THE INFLUENCE OF ORGANIZATIONAL CULTURE ON THE EMPLOYEE PERFORMANCE MEDIATED BY JOB SATISFACTION AND ORGANIZATIONAL COMMITMENT

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Abstract: The digital era is now making competition between companies increasingly competitive. Companies need to pay attention to and improve the performance of existing human resources to be able to compete. This research aims to test and analyze the direct and indirect influence between organizational culture and employee performance with the mediator variable, job satisfaction, and organizational commitment. The quantitative analysis was used in this research, and there were 112 employees of Bank SulutGo of Manado Main Branch Office as the samples were collected through questionnaires. Furthermore, the analytical instrument to analyze these data was Smart PLS 3.0. The results showed that organizational culture has a direct and significant influence on employee performance. Organizational culture has a direct and significant influence on job satisfaction. Organizational culture has a direct and significant influence on organizational commitment. Organizational commitment has a direct and significant influence on employees’ performance. Job satisfaction has a direct and significant influence on employees’ performance. Job satisfaction influences organizational commitment. However, organizational commitment is the one that has the biggest influence on improving employee performance. Moreover, job satisfaction and organizational commitment can mediate the relationship between organizational culture and employee performance with partial mediation. The results of this study will help companies to improve employee performance, so that companies can compete in digital era.

Keywords: Organizational Culture, Job Satisfaction, Organizational Commitment, Employee Performance


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Competition between companies in the digital era is increasingly competitive, so each company must continue to improve and develop proactively. Regional Development Bank in Indonesia must deal with several challenges, one of which must compete with state-owned and private banks. This issue requires the Regional Development Bank to do transformation because the Regional Devel-
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Development Bank is considered to have huge potential to contribute more optimally to develop the regional economy, in the transformation, there are several obstacles encountered and need to be handled and improved by the Regional Development Bank according to the FSA, which is paid-up capital, information technology (IT), and human resources. Recognizing that human resources often become a fundamental problem experienced by companies, the companies are also required to continue to pay attention and improve the performance of the existing human resources. Mangkunegara (2013) stated that performance results from the quality and quantity of work an employee does in carrying out their duties under the responsibilities given to him. Pabundu (2010) also argued that performance is the result of the job function/activity of a person or group in an organization that is influenced by various factors to achieve organizational goals within a particular period. Organizational culture plays a crucial role in improving human resources and improving performance. The role of organizational culture is considered capable of shaping the character of each individual in the company and building new work attitudes that will later lead to service improvement and performance achievement.

Bank SulutGo is a Regional Development Bank of North Sulawesi and Gorontalo Provinces. In 2018, Bank SulutGo made a comprehensive performance improvement by developing organizational cultural values called BSGO (Berintegritas, Standar Kerja Tinggi, Gotong Royong, dan Orientasi Pelanggan). The organizational culture of BSGO is expected to be a guideline for all elements of Bank SulutGo in thinking, acting, and behaving, achieving the vision and mission of Bank SulutGo, and improving performance better than before. Almost a year after the BSGO organizational culture was implemented, employees still did not understand and had not internalized these cultural values in their daily work. Employees tend to choose to be in a comfort zone and have not abandoned some old habits that are not productive and inefficient. That resulted in employee performance expected to increase after cultural development was experiencing a decline. Organizational culture must indeed be adaptive along with the changes in the existing environment. Organizational culture changes are needed to survive, develop a culture of achievement, change mindsets, and maintain trust in the organization (Wibowo, 2006). Mathis and Jackson (2011) defined organizational culture as simpler, which includes the values and beliefs that various members spread in the organization to produce a rule of conduct.

The relationship of organizational culture to employees’ performance has been empirically proven by the studies of Shahzad (2014), Sihombing et al. (2018), Ojo (2009), and Koesmono (2005), which stated that organizational culture has a positive and significant influence on improving employees’ performance. However, some studies showed that organizational culture does not affect employees’ performance. The results of a research study conducted by Putriana et al. (2015), Syauta et al. (2012), and Domiri (2011) stated that organizational culture does not significantly influence employees’ performance. It is necessary to have an intermediary to strengthen the relationship.

