

# THE IMPACT OF ORGANIZATIONAL CULTURE, JOB SATISFACTION, AND MOTIVATION TO PERFORMANCE OF ORGANIZATION

## (STUDY IN PLANTATION COMPANY)

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### ABSTRACT

This research is about human resource management in the plantation company that has different organizational cultures than manufacturing and service companies. We want to see the influences of organizational culture, work satisfaction, motivation to organization performance. The aim of the study are: (a) Analyzing the influence of organizational culture toward job satisfaction and organization performance; (b) Analyzing the influence of job satisfaction toward motivation and organization performance; (c) Analyzing the influence of motivation toward organization performance; (d) Analyzing the relation among organizational culture, job satisfaction, motivation and organization performance variables. This research took samples from 2 affiliates company of AALI Tbk PT of 214 respondents. The research instrument is closed questionnaire, while the analysis tool to test simultaneous model is Structural Equation Modeling (SEM). The research result showed that organizational culture has positive influence directly and indirectly to the job satisfaction and organization performance. The work satisfaction has positive influence directly or indirectly toward motivation and organization performance. Motivation influence organization performance.

**Keywords:** Organizational culture, Motivation, Job Satisfaction, Organization Performance

JEL Classification: E65

### INTRODUCTION

Human resources are the most important asset in a company or organization. Employees can be a potential if managed improperly. Instead, it would be a burden when any mismanagement. Human resources management strength to support the performance of a company. Pfeffer in Herlina (1998) stated that the number of companies, to achieve competitive advantage is no longer simply rely on technology, patents, or strategic position, but how the company manages its workforce. Foalkes (1975) also predicts that the role of human resources from time to time to be more strategic.

An organizational culture is an integral part of the internal environment of the organization, because the cultural diversity that exists in an organization as much as

the number of individuals in the organization. Generally, an organization's culture is very influenced by the external environment of the organization. Every employee has the cultural characteristics of each, so it was likely there employees who do not like, but there is also like the company culture. So, we need unification of perception, understanding, and acceptance of all employees on the organization's culture statement. Organization culture in this study reflected the behavior of innovation and the orientation of the implementation of the employee's duties. Organizational culture is a supporting system for the development of capabilities, innovative, commitment, and ability to manage change through teamwork.

Job satisfaction is a positive emotional statements as a result of appreciation of employees to work and a certain work experience (Locke in Luthans, 1995). Less stable organization due to its low satisfaction (Davis and Newstrom, 1996). Related to this research, job satisfaction indicated by three concepts, namely: regarding the response to the situation in the workplace, implementation of the tasks, and the behavior of the evaluation work. Each individual will have a level of satisfaction varies according to the value system that applies to him. The more aspects of the work, the higher the perceived level of satisfaction, and vice versa (As'ad 1998). If people say that job satisfaction is the general nature of someone who is positive towards the organization, it is clear that every manager needs to take various measures to encourage more subordinates who feel satisfied working in organizations concerned (Siagian, 1998).

Organizational management requires good knowledge and information, with regard to the strength of the motivation of the employees. Motivation is the willingness to do something. Motivation is determined by the intensity of the motifs in the form of needs and desires. The intensity of the motives or employee must be determined by the strength of the need or desire itself. Igales and Roussell (1999) conducted research on motivation and job satisfaction. The findings of this study indicate that when the expectation of wages is higher than the reality of employee/worker then has implications for the employees/workers that do not have a good motivation and impact on performance. Motivation which is not aligned or even the barriers to achievement of the goals of individuals within the organization, will lead to frustration. This will lead to frustration destructive behavior (aggressiveness perpetrators of unruly). Under this conditions, will certainly lead to volatility in the organization and will be very dangerous for the survival of the organization itself.

