

# The Effect of Organizational Culture and Work Motivation on Employee Performance with Job Satisfaction as an Intervening Variable at PT. Berkat Bima Sentana

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**Abstract:** This study aims to determine the effect of organizational culture and work motivation on employee performance through job satisfaction at PT. Berkat Bima Sentana. This research was conducted at PT. Berkat Bima Sentana which lasted for 6 (three) months, starting from March 2019 to August 2019. This study used a quantitative associative method with structural equation modeling (SEM) analysis tools. The sampling technique used is proportional random sampling using the slovin formula. The respondents of this study were 98 employees at PT. Berkat Bima Sentana. The instrument used was a questionnaire to collect data from organizational culture, work motivation, job satisfaction and employee performance. Descriptive analysis results for organizational culture, work motivation, job satisfaction and employee performance at PT. Berkat Bima Sentana, it is in the good category. Based on SEM analysis, organizational culture and work motivation have a positive and significant effect on employee performance through job satisfaction at PT. Berkat Bima Sentana. The contribution of organizational culture, work motivation and job satisfaction explain employee performance variables of 0.893 or 89.3%. The remaining 0.107 or 10.7% is influenced by other independent variables not examined in this study.

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

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## I. Introduction

In line with changes in the industry in the Industrial Era 4.0 which is full of technological and information developments resulting in competition in the business world will become increasingly competitive, to be able to continue to grow and develop the company must improve its competitiveness through increasing company performance. The company's performance is reflected in the performance of Human Resources contained in the company. Therefore, the performance of human resources is a very important and decisive factor for the progress of a company's business.

PT. Berkat Bima Sentana, it is one of the largest diesel power generation (PLTD) companies in Indonesia with an electricity production capacity of 120 Megawatts and is also one of the business units under the Waruna Group. Currently PT. Berkat Bima Sentana, is one of the partners of PT. Perusahaan Listrik Negara Persero to meet the electricity needs of the people of North Sumatra in general, the city of Medan in particular.

To measure the performance of employees at PT. Berkat Bima Sentana, a performance appraisal is conducted every semester, in which the first semester assessment starts from January to June while the second semester assessment starts from July to December. Based on the results of the assessment shows that the performance of employees at PT. Berkat Bima Sentana, it is still not optimal and tends to decrease.

One factor that is considered to affect employee performance is job satisfaction. Where employees who have high levels of job satisfaction will tend to have high performance as well (Mariati and Mauludin, 2018). Culture contained in an organization is one of the factors that influence job satisfaction of employees in the organization. Where a positive organizational culture, members who are conducive and supportive in carrying out their work will increase employee job satisfaction in the organization. Another factor that influences job satisfaction is work motivation. Employees who have high work motivation will tend to have high job satisfaction and vice versa.

## II. Literature Review

### 2.1 Organizational Culture

Sutrisno (2010) states that organizational culture is values, beliefs, symbols adopted by organizations that are accepted and influence, regulate and bind various groups in interacting with other group members, can function as adhesives and define codes of behavior in realizing organizational goals so they must taught to

members of new organizations. According to Robbins (2006), there are seven characteristics of organizational culture which are a series of important characters that are of value to an organization, namely:

1. Innovation and Risk Taking

Innovation and risk taking, is the level of motivation for employees to be innovative and dare to take measured risks.

2. Attention to Details

Attention to detail, is the level of demand for employees to be able to show accuracy, analysis and attention to detail.

3. Outcome Orientation

The orientation towards results, is the level of demand for management to focus more on results, rather than attention to the techniques and processes used to achieve these results.

4. People Orientation

Orientation towards individuals, is the level of management decisions in considering the effects of the results on individuals in the organization.

5. Team Orientation

Team orientation is the level of work activity that is set in the team, not individually.

6. Aggressiveness

Aggressiveness, is the level of demand for organizations to behave aggressively and compete and not be relaxed.

7. Stability

Stability, is the level of emphasis on organizational activities in maintaining the status quo versus growth.

## **2.2 Work Motivation**

Motivation comes from the Latin word "movere" which means "drive or driving force". Motivation is a desire that arises in the employee that creates enthusiasm or drive to work optimally to achieve company goals. Work motivation is a desire in a person that gives strength to meet individual needs and plays a strong role in directing behavior or causing someone to take action in achieving organizational goals (Mohklas 2015, Robins 2006).

