Research Paper

The Influence of Organizational Culture and Work Ethic on Organizational Performance through Job Satisfaction as a Mediation Variable in the Liaison Agency of Riau Province

Jansis Fitra[1], Suharto[2], Imam Wibowo[3]
Universitas Krisnadwipayana
Campus Unkris Jatiwaringin PO BOX 7774/Jat CM Jakarta 13077, Indonesia

ABSTRACT: *This study aims to determine the effect of organizational culture on organizational performance, the effect of work ethic on organizational performance, the effect of job satisfaction on organizational performance, the influence of organizational culture on job satisfaction, the effect of work ethic on job satisfaction, the influence of organizational culture on organizational performance through employee job satisfaction. , and determine the effect of work ethic on organizational performance through employee job satisfaction. This research was conducted at the Liaison Agency of Riau Province with a sample of 100 respondents. Data analysis using path analysis*
Based on the data analysis, the results obtained that organizational culture variables affect organizational performance partially. The work ethic variable has a partial effect on organizational performance. The job satisfaction variable partially affects organizational performance. The organizational culture variable partially affects job satisfaction. The work ethic variable partially affects job satisfaction. The influence of organizational culture on performance through job satisfaction is greater than the direct effect, so it can be said that job satisfaction is an intervening variable. The effect of work ethic on organizational performance through satisfaction is smaller than the indirect effect, so it can be said that the job satisfaction variable is not intervening.
KEYWORDS: *organizational culture, work ethic, job satisfaction, organizational performance*

I. INTRODUCTION

Organizational performance is a description of the level of achievement of the implementation of a program of activities or policies in realizing the organization's goals, objectives, vision, and mission as outlined through the strategic planning of an organization. Furthermore, Wibowo (2016:79) states that organizational performance can be viewed as a process and a work result. Performance is a process of how work takes place to achieve work results. However, the results of the work itself also show performance. Sedarmayanti (2009:180-181) suggests that organizational performance results from a specific job function or activity during a certain period.

One of the factors that affect organizational performance in an organization is organizational culture. Organizational culture plays a role in improving organizational performance. Sembiring (2012;39) states that organizational culture is a set or assumption or system of beliefs, values , and norms developed in an organization that is used as a behavioral guide for its members to overcome external adaptation and internal integration problems. Armstrong (2005) organizational or corporate culture is a pattern of values, norms, beliefs, attitudes, and assumptions that can no longer be articulated but shape and determine the way people (people) behave and get things done.

Robbins (2006) suggests that organizational culture is the dominant value disseminated in the organization, which is used as an employee work philosophy that becomes a guide for organizational policies in managing employees and consumers. According to Robbins (2006), a strong organizational culture is a culture where the organization's core values are held intensively and widely shared by members of the organization.

Another factor that is predicted to affect organizational performance is work ethic. Work ethic also needs to be considered in improving organizational performance. Work ethic, according to Ndraha (2005:204), is the value of work is any value generated through work as a process and value perceived by consumers or recipients through their use or enjoyment, in the form of new value, added value, and added value. The core value of work is work ethic.

Sinamo (2011:29) states that the work ethic is due to being able to work with full responsibility, complete with integrity (honesty), complex full of enthusiasm (discipline), intelligent full of creativity, and diligent full of desire (orientation to the future). Admodiwirio (2000:232) suggests that the work ethic is the basis for improving every civil servant's work performance/performance. If this foundation is entrenched among the state apparatus, we have a result-oriented work attitude achieved as planned. The State Apparatus as the dominant human resource is expected to bring more optimal work results.

Another factor that affects organizational performance is job satisfaction. Wexley and Yukl (2012) say that job satisfaction is a generalization of attitudes towards work. A person's various attitudes towards his work reflect his pleasant and unpleasant experiences at work and his expectations for future experiences. A fun job to do can be said that the job gives satisfaction to its stakeholders. On the other hand, dissatisfaction will be obtained if a job is not fun to do.