Employee performance is the interaction between motivation and ability, where performance is an important thing that is needed in order to support the achievement of organizational goals. The company's goal will be achieved if there is a high morale and high motivation of the employees. Mangkunagara (2000) explains that performance is a result of work achieved in executing the task, both in quality and quantity as per the responsibilities given to him, based on skills, experience, sincerity and time. Briefly say that the performance is a combination of three important factors, namely: the ability and acceptance of the explanation delegate and the participation of an employee motivation levels. The higher the weight of the above three factors, then the greater the performance of the employee will be concerned.

From the above it is clear that every employee has a great expectation to achieve excellence, with the assumption that the management of the organization is able to create and develop good organizational culture. Their attention to these important factors in shaping employee satisfaction and their management efforts affect good employee motivation, either intrinsic or extrinsic. Fulfillment of these

factors can direct the employee on a good performance. Although, it is necessary to realize an organizational dynamics that could occur different changes than expected so that the need for evaluation of management.

Based on the explanation above, this research is exciting to be implemented with respect to the management of human resources, especially given the influence of organizational culture, job satisfaction and motivation on organization performance in the plantation company, which has managed to produce the healthy organization's management and pass the national crisis well. The research was initially based on their interest in the success of PT. Astra Argo Lestari (AALI) in the management of the organization. With the support of theoretical study and previous relevant studies, expected to enrich the knowledge of human resource management.

## **LITERATURE REVIEW**

Hatch (1997) in his book *Organization Theory* has selected some definitions of organizational culture. The culture in an organization is a habit in thinking and doing things, which is distributable to its members at a higher level or lower, and new members must learn, or at least partially accept, moved at an acceptable goal for the activities of the organization concerned. Culture is a system that accepted to be applied within the group at a certain time. System in terms of form, the term category, and interpret picture of the human situation on himself. Organizational culture can be thought of as the glue that embrace the organization together through pattern division of interest.

Elton Mayo outlines the success of increasing employee productivity can be achieved when the relationship between employees with his leader running well. So the level of productivity here in as motivation to meet his satisfaction from the job. The motivation here is closely related to the satisfaction of the concepts used in explaining the intensity and accuracy of the behavior of people towards the goal. According to McClelland theory, to meet basic human needs that make people motivated to do a job is: First, a desire to overcome and defeat a challenge that is useful for the progress, and growth of the need for achievement. Second, the urge to make contact with others. Third, as the urge to control the situation and the problems facing or the need for power. Basically the factors of job satisfaction is the feeling of people towards their job. The problem concerns that the nature of mental feeling is spiritual person. These feelings are very close relation to the symptoms soul of an internal nature and aims should actively or passively. To be active because the relevant seeks to provide value and taste, while to be passive, because the subject of other values.

Motivation means "as the set of process that arouse direct and maintain human behavior toward Attaining goal" (Baron and Greedberg, 1990). Motivation as a series of events that results in, distribute and maintain human behavior. A theory of human motivation that has got a lot in the past that developed by Abraham Maslow. In this theory, Maslow clarified human needs into five categories in ascending order sequentially. Until the most basic needs adequately met, a person shall not seek to meet higher demand. Maslow's hierarchy is very famous consists of 1) physiological needs, 2) the need for security, 3) the need for a sense of belonging and being loved, 4) kebutuhan will self-recognition, and 5) the need for self-actualization. The assumption is often made using Maslow's hierarchy where labor is modern, with technology improving people's basic needs.