McClelland's need theory was developed by David McClelland and his colleagues. This theory focuses on three needs: achievement, strength, and relationships (Robbins and Judge, 2009). McClelland's theory explains that there are three prominent human needs/desires, namely:

1. Need of Achievement

Need of Achievement is the need for achievement which is a reflection of the drive for responsibility for problem solving. An employee who has a need for high achievers tends to perform better than what he has done, not left behind by other employees, develop themselves and get recognition from the work that has been achieved. Having a comprehensive work plan and striving to realize goals

2. Need of Affiliation

Need of Affiliation is the need for affiliation which is an encouragement to interact with others, being with other people, not wanting to do something that is detrimental to others. The need for affiliation can be seen from the spirit to be affiliated with the work environment, the spirit to be able to work closely with the work team, the spirit to obey all the rules, and always try to respect the leader.

3. Need of Power

Need of Power is the need for power which is a reflection of the drive to achieve authority to have an influence on others. The need for power can be seen from the amount of effort to be respected, the effort not to be underestimated, and the presence or presence is needed by others.

## **2.3 Job Satisfaction**

According to Hasibuan (2007) Job satisfaction is an emotional attitude that is fun and loves work. Employee job satisfaction must be created as well as possible so that employee morale, dedication, love and discipline increase. This attitude is reflected by work morale, discipline, and work performance. Job satisfaction is enjoyed at work, outside of work, and a combination of inside and outside work. Job satisfaction at work is job satisfaction that is enjoyed at work by obtaining praise of work results, placement, treatment, equipment, and good working environment. Employees who prefer to enjoy job satisfaction at work will prioritize their work more than compensation even though remuneration is important.

Luthans (2011) explains that there are five indicators of job satisfaction, namely:

1. The work itself

In this case where work provides interesting assignments, opportunities to learn, and opportunities to accept responsibility.

2. Salary

The amount of wages received and the level at which this can be seen as appropriate compared to others in the organization.

3. Promotion

Opportunities to advance in the organization. Promotional opportunities have different effects on job satisfaction, because promotions have a number of different forms and have various awards.

4. Co-workers

The degree to which coworkers are technically skilled and socially supportive. The working group acts as a source of support, comfort, advice and assistance to individual members.

5. Supervision

Ability of the superior to provide technical assistance and behavioral support. At present there are two dimensions of supervisory styles that affect job satisfaction, which are employee centered by using personal interest and caring for employees. Another dimension is participation in decision making that influences their needs.

## **2.4 Employee Performance**

The term performance or work performance comes from the English word "performance". According to Khan in Busro (2018:87), performance is defined as work ability in terms of quality and quantity. Performance is a work performance both in quantity and quality achieved by someone during a certain period, usually within one year.

According to Ivancevich, Konopaske and Matteson (Busro, 2018:88) that performance shows the abilities and skills of workers. Opinions emphasize the competence of human resources possessed by organizations, ranging from the ability of employees' cognition, affection, and psychomotor.

According to Mathis and Jackson (2006) basically performance measurement is based on 5 (five) indicators as follows:

1. Quantity of output, which concerns the amount of output produced by individuals as a requirement in work standards;
2. Output quality, including accuracy in producing output, which is related to neatness, accuracy and skill;
3. Timeliness, i.e. completion of work in accordance with the allotted time;
4. Presence, i.e. the presence of employees at work to carry out their work;

The ability to work together, which involves how to behave in the company, both against superiors, other employees, or to the work that is given for completion together - together