II.   LITERATURE REVIEW

Organizational Culture

Drucker quoted by Tika (2010: 4) the organizational culture is the body of solutions to external and internal problems that have worked consistently for a group, and that is therefore taught to new members as the correct way to perceive, think about, and feel about those problems" Meanwhile, Wibowo (2016; 15), defines organizational culture as what employees feel and how this perception creates patterns, beliefs, values, and expectations". Furthermore, Mangkunegara (2005; 133) organizational culture is a set or assumption or system of beliefs, values , and norms developed in an organization that is used as a behavioral guide for its members to overcome problems of external adaptation and internal integration. Armstrong (2005) defines organizational or corporate culture as a pattern of values, norms, beliefs, attitudes, and assumptions that can no longer be articulated but shape and determine the way people (people) behave and get things done.

According to Greenberg and Baron (1997) and Robbins (2006:721), there are seven classifications or dimensions of organizational culture. Based on the seven dimensions of organizational culture, overall capture the essence of organizational culture, namely;

a. Innovation and risk-taking, namely the degree to which organizational members are encouraged to innovate and dare to take risks.
b. Attention to detail, namely the degree to which members of the organization show careful analysis and attention to detail.
c. Orientation to people/individuals is the degree to which decision-making considers its impact on outcomes on people within the organization.
d. Results orientation, i.e., the degree to which management focuses on results rather than the techniques and processes used to achieve those results.
e. Cooperation orientation is the degree to which work activities are organized on a team rather than on an individual basis.
f. Stability is the degree to which organizational activity emphasizes maintaining the status quo rather than organizational growth.
g. Aggressiveness is the degree to which members of the organization can be aggressive, competitive rather than relaxed.

Work Ethic

Work ethic or work spirit is subjective, depending on a person's orders with his work. In general, observations of work ethic are categorized into two opposite things, namely high and low work ethic. Wirawan (2008:59) suggests that people with a high work ethic believe that work is a way to achieve happiness in life. If one wants to have a contented and happy life, one has to work, while misery and poverty result from laziness at work.

While the work ethic, according to Ndraha (2005:204), is the value of work is any value generated through work as a process and value perceived by consumers or recipients through their use or enjoyment, in the form of new value, added value, and added value. The core value of work is work ethic.

Wirawan (2008:58-60) suggests that several indicators can be used to measure a person's work ethic, namely:

a. Internal Locus Control. Internal Locus Control means believing that factors from oneself determine one's destiny.

b. Work as a way to achieve happiness in life. People who have a high work ethic believe that work is a way to achieve happiness in life.

c. Commitment to work. Work ethic has an attachment to commitment to work. People who have a high work ethic have a high commitment to work.

d. Hard work is the source of success. People who have a work ethic argue that work is a source of success, and laziness is a source of failure to achieve something.

e. Work is an investment. People who have a work ethic consider work as an investment that will generate a return on investment (ROI).

f. Time management. People who have a work ethic manage their time well because they believe that time is money.

g. Ambition to excel and progress. People who have a work ethic are very ambitious to achieve and achieve progress.

h. Discipline at work. High discipline in work is a characteristic of people who have a high work ethic. He wants to be effective and efficient in carrying out his work.

i. Honesty in carrying out duties and avoiding conflicts of interest. Honesty and conflict of interest are one of the fundamental problems in organizational culture.

j. The belief is that work contributes to individual morale as well as well-being and justice. People who work and try to do their jobs well, then their mind, energy, and time will be entirely devoted to their work.

Job Satisfaction

Job satisfaction is a significant thing that someone at work must own. Each employee has a different level of job satisfaction, so it will be different for each individual in achieving job satisfaction. The more aspects of the job that match the individual's expectations, the higher the level of satisfaction felt.

According to Robbins and Judge (2008:99), job satisfaction is defined as a positive feeling about one's work resulting from an evaluation of its characteristics. A person with high job satisfaction has positive feelings about the job, while someone dissatisfied has negative feelings.