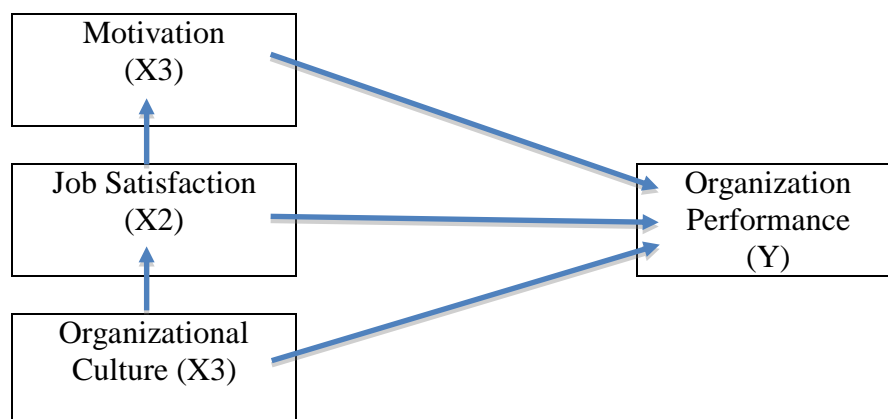
Bernadin and Russel in Gomes (2002) impose a limit on the performance as a "record of outcomes produced on a specified job function or activity during, a specified time period". While performance assessment is "a way of measuring the contributions of individuals to Reviews their organization". According Hasibuan (2000) that is, a job performance are the results achieved in executing the tasks assigned to them based on skills, experience, sincerity and time. Or it can be said that the performance is a combination of three important factors: the ability, interests of a worker and a worker motivation levels. Mangkunagara (2000) said that the performance is a result of work in quantity and quality are achieved by an employee in performing their duties in accordance responsibilities given to him.

Bernadin and Russel in Gomes (2002) proposed six primary criteria that can be used to measure performance, namely:

- a. Quality, regarding the level of the extent of the process or result activities that close to perfection or near the expected goals.
- b. Quantity, regarding the amount produced, for example, number of units, number of cycles, the activities were completed.
- c. Timelines, is the extent to which the level of activity that is completed in accordance with the desired time that attention to another output coordination as well as the time available for other activities.
- d. Cost-effectiveness, is what degree of power usage level of the organization (human, financial, technological, material) that maximized for high yield, or reduction lost from each unit of resource use.
- e. Need for supervisor, is the rate the extent to which an officer can conduct any function requiring work without the supervision of a supervisor to avoid, action is less than desirable.
- f. Interpersonal impact, the extent of employees maintain the level of self-esteem, goodwill and cooperation among colleagues and subordinates.

The findings above as a reference for the preparation of this research model. Furthermore, in more detail, the model of the conceptual framework of this study are presented in Figure 1.

**Figure 1. Model Framework Research Concepts**



Source: the establishment of theoretical models

## **RESEARCH METHODS**

This study uses a pattern of explanation that intended to explain the position of the variables that were analyzed and the relationship between one variable with another variable. This study wish to clarify the effect of cultural variables, job satisfaction and motivation on organization performance.

The research location of plantation companies (AALI) are in West Sulawesi and East Kalimantan. The data collections use the enclosed questionnaire. We interviewed of 241 respondents with a variety of characteristics of respondents, by age, educational level and tenure. Employee who are respondent that under 35 years of age are amounted to 79.66% and above 20 years old are 33%; equivalent senior secondary education are 80.91%, and 19.1% are D3, S1 and S2 educated; the employee of under 5 years service work are 46.05%, while over 5 years are 53.94%.

Observations variable covering all items in the questionnaire, was measured directly with an ordinal scale according to the perception of the respondents. Scales form in the enclosed questionnaire is used with a likert scale standard of 1 to 5. The construct of the exogenous variables (see Figure 1) consist of: organizational culture (X1), job satisfaction (X2) and motivation (X3) variables. We described operationally variable in some sense especially regarding the research object as follows figure 2 below.