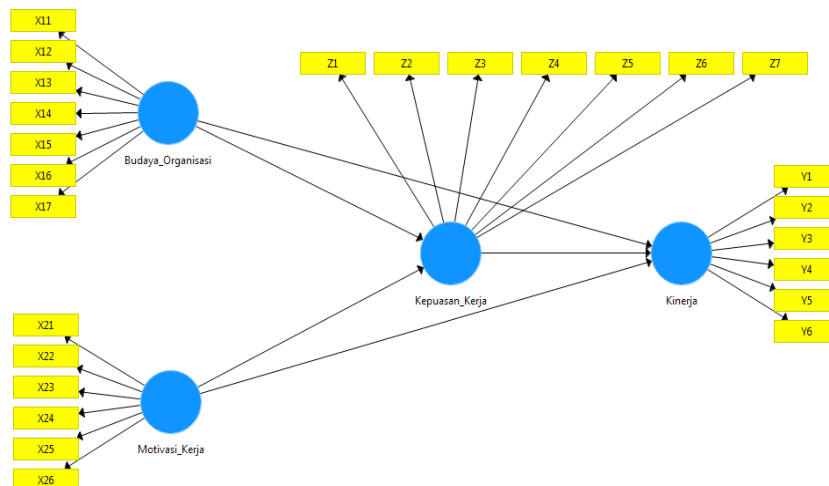
## **III. Research Methods**

This research was conducted at PT. Berkas Bima Sentana, located on Jalan Pulau Sicanang, Medan Belawan District, Sumatera Utara. This type of research is associative research. According to Sugiyono (2014:92) the definition of associative quantitative research methods is research that aims to determine the effect or also the relationship between two or more variables.

In this study, associative research methods are used to determine the magnitude of the influence between one variable with another variable. The population in this study were all employees at PT. Berkas Bima Sentana in 2019 there were 135 employees. Samples were taken based on the probability sampling technique that is proportionate random sampling using the slovin formula to obtain a sample of 98 employees.

Collecting data in this study by making a list of questions in the form of questionnaires using a Likert scale with a scale of 1 (strongly disagree) and a scale of 5 (strongly agree) then after being filled out completely then returning it to researchers with exogenous latent variables ( $\xi_1$ ) is the organizational culture, exogenous latent variable ( $\xi_2$ ) is: work motivation, endogenous latent variable ( $\eta_1$ ) is job satisfaction and endogenous latent variable ( $\eta_2$ ) is employee performance. The model of this research is as follows:

Figure 1 Research Model



The data analysis tool uses structural equation modeling (SEM) with smartpls 3.0 application program, where before the data is processed the questionnaire is given to 30 employees of PT. Berkat Bima Sentana, the respondents outside were assigned to test the validity and reliability of the research questionnaire. If the questionnaire is valid and reliable, it will evaluate the model by evaluating the outer model and evaluating the inner model and continuing with the hypothesis test.

#### IV. Results and Discussion

PT. Berkat Bima Sentana is a company engaged in the field of diesel power plants (PLTD) founded in 2012 headquartered in Medan, Sumatera Utara Province. Establishment of PT. Berkat Bima Sentana, the backdrop to this is the increasing need for electricity in northern Sumatra in general so that it is expected to reduce the deficit in electric power, especially in the city of Medan.

Collaborate with the State Electricity Company (PT. PLN Persero) through the EPC (Engineering, Procurement and Construction) contract. Diesel power plant PT. Berkat Bima Sentana with a capacity of 120 Mega Watt (MW) located in Belawan Sicanang Island, Medan began operating in 2014.

With the operation of PT. Berkat Bima Sentana at the end of 2014, it had a very positive impact in reducing the electricity power deficit, especially in the city of Medan, this was marked since 2015 a rotating power outage that has been experienced by people of the city of Medan over the years could be overcome properly.

The results of the descriptive statistical analysis were performed on each research variable, namely organizational culture, work motivation, job satisfaction and employee performance. The descriptive statistical analysis provided is a description of the respondent's answers namely PT. Berkat Bima Sentana, the results of descriptive statistical analysis show that in general the organizational culture is in good condition with a mean value of 3.64, employee work motivation is in good condition with a mean value of 3.86, employee job satisfaction in good condition with a mean value of 3, 93 and employee performance is in good condition with a mean value of 3.62.

Inferential statistical analysis using structural equation modeling with the smartpls 3.0 application program consisting of analysis of the measurement model (outer model) and structural model analysis (inner model) as for the model image

Analysis of the measurement model (outer model) consists of convergent validity, discriminant validity and composite reliability. Convergent validity assessment is done by looking at the Average Variance Extracted (AVE) value, where if the AVE value obtained is greater than 0.50, then the indicator used has fulfilled the convergent validity (Hair et al, 2011). AVE values obtained in this study can be seen in the following Table 1:

| Variable               | AVE   |
|------------------------|-------|
| Organizational Culture | 0,581 |
| Work Motivation        | 0,583 |
| Job Satisfaction       | 0,590 |
| Employee Performance   | 0,587 |

Source: Research Results, 2019 (Data Processed)

Based on Table 2 it can be seen that the AVE results obtained are above 0.50 so it can be stated that the indicators used in this study are valid or have met the convergent validity criteria.

