Organizational Culture and Job Satisfaction: Performance as a Mediation Variable

Muhammad Thahrim Imam, Zulkifli, and Irfandi Buamonabot *
Department of Management, Faculty of Economic and Business, Universitas Khairun, 97719, Ternate, North Maluku Province, Indonesia
* Corresponding Author: irfandi@unkhair.ac.id

ABSTRACT
Research has been considered “negligent” in seeing performance as mediation on the relationship between organizational culture and job satisfaction, even more so in village governance. The study aimed to test performance directly related to the relationship between organizational culture and job satisfaction. This research was conducted in South Halmahera Regency, North Maluku Province. The total population in this study was 249 people, and samples were conducted by the purposive sampling method. A total of 179 respondents were involved in the survey. The validity and reliability test uses factor analysis with factor loading values ≥ 0.5 and Cronbach alpha ≥ 0.7. Simple regression and hierarchical analysis are used to test research hypotheses. The results showed that the performance variables were as complete as mediation in the study.

Keywords: Hierarchy Regression; Job Satisfaction; Organizational Culture; Performance; Village Government

1. Introduction
One of the issues that should get attention in the organization is employee performance (Zafar et al., 2021). This issue can be seen in how much individuals contribute to achieving organizational goals. The higher the individual’s contribution to his work, the higher the satisfaction (Judge et al., 2001). Employee performance is also determined by the culture applied by the organization (Martinez et al., 2015). Therefore, cultural factors are essential in
determining an organization’s success rate, including individual performance and job satisfaction (Marcoulides & Heck, 1993).

Research results linking performance and job satisfaction, culture and performance, and culture and job satisfaction showed inconsistent results. For example, the results of Bagozzi (1980) and Siegel & Bowen (1971) showed that the relationship between performance and job satisfaction was significantly positive, while Sheridan & Slocum (1975) and Wanous (1974) showed insignificant results. Furthermore, Ferdinan & Lindawati (2021), Ratnasari et al. (2020), Sutia et al. (2022), and Syardiansah et al. (2020) in results of the study showed that organizational culture has a significant and positive effect on performance. However, Paais & Pattiruhu (2020) showed the results of the opposite study. Finally, the research results between organizational culture and job satisfaction also show significant and positive results (Kim, 2020; Pati, 2019; Purwadi et al., 2020), but other research results show insignificant (Chang & Lee, 2007; Paais & Pattiruhu, 2020).

The results of the above study show that the research gap in this study has not been tested related to testing individual performance variables as a mediation on the relationship between organizational culture and job satisfaction in the context of village government, so on top of this study provide novelty on two things, namely mediation testing and village government context.

2. Literature Review

2.1. Concept of Organizational Culture

Culture is defined by several unique perspectives in various disciplines (Das Swain et al., 2020). Organizational culture is specifically defined based on the socio-cognitive model of the standards and norms used by an organization, and each individual can understand and self-identify (Berger, 1996; Silvester et al., 1999). Top-level management strives for new employees to adapt quickly (O’Reilly, 1989), including interacting procedures used at work (Silvester et al., 1999). To that end, organizational culture arises from interactions between superiors and subordinates or vice versa (Cooke & Rousseau, 1988; Nurlaila & Buamona, 2019).

2.2. Performance Concept

Performance is a behavior individuals exhibit to meet expectations, regulations, or formal roles (Campbell et al., 1990). Performance refers to behaviors related to organizational goals exhibited by an individual under self-control (Campbell et al., 1993). Borman & Motowidlo (1993) individuals achieve organizational goals. Contributions in the form of such actions must be measurable (Lambert et al., 2020).

2.3. Concept of Job Satisfaction

The concept of job satisfaction can be defined from various perspectives (Judge et al., 1974). However, the most commonly used concept of job satisfaction in organizational research is (Locke, 1976) that job satisfaction results from a work assessment or work experience that has an emotionally pleasing or positive impact. Hulin & Judge (2003) explains that this concept of job satisfaction is a multidimensional psychological response consisting of cognitive (evaluative), affective (or emotional) components, and behavior. In addition, job satisfaction is generated when the individual can meet their work-related wants and needs (Arilaha et al., 2020; Jabid et al., 2020).
2.4. Hypothesis

2.4.1. Organizational Culture and Individual Performance

Organizational culture is a set of assumptions or levels of beliefs, values, and norms developed in an organization. It serves as a code of conduct for its members to address internal adaptation and integration problems and differentiate an organization from other organizations (Schein, 1996). Good work culture will impact the performance of both individuals and organizations (Sundararajan et al., 2020). The performance is the result achieved by a person according to the measure applicable to the work in question (As’Ad, 2004). The results showed that the relationship between organizational culture and performance was positively significant (Ferdinan & Lindawati, 2021; Ratnasari et al., 2020; Syardiansah et al., 2020). Based on the above explanation, the hypothesis proposed in this study is as follows:

H1. Organizational culture has a positive effect on individual performance.