**Table 1. Operational Variable**

Variable	Category	Indicators
Organizational culture (X1)	characteristics of organizational culture	<ul style="list-style-type: none"> <li>• Innovative into account the risks</li> <li>• Attention to the problem in detail</li> <li>• Orientation results</li> <li>• Oriented to all employees</li> </ul>
Job satisfaction (X2)	Satisfaction with the job	<ul style="list-style-type: none"> <li>• Completed tasks</li> <li>• Compatibility with flair</li> </ul>
	Satisfaction with payment	<ul style="list-style-type: none"> <li>• Compliance with salary</li> <li>• Equality with payment</li> </ul>
	Satisfaction with the promotion	<ul style="list-style-type: none"> <li>• Career development</li> <li>• Promotions</li> </ul>
	Satisfaction with supervision	<ul style="list-style-type: none"> <li>• The effect of the level of supervision</li> <li>• Support for job</li> </ul>
	Satisfaction with friends	<ul style="list-style-type: none"> <li>• Intertwined social research agreement</li> <li>• Intertwined cooperation beyond duty</li> </ul>
Work motivation (X3)	Intrinsic factors	<ul style="list-style-type: none"> <li>• Achievement</li> <li>• Recognition</li> <li>• Responsible</li> <li>• Progress</li> <li>• Work Itself</li> <li>• The possibility of developing</li> </ul>
	Extrinsic factors	<ul style="list-style-type: none"> <li>• Wages</li> <li>• Job Security</li> <li>• Working Condition</li> <li>• Status</li> </ul>
Organization performance (Y)	Quantity	<ul style="list-style-type: none"> <li>• Number of Jobs</li> <li>• Workload</li> <li>• Supporting facilities and infrastructure</li> </ul>
	Quality	<ul style="list-style-type: none"> <li>• Accuracy</li> <li>• Neatness</li> <li>• Skills</li> </ul>
	Timeliness	<ul style="list-style-type: none"> <li>• Time to finish the job</li> <li>• Willingness for overtime</li> <li>• Levels of attendance</li> </ul>

Source: the establishment of the models

As we see at table 1 above, organizational culture (X1) is composed by organizational characteristics indicators with considered are: innovative risk charge (X1.1), attention to the problem in detail (X1.2), results orientation (X1.3), and oriented to all employees (X1.4). Job satisfaction variables (X2) consist of indicators groups are: satisfaction with the work, i.e. the completeness of the task (X2.1), compatibility with talent (X2.2); satisfaction of the payment, namely compliance with the salary (X2.3); equivalence with payment (X2.4); satisfaction with the sale, namely development career (X2.5); promotion (X2.6); satisfaction with supervision, namely the effect of the supervision level (X2.7); supports the work (X2.8); satisfaction with a friend, which is interwoven social cooperation (X2.9); and there is cooperation

outside the duties discharge (X2.10). Work motivation (X3) consist of indicators that are intrinsic (motivation that comes from self-employees) and extrinsic (the motivation that comes from the environment/outside himself where employees work). The intrinsic indicators, namely: achievement (X3.1); recognition (X3.2); responsibility (X3.3); progress (X3.4); work itself (X3.5); and the possibility of developing (X3.6). While extrinsic indicators are: wage (X3.7); job security (X3.8); working conditions (X3.9); and status (X3.10).

The construct of endogenous variables is the organization performance (Y), where the groups of indicators are: organizational performance, Y.1 is number of jobs; Y.2 is workload; Y.3 is supporting facilities and infrastructure; Y.4 is accuracy; Y.5 is neatness; Y.6 is skills; Y.7 is time to finish the job; Y.8 is willingness for overtime; and Y.9 is levels of attendance.

Validity and reliability are used to test the questionnaire to be trustworthy and reliable. Validity and reliability of organizational culture variables (X1), job satisfaction (X2), motivation (X3) and organization performance (Y), using 40 respondents at random. Provided that the results of the research instrument used, is valid where the correlation value is greater than 0.3. In terms of reliability (Cronbach Alpha) is greater than 0.6 (Sekaran 2003:11), where alpha coefficient of organizational culture is 0.673, job satisfaction is 0.692, work motivation and organization performance for 0.814 and 0.749. Thus, the question items have statistically significant and reliable for further testing.

Data analysis techniques that used in this study, using multivariate analysis model with structural equation analysis, known as structural equation models. Inferential statistical analysis was used to test the effect of organizational culture, job satisfaction and motivation on organizational commitment. We will do two test phases, namely: (1) confirmatory factor analysis (CFA) measurement model, and (2) structural equation modeling (SEM).