Job satisfaction and organizational commitment are needed to improve employees’ performance. High employees’ job satisfaction is a measure of management effectiveness, which directly shows that the organizational culture has been well managed (Soedjono, 2005). It is supported by studies conducted by Senjaya and Anindita (2020), Soryani et al. (2018), and Pawirosumarto et al. (2017). Their studies showed that organizational culture could encourage a sense of job satisfaction, so the results of their studies have a positive and significant effect. Research studies conducted by Hira and Waqas (2012), Thamrin (2012), Tantawi et al. (2016), Ayudasari et al. (2017), Rinaldi et al. (2017), Prabowo et al. (2018), Suryosukmono et al. (2022), and Darmananto and Supriyadi (2022) found a positive and significant relationship between job satisfaction and employees’ performance.

Strong organizational culture will able to increase the sense of belonging and commitment of organizational members to the organization or workgroup (Robbins and Judge, 2009). Studies conducted by Singh (2007), Messner (2013), Acar (2012), and Senjaya and Anindita (2020) found that organi-
zational culture has a positive effect on the formation of organizational commitment. Studies conducted by Memari et al. (2013), Fu and Deshpande (2013), Hafiz (2017), Ingsih et al. (2021), and Alamanda et al. (2022) stated that organizational commitment has a significant effect on employees’ performance.

Buitenbach and De-Witt (2005) suggested that if employees are happy with their work, then it is better for organizational productivity, resulting in employees’ commitment to the organization. That is in line with the research studies conducted by Gunlu et al. (2010), Eslami and Gharakhani (2012) and Senjaya and Anindita (2020) which stated that job satisfaction could increase organizational commitment. This research aims to test and analyze the direct and indirect influence between organizational culture and employee performance with the mediator variable, job satisfaction, and organizational commitment.

LITERATURE REVIEW
Organizational Culture
Organizational Culture has a vital role in determining organizational growth. Wibowo (2006) stated that an organization grows and develops because the organizational culture can stimulate the human resources’ work spirit so that the organizational performance increases. Schein (2004) stated that organizational culture is where people’s general values and behavior are considered tools that lead to the successful achievement of organizational goals. Robbins (2003) argued that organizational culture is a value system that is followed and carried out by organization members so that such things can distinguish these organizations from other organizations. The value system is built by seven characteristics, which are (a) Innovation and risk-taking, (b) Attention to detail, (c) Outcome orientation, (d) People orientation, (e) Team orientation, (f) Aggressiveness, and (g) Stability.

Job Satisfaction
Job satisfaction is individual because the level of job satisfaction felt by each individual is different, depending on what factors influence it. Job satisfaction is an affective or emotional response to work aspects of someone (Kreitner and Kinicki, 2013). Greenberg and Baron (2003) stated that job satisfaction is a positive or negative attitude of someone in their work. Luthans (2011) said that several indicators affect job satisfaction, which are (a) the job itself, (b) the payment system, (c) the promotion, (d) the attitude of superiors, (e) the attitude of fellow workers.

Organizational Commitment
Employees’ organizational commitment is about employees’ loyalty to the organization, willingness to build efforts on behalf of the organization, the level of goal and value of conformity between employees and the organization, and the desire of employees to remain employed by the organization (Bateman and Strasser, 1984). O’Reilly and Chatman (1986) stated that organizational commitment is understood as a psychological attachment that someone to the organization feels; this will reflect the extent to which individuals internalize or adopt characteristics or perspectives from the organization. Meyer and Allen (1997) identified three components of organizational commitment: Affective commitment, Normative commitment, and Continuance commitment.

Employees’ Performance
Performance is the result or overall level of success of a person during a particular period in carrying out his duties compared to work standards, goals or targets, or criteria that have been predetermined and agreed before (Ribai, 2004). Gordon (2000) stated that performance is what employees do or do not do, their performance influences how much they contribute to the organization, including output quantity, output quality, job attendance, and cooperative attitude. Dharma (2003) also provided a performance benchmark, consisting of (a) Quantity related to the amount that must be completed. (b) Quality, related to the quality produced, (c) Punctuality, related to the set time suitability.
HYPOTHESIS DEVELOPMENT

H1. Organizational Culture influences Employees’ Performance.