2.4.2. Organizational Culture and Job Satisfaction

According to Robbins & Coulter (2020), organizational culture is a collection of shared values, principles, traditions, and ways of working that influence the behavior and actions of members of the organization. The characteristics of organizational culture will determine a strong or low organizational culture, and the strength of organizational culture will ultimately determine the level of satisfaction and performance (Robbins & Judge, 2010). The results also showed that organizational culture positively and significantly influences jobs (Kim, 2020; Pati, 2019; Purwadi et al., 2020). The hypothesis proposed in this study is as follows:

H2. Organizational culture has a positive effect on job satisfaction.

2.4.3. Employee Performance and Job Satisfaction

Maier (1937) defines performance as a person’s success in carrying out a job. The results of a good performance assessment will impact high job satisfaction. Job satisfaction is a feeling of fulfillment and pride in enjoying their work and doing well (Kumar, 2008). The results showed that performance positively affected job satisfaction (Bagozzi, 1980; Siegel & Bowen, 1971). The hypothesis proposed is as follows.

H3. Employee performance has a positive effect on job satisfaction.

2.4.4. Mediate Individual Performance on the Relationship Between Organizational Culture and Job Satisfaction

Based on explanations of hypotheses 1, 2, and 3, performance can influence and be influenced by organizational performance and culture so that the relationship can mediate performance variables between organizational culture and performance (Baron & Kenny, 1986). For this reason, the proposed hypothesis is as follows:

H4. Performance mediates the relationship between organizational culture and job satisfaction.
3. Research Methodology

This study is located in South Halmahaera Regency, and the research time was conducted from April to August 2021. The population in this study was the entire village head in South Halmahera Regency which amounted to 249 people. The samples in the study were determined based on a purposive sampling approach. The requirement used in this study is that someone who is a sample is the most understanding of the culture applied to an organization, its performance, and perceived job satisfaction. According to Roscoe (1975), a sample is sufficient if at least 30 respondents and a maximum of 500 respondents. So, the total sample in this study amounted to 179 respondents. Validity testing uses factor analysis with a factor loading value of ≥ 0.5. Next, for reliability testing, use Cronbach alpha values above 0.7 (Hair et al., 2021).

The organizational culture questionnaire was adopted from Denison (1991), Denison & Mishra (1995), Fey & Denison (2003), and Ha (2020), with 10 question items. The performance questionnaire in the study used a questionnaire developed by Abadi (2018) that amounted to 5 job items. The job satisfaction questionnaire was adopted from Brayfield & Rothe (1951) with 5 question items. Overall all the question items in the study used a Likert scale of 5 (strongly disagree to agree strongly).

Research hypotheses will be tested using simple regression analysis and hierarchical regression analysis. Simple regression analysis will refer to Ghozali (2019), and hierarchical regression analysis refers to Baron & Kenny (1986). Hypotheses tested using simple regression are hypotheses 1, 2, and 3, and hypotheses 4 are tested using hierarchical regression analysis.

4. Results and Discussion

The results of the questionnaire dissemination showed that from Table 1 showed that of the 249 questionnaires disseminated, only 193 questionnaires were returned. Furthermore, the questionnaire that can be processed amounted to 179, so based on the results of the spread of the questionnaire, the response rate in this study amounted to 72%. The results of the questionnaire spread are shown in Table 1.