Discriminant validity is related to the principle that different constructor gauges should not correlate with height. Discriminant validity test is assessed based on the value of cross loading with the construct. An indicator is declared valid or meets the discriminant validity if it has the highest value to the intended construct compared to the value to other constructs. The cross loading values can be seen in the following Table 2:

**Table 2 Value of Cross Loading**

| Indicator | Organizational Culture | Work Motivation | Job Satisfaction | Employee Performance |
|-----------|------------------------|-----------------|------------------|----------------------|
| X11       | 0,772                  | 0,526           | 0,624            | 0,609                |
| X12       | 0,728                  | 0,473           | 0,625            | 0,614                |
| X13       | 0,746                  | 0,553           | 0,619            | 0,593                |
| X14       | 0,770                  | 0,489           | 0,622            | 0,638                |
| X15       | 0,810                  | 0,562           | 0,679            | 0,688                |
| X16       | 0,764                  | 0,571           | 0,670            | 0,668                |
| X17       | 0,742                  | 0,561           | 0,626            | 0,610                |
| X21       | 0,528                  | 0,748           | 0,635            | 0,649                |
| X22       | 0,580                  | 0,802           | 0,662            | 0,655                |
| X23       | 0,538                  | 0,749           | 0,615            | 0,600                |
| X24       | 0,525                  | 0,765           | 0,602            | 0,660                |
| X25       | 0,440                  | 0,743           | 0,575            | 0,606                |
| X26       | 0,589                  | 0,773           | 0,660            | 0,698                |
| Z1        | 0,586                  | 0,611           | 0,729            | 0,700                |
| Z2        | 0,571                  | 0,604           | 0,700            | 0,629                |
| Z3        | 0,673                  | 0,648           | 0,796            | 0,765                |
| Z4        | 0,667                  | 0,598           | 0,776            | 0,684                |
| Z5        | 0,681                  | 0,603           | 0,782            | 0,719                |
| Z6        | 0,688                  | 0,643           | 0,800            | 0,751                |
| Z7        | 0,630                  | 0,696           | 0,787            | 0,750                |
| Y1        | 0,603                  | 0,652           | 0,717            | 0,770                |
| Y2        | 0,671                  | 0,634           | 0,723            | 0,792                |
| Y3        | 0,610                  | 0,631           | 0,667            | 0,730                |
| Y4        | 0,653                  | 0,607           | 0,715            | 0,778                |
| Y5        | 0,661                  | 0,677           | 0,770            | 0,808                |
| Y6        | 0,614                  | 0,686           | 0,688            | 0,716                |

**Source: Research Results, 2019 (Data Processed)**

Table 2 shows that each indicator has the highest loading factor value when it is connected to the intended construct compared to when it is connected with other constructs.

An assessment of internal consistency reliability can also be done to test the reliability of each indicator. Internal Consistency Reliability is done by looking at the composite reliability value of the indicator block that measures the construct. The rule of thumb value of the composite reliability obtained must be greater than 0.70 (Ghozali, 2016). The results of composite reliability in this study can be seen in the following Table 3:

**Table 3 Composite Reliability**

| Variable               | Composite Reliability |
|------------------------|-----------------------|
| Organizational Culture | 0,906                 |
| Work Motivation        | 0,893                 |
| Job Satisfaction       | 0,909                 |
| Employee Performance   | 0,895                 |