CFA is directed to investigate unidimensionalitas of indicators that describe a factor or a latent variable. SEM testing is to test the suitability of the model as well as causality test through the test regression coefficient. Step of the test analysis of the model was conducted in three phases, the first to test the conceptual model, a second to modification of the model when necessary to improve the model. If the second phase is still less than satisfactory results are obtained, then reached the third step by eliminating or remove (drop) a variable that has a weight factor of 0.40, because this variable is seen not the same dimension as other variables to explain a latent variable (Ferdinand, 2002:131). Loading factor or lambda value used to assess the suitability or unidimensionalitas of indicators that make up a dimension or variable.

The last step is the evaluation criteria of goodness-of-fit, with the first action is to evaluate whether the data used to meet the assumptions of SEM. If these assumptions are met, then the model can be tested by looking at the indexes suitability and cut-off value used in testing whether a model can be accepted or rejected. Some of the indexes is: X2-Chi-square statistic, RMSEA (root mean square error of approximation), GFI (goodness of fit index), AGFI (adjusted goodness of fit index) and CMN/DF which is the minimum sample discrepancy function is divided by the degree of freedom.

**RESULT**

The results of descriptive data statistics from all respondents give employees the average yield and the standard deviation of the calculation of the Likert scale (skala1-5), namely: (a) a statement of organizational culture has an average of 3.99 with an average standard deviation of 0.7424; (b) a statement regarding job satisfaction had an average of 3.75 with an average standard deviation of 0.889 (c) a statement regarding work motivation has an average of 3.91 with an average standard deviation of the 0836; and (d) a statement about the commitment the organization has an average of 3.71 with an average standard deviation of 0.8245.

From the test results of CFA measurement models, there are some constructs that have a weighting factor of less than 0.40. Thus these variables must be eliminated and the final model should be modified. The variables that must be eliminated are: X1.3, X2.2, X2.2, X2.4, X2.5, X2.7, X2.9, X2.10, X3.1, X3.2, X3.3, X3.7, X3.8, X3.9, X3.10, Y.4, Y.5, Y.6 and Y.7. Other variables that can be incorporated into the model for loading factor value or lambda coefficients of each indicator is greater than 0.40. After modification, the model tested again based on the criteria of goodness of fit indices to obtain a final model that complies with the data. The following table 2 give the results of further evaluation on the criteria of each variable.