<table>
<thead>
<tr>
<th>Information</th>
<th>Sum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Questionnaires distributed</td>
<td>249</td>
</tr>
<tr>
<td>Returning questionnaires</td>
<td>193</td>
</tr>
<tr>
<td>Questionnaires that don’t come back</td>
<td>56</td>
</tr>
<tr>
<td>Questionnaires that cannot be processed</td>
<td>14</td>
</tr>
<tr>
<td>Questionnaires that can be processed</td>
<td>179</td>
</tr>
</tbody>
</table>

Source: Processed Data (2021)

The profiles of respondents in the study consisted of gender and age. For gender, overall, the village heads involved in the study were men. Furthermore, for age, most village heads in South Halmahera Regency are aged between 41-50 years, which amounted to 98 respondents or 54.75%, while the rest were 30-40 years old and over 51 years. Respondent profiles can be viewed in Table 2.
The results of processing descriptive statistical data in Table 3 showed that respondents who applied organizational culture at a high level (3.96) and individual performance (4.00) showed that respondents had good performance. As with organizational culture and individual performance, job satisfaction is also perceived in good condition (3.72). Correlations between variables also show a good relationship. This can be seen in the relationship between organizational culture on individual performance, organizational culture on job satisfaction, and individual performance on job satisfaction at a value below 0.9 (Hair et al., 2021). This means that this relationship does not occur in multicollinearity.

The results of validity testing showed that the variables of organizational culture, individual performance, and job satisfaction were not discarded question items because they had a loading factor value above 0.5, so it could be said that the entire question item contained in the research variable was declared valid. Furthermore, reliability testing results on organizational culture variables, individual performance, and job satisfaction showed Cronbach alpha values above 0.7, so it could be said that statement items on the research variables were considered reliable. The results of the validity and reliability test are shown in Table 4.

Table 2. Respondent Profile

<table>
<thead>
<tr>
<th>Profile</th>
<th>Description</th>
<th>Percentage</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Man</td>
<td>100</td>
<td>179</td>
</tr>
<tr>
<td></td>
<td>Woman</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Age</td>
<td>30-40 years</td>
<td>31.84</td>
<td>57</td>
</tr>
<tr>
<td></td>
<td>41-50 years</td>
<td>54.75</td>
<td>98</td>
</tr>
<tr>
<td></td>
<td>≥ 51 years</td>
<td>13.41</td>
<td>24</td>
</tr>
</tbody>
</table>

Source: Processed Data (2021)

Table 3. Descriptive Statistics and Correlations Between Variables

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>Standard Deviation</th>
<th>Correlation between variables</th>
<th>Job Satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Organizational Culture</td>
<td>Individual Performance</td>
</tr>
<tr>
<td>Organizational Culture</td>
<td>3.96</td>
<td>0.43</td>
<td>1</td>
<td>0.469**</td>
</tr>
<tr>
<td>Individual Performance</td>
<td>3.84</td>
<td>0.80</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Job Satisfaction</td>
<td>3.72</td>
<td>0.56</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Processed Data (2021)

Table 4. Validity and Reliability Test Results

<table>
<thead>
<tr>
<th>Factor</th>
<th>Factor 1</th>
<th>Factor 2</th>
<th>Factor 3</th>
<th>Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cult_Organ1</td>
<td>0.596</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cult_Organ2</td>
<td>0.511</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cult_Organ3</td>
<td>0.654</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cult_Organ4</td>
<td>0.736</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cult_Organ5</td>
<td>0.597</td>
<td></td>
<td></td>
<td>0.821</td>
</tr>
</tbody>
</table>

Copyright © 2022. Owned by Author(s), published by Society. This is an open-access article under the CC-BY-NC-SA license. https://doi.org/10.33019/society.v10i2.439
Table 5 shows that organizational culture positively affects job satisfaction ($\beta = 1.160, t = 34.896, P < 0.05$), so hypothesis 1 is supported in this study. Organizational culture also positively affected individual performance ($\beta = 0.872, t = 7.074, P < 0.05$), so hypothesis 2 was supported in the study. Similar to hypotheses 1 and 2, hypothesis 3 is also supported in this study. The results showed that individual performance positively affects job satisfaction ($\beta = 0.382, t = 9.269, P < 0.05$).

Table 5. Simple Regression Test Results

<table>
<thead>
<tr>
<th>Variable</th>
<th>Job Satisfaction</th>
<th>Individual Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Culture</td>
<td>B: 1.160, t: 34.896, $R^2$: 0.873</td>
<td>B: 0.872, t: 7.074, $R^2$: 0.220</td>
</tr>
<tr>
<td>Individual Performance</td>
<td>B: 0.382, t: 9.269, $R^2$: 0.327</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: Processed Data (2021)

Table 6 shows that individual performance mediates the full relationship between organizational culture and job satisfaction. This can be seen from the direct influence of organizational culture on job satisfaction of 0.327. After the variable mediation results in a value of 0.519 (total effect), individual performance can become full mediation, so hypothesis 4 is supported in this study.

