
B	0,3	0,23
Z	2,5	2,53

Based on table 3 above, it can be determined that loading factor from Organizational Culture (OC) to Work

Satisfaction (WS) has a positive value of 0.30, and statistically significant to 0.23 (standarized beta). Because the path coefficient can be defined as a correlation number, then the value is re-measured to a coefficient of determination, it will be $(0.23)^2$, or equal to 0.0529. This indicates that overall OC variables contribute to WS by 5.3%. And to measure the significance of OC on WS, we can see table III with the requirements such as z-standarized > z-unstandarized. Table III above has shown that requirement is already fulfilled. It can be concluded that organizational culture has a positive and significant effect on work satisfaction. 'X' corporate's organization culture has allowed their employee to think and act innovatively, and also communication pattern and structure has proven to be effective to increase employee's work satisfaction.

3.2.3 Work Motivation to Employee Performance

Table 4: WM Coefficient to EP

Coefficient	Unstandarized	Standarized
B	0,23	0,24
Z	2,52	2,7

Based on table 4 above, it can be determined that loading factor from Work Motivation (WM) to Employee Performance (EP) has a positive value of 0.23, and statistically significant to 0.24 (standarized beta). Because the path coefficient can be defined as a correlation number, then the value is re-measured to a coefficient of determination, it will be $(0.24)^2$, or equal to 0.0576. This indicates that overall WM variables contribute to EP by 5.8%. And to measure the significance of WM on EP, we can see table IV with the requirements such as z-standarized > z-unstandarized. Table IV above has shown that requirement is already fulfilled. It can be concluded that work motivation has a positive and significant effect on employee performance. Benefits and incentives that 'X' corporate gives to their employee has proven to be effective to increased employee performance.

3.2.4 Organizational Culture to Employee Performance

Table 5: OC Coefficient to EP

Coefficient	Unstandarized	Standarized
B	0,41	0,42
Z	4,6	5,6

Based on table 5 above, it can be determined that loading factor from Organizational Culture (OC) to Employee Performance (EP) has a positive value of 0.41, and statistically significant to 0.42 (standarized beta). Because the path coefficient can be defined as a correlation number, then the value is re-measured to a coefficient of determination, it will be $(0.42)^2$, or equal to 0.1764. This indicates that overall OC variables contribute to EP by 17.6%. And to measure the significance of OC on EP, we can see table V with the requirements such as z-standarized > z-unstandarized. Table V above has shown that requirement is already fulfilled. It can be concluded that organizational culture has a positive and significant effect on employee performance.

3.2.5 Work Satisfaction to Employee Performance

Table 6: WS Coefficient to EP

Coefficient	Unstandarized	Standarized
B	0,2	0,26
Z	2,77	2,92

Based on table 6 above, it can be determined that loading factor from Work Satisfaction (WS) to Employee Performance (EP) has a positive value of 0.20, and statistically significant to 0.26 (standarized beta). Because the path coefficient can be defined as a correlation number, then the value is re-measured to a coefficient of determination, it will be $(0.26)^2$, or equal to 0.0676. This indicates that overall WS variables contribute to EP by 6.8%. And to measure the significance of WS on EP, we can see table VI with the requirements such as z-standarized > z-unstandarized. Table VI above has shown that requirement is already fulfilled. It can be concluded that work satisfaction has a positive and significant effect on employee performance. Employee in 'X' corporate has given a chance to execute their job by using their own, unique way. And guidance from other coworker helps increased work satisfaction and encourage employee to give in their best performance at work.

4. Conclusions

Based on results and findings that discussed on previous session, the conclusions are as follow. Work Motivation (WM) has a positive and significant effect on Work Satisfaction (WS), Organization Culture (OC) has a positive and significant effect on Work Satisfaction (WS), Work Motivation (WM) has a positive and significant effect on Employee Performance (EP), Organizational Culture (OC) has a positive and significant effect on Employee Performance (EP), Work Satisfaction (WS) has a positive and significant effect on Employee Performance (EP). Therefore, the conclusion suggest that all hypothesis tested from H1 to H5 are all accepted.

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Author Profile



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