**Table 2. Evaluation Criteria of Goodness of Fit Indices**

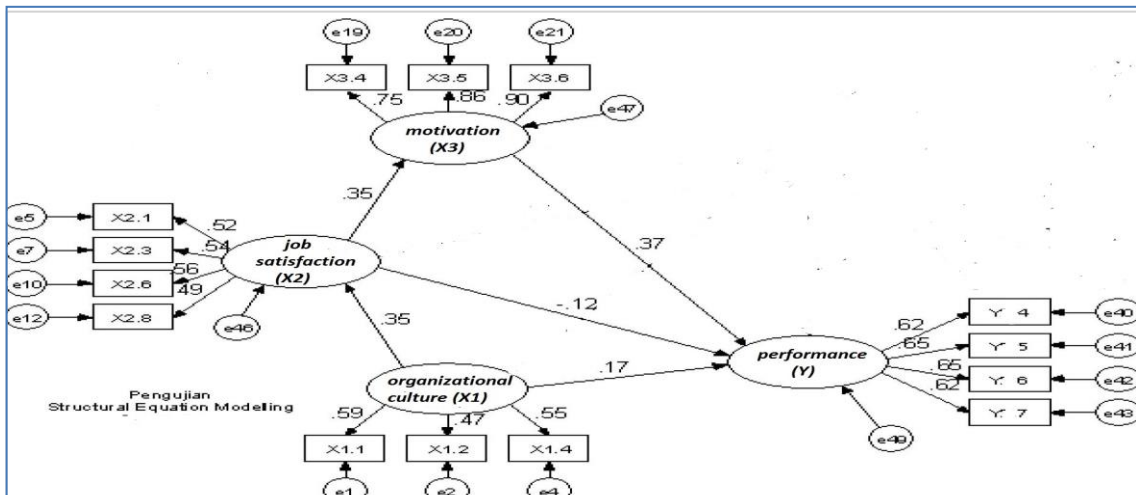
Goodness of fit index	Cut-off Value	Mode	Result	Mode	Result	Mode	Result	Mode	Result
		l Resul t (X1)	t (X1)	l Resul t (X2)	t (X2)	l Resul t (X3)	t (X3)	l Resul t (Y)	t (Y)
<i>X2-chi-sq</i>	kecil	0.145	Good	3.384	Good	0.509	Good	0.357	Good
<i>Sig.prob</i>	0.05	0.704	Good	0.184	Good	0.476	Good	0.550	Good
<i>CMIN/D</i>	2.00	0.145	Good	1.692	Good	0.509	Good	0.357	Good
<i>F</i>									
<i>GFI</i>	0.90	1.000	Good	0.993	Good	0.999	Good	0.999	Good
<i>AGFI</i>	0.90	0.998	Good	0.964	Good	0.992	Good	0.993	Good
<i>TLI</i>	0.95	1.048	Good	0.954	Good	1.004	Good	1.020	Good
<i>CFI</i>	0.95	1.000	Good	0.985	Good	1.000	Good	1.000	Good
<i>RMSEA</i>	0.08	0.000	Good	0.054	Good	0.000	Good	0.000	Good

Source: the data processing

We can see figure 2, structural equation modelling before the model got the test criteria of goodness of fit indices.



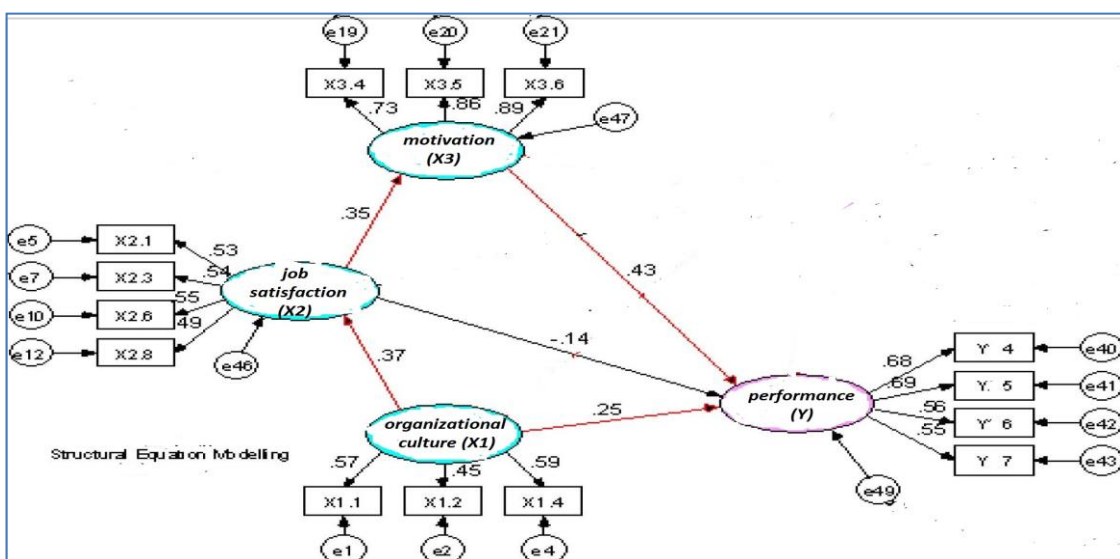
**Figure 2. Initial Model, influence linkages between organizational culture (X1), job satisfaction (X2), motivation (X3) on organization performance (Y).**



Source: the data processing

From the results of the test criteria of goodness of fit indices, indicate that the evaluation model of the overall construct can accept the model or own suitability data. In summary, the final model of the links between organizational culture (X1), job satisfaction (X2) and motivation (X3) on organizational commitment (Y) are summarized in figure 3.