Table 6. Mediation Test Results

<table>
<thead>
<tr>
<th>Variable</th>
<th>Direct</th>
<th>Indirect</th>
<th>Total Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual Performance – Job Satisfaction</td>
<td>0.327</td>
<td>0.192</td>
<td>0.519</td>
</tr>
<tr>
<td>Organizational Culture – Individual Performance</td>
<td>0.220</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Organizational Culture – Job Satisfaction</td>
<td>0.873</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: Processed Data (2021)
The results of this study showed that hypothesis 1, which states that organizational culture has a significant positive effect on job satisfaction, was supported. The results of this study are consistent with the study (Kim, 2020; Pati, 2019; Purwadi et al., 2020) that if the organizational culture applied is appropriate such as mission, involvement in work, adaptability, consistency, it will have an impact on the spirit, enjoyment, and satisfaction of the work questionnaire of the organization culture adopted from (Brayfield & Rothe, 1951; Denison, 1991; Denison & Mishra, 1995).

Hypothesis 2, which states that organizational culture has a significant positive effect on performance, is supported. The results of this study are consistent with the study (Ferdinan & Lindawati, 2021; Ratnasari et al., 2020; Syardiansah et al., 2020) that if the organizational culture is applied, such as mission, involvement in work, adaptability, consistency, it will have an impact on increasing the quality, quantity, punctuality, effectiveness, and independence of its work (Abadi, 2018; Fey & Denison, 2003; Ha, 2020).

Furthermore, hypothesis 3 states that individual performance significantly positively affects job satisfaction, which is supported. The results are consistent with the research of Sheridan & Slocum (1975) dan Wanous (1974). This means that if an individual can maintain quality, quantity, punctuality, effectiveness, and independence in work will certainly provide a sense of satisfaction with the results that have been achieved (Abadi, 2018; Brayfield & Rothe, 1951).

Finally, hypothesis 4, based on the study results, shows that the performance variable can be a full mediation variable on the relationship between organizational culture and job satisfaction in the context of the village head, especially the village government of South Halmahera Regency. These results also reinforce the previously described theory of relationship mechanisms (As’Ad, 2004; Kumar, 2008; Maier, 1937; Robbins & Couleur, 2020; Robbins & Judge, 2010; Schein, 1996).

5. Conclusion
Based on the research results described above, the conclusion of this study is the first: organizational culture has a positive effect on job satisfaction. Second, organizational culture has a positive effect on performance. Third, performance affects job satisfaction. Fourth, performance mediates the full relationship between organizational culture and job satisfaction.

Furthermore, for the limitations and suggestions of future research in this study, this study can divide organizational culture variables by type (clan, adhocracy, hierarchical, and market). Furthermore, the study was also able to divide job satisfaction variables based on intrinsic and extrinsic. Performance variables can also use 360-degree performance measurements to see assessments between subordinates and vice versa.

6. Acknowledgment
The authors thank those willing to cooperate profusely during this research.

7. Declaration of Conflicting Interests
The authors have declared no potential conflicts of interest concerning this article’s research, authorship, and/or publication.
References


Organizational Culture and Job Satisfaction: Performance as a Mediation Variable

Management, 6(2), 113–123. https://doi.org/10.32535/ijabim.v6i2.1106


Organizational Culture and Job Satisfaction: Performance as a Mediation Variable

https://doi.org/10.47824/jme.v2i1.45


About the Authors

1. **Muhammad Thahrim Imam** obtained his Master’s degree from Universitas Padjadjaran, Indonesia, in 2009. The author is an Associate Professor at the Department of Management, Faculty of Economics and Business, Universitas Khairun, Indonesia. E-Mail: thamrin@unkhair.ac.id

2. **Zulkifli** obtained his Master’s degree from Universitas Sam Ratulangi, Indonesia, in 2017. The author is an Assistant Professor at the Department of Management, Faculty of Economics and Business, Universitas Khairun, Indonesia. E-Mail: zulkifli.feb@unkhair.ac.id

3. **Irfandi Buamonabot** obtained his Bachelor’s degree in Economics from Universitas Khairun, Indonesia, in 2009 and a Master’s degree in Management from Universitas Gadjah Mada, Indonesia, in 2012. The author is an Assistant Professor at the Department of Management, Faculty of Economics and Business, Universitas Khairun, Indonesia. E-Mail: irfandi@unkhair.ac.id