H2. Organizational Culture influences Job Satisfaction.

H3. Organizational Culture influences Organizational Commitment.

H4. Organizational Commitment influences Employees’ Performance.

H5. Job Satisfaction influences Employees’ Performance.

H6. Job Satisfaction influences Organizational Commitment.

H7. Job Satisfaction mediates the influence of Organizational Culture on Employees’ Performance.

H8. Organizational Commitment mediates the influence of Organizational Culture on Employees’ Performance.

METHOD

This study used quantitative methods. This study was conducted at SulutGo Bank of KCU Manado. The population in this study were permanent employees of SulutGo Bank of KCU Manado with a minimum service period of 5 years. The basis for the population selection was because permanent employees with five years of service were considered to have experienced the impact of changes in the company’s culture at SulutGo Bank of KCU Manado. The total population that fulfilled these criteria was 112 employees. The sampling technique used in this study was the census technique, where all population members were sampled. Thus, the sample in this study was 112 employees consisting of tellers, customer service, human resource department, operational staff, account officers, credit analysis, and IT. The data collection technique used questionnaires and interviews. The questionnaire in this study contains a list of statements about the variables examined and is then distributed directly to the permanent employees SulutGo Bank KCU. The process of distributing the questionnaire lasted for two weeks. Meanwhile, interviews in this study were conducted to complete primary data. Interviews were conducted with the Head of Human Resources and General Bank SulutGo KCU Manado. The data measurement techniques used the Likert Scale. The Likert scale in this study uses five categories: Strongly Agree (score 5), Agree (score 4), Neutral (score 3), Disagree (score 2), and Strongly Disagree (score 1). The data analysis technique in this study used SmartPLS 3.0 to measure the direct effect and the Sobel test to measure the mediation.

RESULTS

Respondent Characteristics

Respondents in this study are permanent employees who work at Bank SulutGo KCU Manado. Characteristics of respondents include gender, age, education, and years of service. 58.9% of respon-
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The characteristics of respondents by age showed that 58.9% of respondents in this study were aged 20-30 years, 34.8% were aged 31-40 years, and 6.2% were aged more than 41 years. Characteristics of respondents based on their level of education showed that 75.8% of respondents had a bachelor’s degree, 14.2% had a diploma degree, and 9.8% had a master’s degree. Characteristics of respondents based on years of service showed that 54.4% of employees have 5 years of service, 41.9% have 6-10 years of service, and 3.5% have more than 10 years of service.

Instruments Testing

In testing research instruments, the validity test uses convergent and discriminant validity, and reliability testing uses composite reliability. Testing research instruments in this study using SmartPLS 3.0.

The convergent validity test results show that all constructs produce an outer loading value of more than 0.5, the results show that the cross-loading value of each item of each latent variable has the highest value compared to the value of cross-loading items on other latent variables. It means that all indicators in this study are valid. The composite reliability value of all variables in this study has a value of more than 0.7, and Cronbach’s alpha value of all variables in this study has values above 0.6, so it is known that all variables in the study are reliable.

Hypothesis Testing

The testing criteria were directly influenced (i.e., if the t-count value or t-statistic is higher than the t-table (1.96) or the probability value was less than 0.05 (significance level of 5%). The t-statistic test in this study used SmartPLS 3.0.

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Variable Relationship</th>
<th>Path Coefficient</th>
<th>t-statistics</th>
<th>p-value</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>Organizational Culture → Employee Performance</td>
<td>0.206</td>
<td>2.991</td>
<td>0.003</td>
<td>Significant</td>
</tr>
<tr>
<td>H2</td>
<td>Organizational Culture → Job Satisfaction</td>
<td>0.486</td>
<td>5.962</td>
<td>0.000</td>
<td>Significant</td>
</tr>
<tr>
<td>H3</td>
<td>Organizational Culture → Organizational Commitment</td>
<td>0.225</td>
<td>2.292</td>
<td>0.022</td>
<td>Significant</td>
</tr>
<tr>
<td>H4</td>
<td>Organizational Commitment → Employee Performance</td>
<td>0.385</td>
<td>4.512</td>
<td>0.000</td>
<td>Significant</td>
</tr>
<tr>
<td>H5</td>
<td>Job Satisfaction → Employee Performance</td>
<td>0.302</td>
<td>3.417</td>
<td>0.001</td>
<td>Significant</td>
</tr>
<tr>
<td>H6</td>
<td>Job Satisfaction → Organizational Commitment</td>
<td>0.496</td>
<td>5.472</td>
<td>0.000</td>
<td>Significant</td>
</tr>
</tbody>
</table>