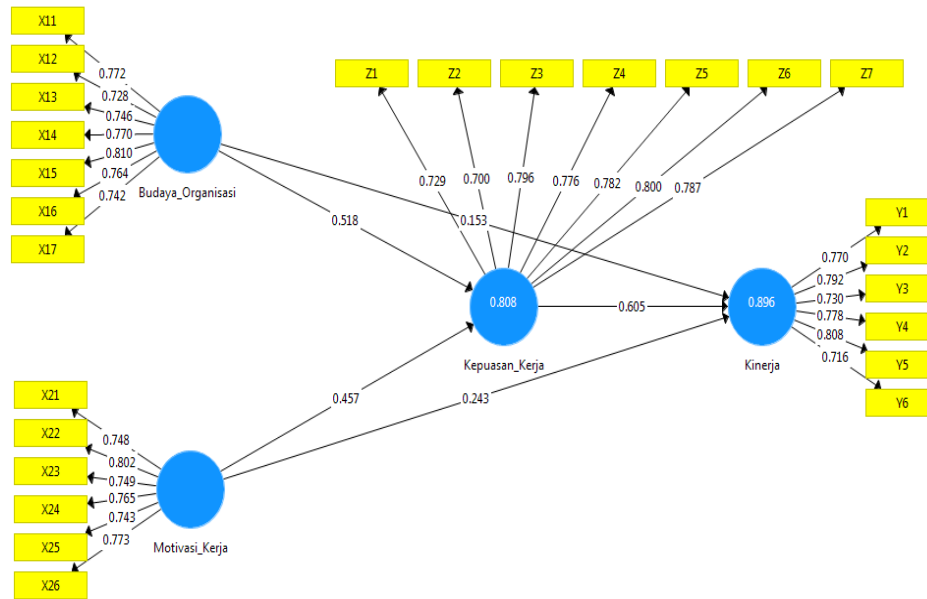
**Source: Research Results, 2019 (Data Processed)**

Table 3 shows that the composite reliability value for all constructs is above 0.70 which states that all constructs in the estimated model meet the criteria for internal consistency reliability.

Structural model analysis (inner model), inner model analysis is done by estimating the path coefficient of the relationship between constructs. The value of the path coefficient on the relationship between variables becomes a reference in estimating. A positive value indicates a positive influence and vice versa a negative value indicates a negative influence. The greater the value of the path coefficient, the greater the influence between these variables.

The structural model of the research picture can be seen in Figure 2 below:

Figure 2 Structural Model of Research



To find out the direct influence of exogenous variables on endogenous variables can be seen in Table 4 as follows:

Table 4 Direct Effects

| Effects                                       | Path Coefficient |
|---|------------------|
| Organizational Culture → Job Satisfaction     | 0,518            |
| Organizational Culture → Employee Performance | 0,153            |
| Job Satisfaction → Employee Performance       | 0,605            |
| Work Motivation → Job Satisfaction            | 0,457            |
| Work Motivation → Employee Performance        | 0,243            |

Source: Research Results, 2019 (Data Processed)

In Table 4 it can be seen that in shaping job satisfaction, organizational culture and work motivation give each directly a positive influence. The magnitude of the direct influence of organizational culture ( $\xi_1$ ) on job satisfaction ( $\eta_1$ ) is 0.518 and the magnitude of the direct influence of work motivation ( $\xi_2$ ) on job satisfaction ( $\eta_1$ ) is 0.457. The magnitude of the influence of organizational culture is greater than the effect of work motivation ( $0.518 > 0.457$ ).

In shaping employee performance, organizational culture, work motivation, and job satisfaction give each positive influence. The direct influence of organizational culture ( $\xi_1$ ) on employee performance ( $\eta_2$ ) is 0.153. The amount of direct influence of work motivation ( $\xi_2$ ) on employee performance ( $\eta_2$ ) is 0.243. The direct effect of job satisfaction ( $\eta_1$ ) on employee performance ( $\eta_2$ ) is 0.605.

To find out the magnitude of the indirect effect of independent variables on the dependent variable through intervening variables can be seen in Table 5 below:

Table 5 Indirect Effects

| Effects                                       | Indirect Effects |
|---|------------------|
| Organizational Culture → Employee Performance | 0,313            |
| Work Motivation → Employee Performance        | 0,276            |

Source: Research Results, 2019 (Data Processed)

Table 5 shows the magnitude of the indirect influence of organizational culture ( $\xi_1$ ) on employee performance ( $\eta_2$ ) through job satisfaction ( $\eta_1$ ) is 0, or can be calculated by multiplying the direct effect of exogenous variables on mediating variables with the direct effect of mediating variables on endogenous variables ( $\xi_1 \rightarrow \eta_1$ ) \* ( $\eta_1 \rightarrow \eta_2$ ) =  $0.518 * 0.605 = 0.313$ . The indirect effect of work motivation management ( $\xi_2$ ) on employee performance ( $\eta_2$ ) through job satisfaction ( $\eta_1$ ) is 0.276 or can be calculated ( $\xi_2 \rightarrow \eta_1$ ) \* ( $\eta_1 \rightarrow \eta_2$ ) =  $0.457 * 0.605 = 0.276$ .