According to Luthans (2006), there are several dimensions of job satisfaction that can reveal important characteristics about work, which people can respond to. Those dimensions are:

a. The work itself. Each job requires a specific skill under their respective fields. The difficulty of a job and a person's feeling that his skills are needed in doing the job will increase or decrease job satisfaction.

b. Superior. A good boss is willing to appreciate the work of his subordinates. For subordinates, superiors can be considered as father/mother/friend figures as well as superiors.

c. Work colleague

d. This is a factor related to the relationship between employees and their superiors and other employees, both the same and different types of work.

e. Promotion. It is a factor related to whether there is an opportunity to get a career advancement while working.

f. Salary/wages. It is a factor in fulfilling the needs of employees who are considered worthy or not

Organizational Performance

In an individual, group, or organization, an assessment is needed to determine the final goal to be achieved or often referred to as performance. This performance appraisal is critical because it can be used to measure the success of the organization in achieving its mission. In addition, performance can measure the level of achievement or policies of individuals or groups of individuals.

According to Keban (2004: 182), performance is a translation of performance which is often interpreted as "appearance," "demonstration," or "achievement." This agrees with what Mangkunegara (2009: 67) said, that the term performance comes from the word job performance or actual performance, namely work performance or achievements.

Mustopadidjaja (2002:12) states that several types of indicators can be used in the implementation of organizational performance measurement, namely as follows:

a. Input indicators are everything needed so that the implementation of activities can run to produce outputs, which can be in the form of human resource funds (employees)—information on policies or laws and regulations, and so on.

b. Process indicators are all quantities that indicate the efforts or activities carried out in order to process inputs into outputs.

c. Output indicators are expected to be used directly from an activity that can be either physical or non-physical.

d. Output indicators are everything that reflects the functioning of the medium-term activity outputs (direct effects), the tangible results of the outputs of an activity.
e. Benefit indicators are everything related to the ultimate goal of implementing activities, describing the benefits obtained from outcome indicators, showing things expected to be achieved if the outputs can be completed and function optimally (right location and time).
f. Impact indicators are the positive and negative effects from the benefits obtained from the results of activities, which can only be known in the medium or long term. This shows the rationale for carrying out activities that describe macro aspects of activity implementation, sectoral, regional, and national activity objectives.

III.   RESEARCH METHODS

Research Time and Location
This research was conducted at the Liaison Agency of Riau Province, with an estimated research time of three months starting from November 2020 to January 2021.

Research Design
This study uses an explanatory analysis approach, where each variable stated in the hypothesis is observed through testing the causal relationship between the independent variable and the dependent variable, as well as the mediating variable, in this case, is job satisfaction, as the observed variable can mediate a direct relationship with the independent variable (culture). Organization and work ethic) on the dependent variable (organizational performance). The influence of the mediating variable can strengthen or weaken the relationship between the dependent and independent variables. Job satisfaction as a mediating variable will be tested through an interaction test.

Population and Sample
The population is generally intended as a generalization area consisting of objects/subjects with specific qualities and characteristics (Sugiyono (2009: 115). The population in this study were employees of the Liaison Agency of Riau Province, which had 133 employees.

The sample generally describes some of the numbers and characteristics possessed by the population (Sugiyono, 2009:116). In this study, the sampling technique used is Simple Random Sampling, which is said to be simple (uncomplicated) because the sampling of members of the population is done randomly without showing the strata that exist in the population. This method is carried out if the population members are considered homogeneous because the sample is representative or the sample is taken at random (Sugiyono, 2009:118). The number of samples in this study was 100 respondents.

IV.   RESEARCH RESULT

1. Analysis of the Influence of Organizational Culture on Organizational Performance Partially
From the results of the analysis of the influence of organizational culture on organizational performance, it is known that the coefficient of organizational culture is 0.505. The t value is 5.792. The significance value is 0.00. This significance value is smaller than 0.05. This means that the organizational culture variable has a partial effect on organizational performance.