Source: Processed primary data, 2019
The test result of the direct effect is shown in Figure 2 and Table 1. The effect of organizational culture on employee performance has obtained the value of 0.206 with t-statistics 2.991 > 1.96 and p-value of 0.003 < 0.05. Based on these results, it can be seen that organizational culture had a significant effect on employee performance. Therefore, \textbf{H1 was accepted.} The effect of organizational culture toward job satisfaction was obtained the value of 0.486 with t-statistic of 5.962 > 1.96 and p-value 0.000 < 0.05. From these results, it can be seen that organizational culture significantly affected job satisfaction. Therefore, \textbf{H2 was accepted.} The effect of organizational culture on organizational commitment obtained a value of 0.255 with a t-statistic of 2.292 > 1.96 and a p-value of 0.022 < 0.05. Thus, it can be conducted that organizational culture affected significantly toward organizational commitment. Therefore, \textbf{H3 was accepted.} The effect of job satisfaction toward employee performance obtained the value of 0.496 with t-statistics 5.472 > 1.96, and p-value of 0.000 < 0.05. It was known that job satisfaction had a significant effect on organizational commitment. \textbf{Therefore, H4 was accepted.} Table 2 showed that the effect of organizational culture on employee performance with job satisfaction as a mediating variable obtained a t-count value of 3.004 > 1.96 and p-value of 0.037 < 0.05. Thus, it can be seen that job satisfaction mediated the effect of organizational culture on employee performance. Therefore, \textbf{H7 was accepted.} The effect of organizational culture on employee performance and organizational commitment as mediating variables obtained a value of t-count of 3.004 > 1.96 and p-value of 0.002 < 0.05. Thus, it can be concluded that organizational commitment mediated the effect of organizational culture on employee performance. Therefore, \textbf{H8 was accepted.}

\section*{DISCUSSION}

\textbf{Relationship between Organizational Culture and Employee Performance}

This research emphasized that organizational culture affected improving employee performance. The results of this research supported the results of previous research conducted by Shahzad (2014), Sihombing et al. (2018), Ojo (2009), and Koesmono (2005), who suggested that organizational culture had a significant effect on employee performance. The organizational culture of Bank SulutGo KCU Manado was considered capable of directing employees to work hard and compete positively with their colleagues. The implementation of organizational culture at Bank SulutGo KCU Manado has been going well. However, several aspects still need improvement, such as employee enthusiasm for working and courage in innovation and taking risks.

\textbf{Relationship between Organizational Culture and Job Satisfaction}

A strong organizational culture improved the job satisfaction level of employees. The results of this research were consistent with research conducted by Senjaya and Anindita (2020), Soryani et al. (2018), and Pawirosumarto et al. (2017), which...
showed that organizational culture had a positive and significant effect on job satisfaction. Employee attitudes formed through organizational culture could make employees feel comfortable and satisfied working at Bank SulutGo KCU Manado. Organizational culture directed the employees always to support and assist their colleagues when the work was difficult to finish.

**Relationship between Organizational Culture and Organizational Commitment**

One factor that shapes employee commitment to the organization is the culture of the organization. That indicates that the values of organizational culture that can be understood and accepted by employees can create a sense of belonging and attachment between employees and Bank SulutGo KCU Manado. The results of this study support the research results carried out by Messner (2013), Acar (2012), Singh (2007), and Senjaya and Anindita (2020) which state that organizational culture significantly affects organizational commitment.