**Figure 3. Final Model, influence linkages between organizational culture (X1), job satisfaction (X2), motivation (X3) on performance (Y).**



Source: the data processing

Table 3 below is a test of the hypothesis by comparing the value of t-arithmetic with t-table value, to see whether the relationship between variables significant or not.

**Table 3. Testing of Model Testing Hypothesis**

Effect Type		Loading Factor	t-count.	Significantly
Satisfaction	Culture	0.375	2.899*	significant
Performance	Culture	0.250	2.190*	significant
Motivation	Satisfaction	0.355	3.589*	significant
Performance	Satisfaction	-0.142	-1.322	not sign.
Performance	Motivation	0.430	4.172*	significant

Notes: \* significant at the 5% level. T table = 1.98.

Culture (culture of the organization = X1), Satisfaction (job satisfaction = X2), motivation (motivation to work = X3), Performance (organization performance = Y)

Source: The results of data processing.

For more clearly it, can be seen from table 3 below, the effects of direct and indirect influence on the results of path analysis. The detailed dependent variable observed were organizations commitment (Y).

**Tabel 4. Direct-Indirect Effect Testing**

Independen Variable	Dependent Variable	Direct Effect	Indirec Effect	Total Effect	Difference	Significantly
Culture	Performance	0,250	0,072	0,322	TE>DE	significant
Satisfaction	Performance	-0.142	0,201	0,059	TE<DE	not sign.
Motivation	Performance	0,430	0,000	0,430	TE=DE	significant

Description: Culture (X1), Satisfaction (X2), motivation (X3), Performance (Y);

Source: The result of data processing.

## CONCLUSION

Organizational culture influence job satisfaction and organizational performance directly. There is a linkage between organizational culture and performance, either directly or indirectly. Based on Maslow's needs, individuals have a need that is hierarchical from the physiological to the need for self-actualization. An interesting finding of the observation data analyzed is that organizational culture is good either be a supporting system for the organization. An organizational culture that is easy on the internalization by the employees into a sense of comfort in working and when they are backed by the satisfaction of the task, the satisfaction of payment, satisfaction with promotion and support from superiors will have implications on job satisfaction. This finding is also in line with the opinion of Elton Mayo were declared successful increase employee productivity can be achieved when the relationship between the employee and his leader can run well, and will be able to encourage his satisfaction. Similar to Maslow's needs, that it is accepted as a member of necessity or need for affiliation in these conditions, seems to be very attentive to the individual character background team of co-workers in order to create mutual respect and a sense of comfort. Good organizational culture account the interests of all employees and not just results-oriented, but raises employee satisfaction and will further enhance employee motivation.

Job satisfaction affects motivation and performance. There is a link between job satisfaction on organization performance either directly or indirectly. The

satisfaction of the payment will be one of the components that make up the job satisfaction and impact on motivation. From the result, job satisfaction does not affect the performance of the organization directly. Attention to settle on a job, settle on a payment, satisfied with the promotion and support of superiors more directed to form intrinsic element in the form of skills, and abilities that encourage motivation, and not directly affect the performance of the organization.

Work motivation affect organizational performance. The management who attention skills and ability of employees to do a series of human resource development, will greatly help foster the performance of employees, especially with regard to the understanding of the obligations of his duties in the organization, a sense of organization, and become a part of the organization. Based on the skills and capabilities of the employee, will be easier to understand its obligations or commit then results in productivity or better performance. Motivation has a biggest factor that affecting performance compared to other variables. It suggests that efforts to training and development efforts that have been made by PT. AAL impact on improvement of skills and abilities that lead to improved organizational performance.

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