2. Analysis of the Effect of Work Ethic on Organizational Performance Partially
The analysis of the effect of work ethic on performance partially shows that the coefficient of work ethic is 0.643. The t value is 8,306. The significance value is 0.00. This significance value is smaller than 0.05. This means that the work ethic variable has a partial effect on organizational performance.

3. Analysis of the Effect of Job Satisfaction on Organizational Performance Partially
The results of the analysis of the effect of job satisfaction on organizational performance are partially known that the coefficient of job satisfaction is 0.854. The t value is 16.270. The significance value is 0.00. This significance value is smaller than 0.05. This means that the job satisfaction variable has a partial effect on organizational performance.

4. Analysis of the Effect of Organizational Culture on Job Satisfaction Partially
The analysis results of the influence of organizational culture on job satisfaction are partially known that the coefficient of organizational culture is 0.643. The t value is 8.311. The significance value is 0.00. This significance value is smaller than 0.05. This means that organizational culture variables affect job satisfaction partially.

5. Analysis of the Effect of Work Ethic on Job Satisfaction Partially
The results of the analysis of the effect of work ethic on job satisfaction are partially known that the coefficient of work ethic is 0.777. The t value is 12.225. The significance value is 0.00. This significance value is smaller than 0.05. This means that the work ethic variable affects job satisfaction partially.

6. Analysis of the Influence of Organizational Culture on Organizational Performance Through Job Satisfaction Variables
Based on data analysis, it is known that the influence of organizational culture on organizational performance is 0.505. The influence of organizational culture on performance through job satisfaction is 0.643x0.854=0.549. In this case, the indirect effect is greater than the direct effect, so it can be said that the job satisfaction variable is the intervening variable.

7. Analysis of the Effect of Work Ethic on Organizational Performance Through Job Satisfaction Variables
The direct effect of work ethic on organizational performance is 0.643. At the same time, the influence of work organizational culture on organizational performance through job satisfaction is 0.777x0.54=0.419. In this case, the indirect effect is smaller than the direct effect, so it can be said that the job satisfaction variable is not intervening.

V. CONCLUSION

Organizational culture variables partially affect organizational performance. Organizational culture coefficient of 0.505. The t value is 5.792. The significance value is 0.00. This significance value is smaller than 0.05.

The work ethic variable has a partial effect on organizational performance—work ethic coefficient of 0.643. The t value is 8,306. The significance value is 0.00. This significance value is smaller than 0.05.

The job satisfaction variable partially affects organizational performance. The coefficient of job satisfaction is 0.854. The t value is 16.270. The significance value is 0.00. This significance value is smaller than 0.05.

The organizational culture variable partially affects job satisfaction. The coefficient of organizational culture is 0.643. The t value is 8.311. The significance value is 0.00. This significance value is smaller than 0.05.

The work ethic variable partially affects job satisfaction. work ethic coefficient of 0.777. The t value is 12.225. The significance value is 0.00. This significance value is smaller than 0.05.

The influence of organizational culture on organizational performance is 0.505. The influence of organizational culture on performance through job satisfaction is 0.643x0.854=0.549. In this case, the indirect effect is greater than the direct effect, so it can be said that job satisfaction is an intervening variable.

The direct effect of work ethic on organizational performance is 0.643. In contrast, the influence of work organizational culture on organizational performance through job satisfaction is 0.777x0.54=0.419. In this case, the indirect effect is smaller than the direct effect, so it can be said that the job satisfaction variable is not intervening.

VI. SUGGESTION

In improving organizational performance, it is necessary to increase organizational culture, work ethic, and job satisfaction. Organizational culture is enhanced by developing innovation for employees, increasing awareness of the results achieved by employees, and the aggressive attitude of employees at work.

Integrity also needs to be improved. Improving integrity can be done by increasing control over employees, commitment, and increasing hard work in the work carried out by employees.

Satisfaction must also seek the organization's attention to employees. Satisfaction can be increased through improving working conditions, improving relationships with other employees at work, and paying attention to the salary or income received by employees.

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