**Relationship between Organizational Commitment and Employee Performance**

Employees with high organizational commitment will be more responsible for the company’s success. The employees will try their best to work with professionals and devote their thoughts, energy, and time to work, so what is done follows what is expected by the company. The results are in line with the research results conducted by Memari et al. (2013), Fu and Deshpande (2013), Hafiz (2017), Ingsih et al. (2021), and Alamanda et al. (2022). They showed a positive relationship between the dimensions of organizational commitment (affective commitment, normative commitment, continual commitment) and employee performance. In improving performance, organizational commitment has the most significant value. It shows that the first thing that must be built to improve employee performance is organizational commitment.

**Relationship between Job Satisfaction and Employee Performance**

Job satisfaction becomes something that needs to be pursued to improve employee performance. Companies need to pay attention to the payment system or salary. Salaries following the work provided will make employees feel satisfied and able to motivate employees to be more productive. The job satisfaction of Bank SulutGo KCU Manado employees is reflected through the attitude of colleagues who often provide motivation and encouragement. The results of this study indicate that the main focus of Bank SulutGo KCU Manado employees is to establish good cooperation among colleagues to improve efficiency at work. It is in line with a study carried out by Hira and Waqas (2012), Thamrin (2012), Ayundasari et al. (2017), Rinaldi et al. (2017), Prabowo et al. (2018), Suryosukmono et al. (2022), and Darmanto and Supriyadi (2022) which showed a direct and significant effect between job satisfaction on employee performance.

**Relationship between Job Satisfaction and Organizational Commitment**

Job satisfaction which the employees perceive will make them more committed to the company. The more the company strives to fulfill the factors that shape job satisfaction, such as the attitude of fellow workers, the work itself, and the attitude of superiors, the more the employee will remain part of the company. The results of this study are consistent with the research of Gunlu et al. (2010), Eslami and Gharakhani (2012), and Senjaya and Anindita (2020) stated that job satisfaction has a positive and significant impact on an employee’s organizational commitment.

**Indirect Relationship**

Job satisfaction can mediate the effect of organizational culture on employee performance. The role of job satisfaction mediation in this study is in the form of partial mediation. These findings show that a well-managed organizational culture will be a guideline for employees at work and can motivate them to improve themselves, have high job satisfaction, and directly improve their performance. Organizational commitment can mediate the effect of organizational culture on employee performance. The mediating role of organizational commitment in
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this study is in the form of partial mediation. The results of this study show that employees have a good perception of the company’s organizational culture. The employees realize that the values in Bank SulutGo benefit them to continue to work under the established rules. It indirectly strengthens employees’ commitment to keep working and perform well.

CONCLUSIONS

In this study, the overall hypotheses proposed have an impact on improving employee performance. This study shows that organizational culture directly and significantly affects employee performance. A strong organizational culture that employees of Bank SulutGo KCU Manado easily understand can generate perceptions that support and influence employee performance improvement. Job satisfaction and commitment have a role in mediating the relationship between organizational culture and employee performance with partial mediation. Suitability between organizational culture and employees will encourage the employees to have high job satisfaction and be more committed to the company and directly can help to improve employee performance to achieve company goals.

The results found that organizational culture contributes to improving employee performance, but the one that has the most impact on improving employee performance is organizational commitment. It means that the changes in organizational culture made by Bank SulutGo KCU Manado need to be communicated or socialized to all employees. So the organizational culture of BSGO can be well internalized and stimulate employees to work well, creating a comfortable work environment. Hence, the employees are more satisfied and committed to remaining a part of the organization.

The results of this study contribute to Bank SulutGo KCU Manado. The Bank SulutGo KCU Manado can determine what things need to be maintained and improved. Some things that need to be considered and improved related to organizational culture, job satisfaction, organizational commitment, and employee performance, among others, are (a) aggressiveness, employee enthusiasm in completing work, (b) payment system, salary is given is consistent with the work performed, (c) continuance commitment, (d) timeliness in completing work. The improvement in these elements will make Bank SulutGo KCU Manado achieve company goals.

RECOMMENDATIONS

The research object is limited only to one location or branch office. Further research is expected to involve various objects so that the results can be generalized to a wider population, which will improve this study and present the diversity of results. Future studies can add and examine other variables that are not included in this study, such as leadership style, work motivation, and intention to leave.

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