To find out the magnitude of the effect of total independent variables on the dependent variable can be seen in Table 6 below:

**Table 6 Total Effects**

| Effects                                       | Total Effects |
|---|---------------|
| Organizational Culture → Employee Performance | 0,466         |
| Work Motivation → Employee Performance        | 0,519         |

**Source: Research Results, 2019 (Data Processed)**

Table 6 shows the magnitude of the effect of total organizational culture on employee performance through mediation of job satisfaction is 0.466 or can be calculated by adding the direct effect and indirect effect of the independent variable on the dependent variable:  $(\xi_1 \rightarrow \eta_2) + (\xi_1 \rightarrow \eta_1 \rightarrow \eta_2) = 0.153 + 0.313 = 0.466$ . The magnitude of the effect of total work motivation on employee performance through job satisfaction mediation is 0.519 or can be calculated  $(\xi_2 \rightarrow \eta_2) + (\xi_2 \rightarrow \eta_1 \rightarrow \eta_2) = 0.243 + 0.276 = 0.519$

The coefficient of determination is used to see how much influence exogenous variables have on endogenous variables, the greater the value means the greater the effect. Because the number of indicators for each construct varies in number, the analysis of the coefficient of determination is done by looking at the value of the adjusted R-square. The adjusted R-square value is obtained by calculating the SmartPLS algorithm and can be seen in Table 7.

**Table 7 Coefficient of Determination**

| Variable             | R Square | R Square Adjusted |
|----------------------|----------|-------------------|
| Job Satisfaction     | 0,808    | 0,804             |
| Employee Performance | 0,896    | 0,893             |

**Source: Research Results, 2019 (Data Processed)**

Table 7 shows that the influence of organizational culture and work motivation together in forming job satisfaction is 80.8%. The remaining 19.2% is explained by other variables outside the study.

Table 7 also shows that the influence of organizational culture, work motivation, and job satisfaction together in shaping employee performance amounted to 89.6%. The remaining 10.4% is explained by other variables outside the study.

## V. Conclusion and Suggestion

### 5.1 Conclusion

Based on the results of research and discussion, conclusions can be drawn as follows:

1. Organizational culture has a positive and significant effect on job satisfaction. That is, the better the organizational culture, the higher the job satisfaction.
2. Work motivation has a positive and significant effect on job satisfaction. That is, the higher the work motivation, the higher the job satisfaction.
3. Job satisfaction has a significant positive effect on employee performance. That is, the higher job satisfaction, the higher the employee performance.
4. Organizational culture has a significant positive effect on employee performance. That is, the better the organizational culture, the higher the employee performance.
5. Work motivation has a positive and significant effect on employee performance. That is, the higher the work motivation, the higher the employee performance.
6. Organizational culture has a positive and significant effect on employee performance through job satisfaction. Thus job satisfaction acts as an intervening variable that can mediate organizational culture with employee performance.
6. Work motivation has a positive and significant effect on employee performance through job satisfaction. Thus job satisfaction acts as an intervening variable that can mediate work motivation with employee performance.

### 1.2 Suggestion

1. It is expected that PT. Berkat Bima Sentana, it can improve employee work motivation by providing great opportunities for employees to innovate and creativity in order to develop better work methods, one of which is by holding competitions for employees who are able to provide breakthrough ideas that improve the way of working so that it will impact the company. attractive prizes where the competition is held regularly every year.
2. It is expected that PT. Berkat Bima Sentana, it can increase employee job satisfaction by starting with the employee recruitment and selection process where employees are recruited for a position according to their talents and the employees themselves love the work they will do. Thus the job satisfaction of employees at PT. Berkat Bima Sentana, it will be more optimal.
3. For further researchers, it is hoped that they can further develop theories regarding variables that are thought to have a strong relationship with purchasing decisions and add other variables aside from this research.

4. For higher education institutions can save this research and can be a reference for students who want to conduct research related to the variables that want to be examined in this study.

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