

Implications of Human Resource Management Against Organizational Culture, Work Motivation, Job Satisfaction and Employee Performance at State Own Enterprise Hospitals in Indonesia

(Empirical Study on the 5 Biggest Pertamina Hospitals in Indonesia)

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Abstract

With more hospitals emerging in Indonesia has leads to increased competition to get the number of patients. From that reason the hospital is required to have maximum performance in terms of service in order to win the patient's choice. To increase the employee performance of hospital it can be generated if job satisfaction from employees can be full filled, so it necessary to improve job satisfaction by create the organizational culture and encouragement from the management level to work motivation of employees. This research was conducted in 5 biggest hospitals owned by PT. Pertamina Bina Medika, the sample is 338 employees from population of 2,172 employees. To know the pattern of relationship between variables with the aim of knowing the direct or indirect effect on exogenous and endogenous variables, this research uses Structural Equation Model (SEM). Outer model test results using convergence test validity obtained all the loading factor values for the indicator greater than 0.70 it illustrates that the indicator is valid. The test results using discriminant validity obtained the value of loading factor for each indicator is greater to the intended construct than to the unintended construct, so it can be concluded that the indicator has a high discriminant validity value. Composite reliability test results show the value of composite reliability to four variables greater than 0.70 so it concluded that the variable has a good internal consistency. As for the value of variance of each indicator in the constraint obtained the value of AVE is greater than 0.50 so it can be concluded that the indicators in the construct can be caught by these variables more than the variance caused by measurement error. The reliability test results for each latent variable are obtained for Cronbach's Alpha value greater than 0.70 which means the reliability of the four variables is high. Inner model test results obtained R² value of 0.2906 for job satisfaction that describe that organizational culture and job motivation has an influence of 29.06% to the job satisfaction. The result of R² for

employee performance is 0.3761 which describe organizational culture, work motivation and job satisfaction have impact 37.61% to employee performance. For hypothesis test 1 to hypothesis 5 has got the value of t -statistic > 1.96 that describe the significantly positive impact between organizational impact on job satisfaction, work motivation on job satisfaction, job satisfaction on employee performance, organizational culture on employee performance, and work motivation on employee performance. Result from hypothesis no 6 and hypothesis no 7 for exogenous construct shown z score > 1.98 at significance level of 0.05, that describe the exogenous construct has significantly positive impact on the endogenous construct through the intervening construct, and for the Hypothesis No 8 shown F value $> F$ table ($104.44 > 3.00$) it concluded that organizational culture and work motivation simultaneously have a significantly positive impact on employee performance.

Keywords

Organizational Culture, Work Motivation, Job Satisfaction, Employee Performance, PT. Pertamina Bina Medika (PT. Pertamedika).

1. Background

The hospital industry in Indonesia has experienced significant growth in recent years, especially in the increasing number of private hospitals in big cities. If previous patients are looking for hospitals then the present condition is just the opposite, hospitals are looking for patients to remain able to survive in global competition. The research was conducted in 5 biggest hospitals owned by PT. Pertamina Bina Medika. Based on its history PT. Pertamina Hospital was founded in 1967 on the idea of Dr. Ibnu Soetowo, who was then the President Director of PT. Pertamina. The hospital was then inaugurated in 1972 by the President of the Republic of Indonesia. At the beginning of its establishment, PT. Pertamina Hospital was only devoted to serving the health care and treatment of PT. Pertamina's workers and their families. Over time, facing the dynamics of changes in the national and global oil and gas industries, PT. Pertamina makes efforts to structuring all aspects, as outlined in the PT. Pertamina Restructuring as a whole. On July 4, 2002, PT.RSPP changed its name to PT. Pertamina Bina Medika (PT Pertamedika). PT. Pertamina Bina Medika is tasked with managing assets and health services by PT Pertamina on; 6 Hospitals (Pertamina Central Hospital Jakarta, Pertamina Jaya Hospital Jakarta, Pertamina Prabumulih Hospital, Pertamina Hospital Balikpapan, Pertamina Hospital Cirebon, Pertamina Tanjung Hospital, 19 Polyclinic (Medical Center) in the Jabodetabek area, a Nursing Academy and a Health Maintenance Management Control unit On October 21, 2002, PT. Pertamina Bina Medika in cooperation with the private sector manages PT. Pertamedika Hospital Tarakan (IPM) East Kalimantan, in 2009 its management was done in full by PT. Pertamina Bina Medika, also manages the School of Health Sciences.

PT. Pertamina Bina Medika as the subsidiary of PT. Pertamina try to continuously improve its service to patients with good human resources management program. Human resource management can be interpreted as a resource management technique that regulates the relationship between employees with companies such as recruitment, staffing, training, performance management, compensation, labor relations, health and safety. This is the underlying importance of HRM in supporting the success of a company organization. With the vital role of human resource management as supporting the company's success hence required existence of standard reference which enacted by hospital to can improve intellectual ability, communication, interpersonal, technical and moral ability of an employee. The reference is an organizational culture that systematically leads employees to increase their work commitment to the hospital. According to Jones (1998: 30), "*Organizational culture is a collection of values and norms that control the interaction between members of the organization with other members and with people outside the organization*".

In addition to the standard reference sourced to the organizational culture, the hospital is also required to be able to improve job satisfaction nurse by increasing work motivation. Because work motivation is a condition that encourages or becomes the cause of a person doing a deed or activity that is done consciously. Abraham Spering in Mangkunegara (2013: 93), define that "*Motive is defined as a tendency to activity, started by a drive and ended by an adjustment. The adjustment is said to satisfy the motive*". Given the high work motivation of employees is expected to create a high job satisfaction in the hospital, so that with high levels of job satisfaction in the hospital expected problems that arise in the hospital such as conflict between the leadership and workers can be avoided because the conflict can lower employee satisfaction levels. According to Armstrong (2006: 264), suggests that "*The term job satisfaction refers to the attitude and feelings of people have about their work. Positive and favorable attitudes towards the job indicate job satisfaction*".

2. Literature Review

2.1. Organizational Culture

Here it seems to emphasize the collective aspect, that culture is the work of a number of minds and not just one individual mind. In English, culture comes from the word *culture*, which comes from the Latin word *colere*, that is to manage and do. Wibowo (2007: 15), describes culture is a systematic human activity passed down from generation to generation through various learning processes to create a particular way of living that best suits the environment where he lived. According to Kusdi (2011: 12), culture derived from the *sanskrit* language is *buddhayah*, is the plural form of *buddhi* (character and mind) is defined as matters relating to the mind and human reason. Organizational culture can be an instrument of major competitive advantage, that is, when an organizational culture can answer or address environmental challenges quickly and appropriately.

Organizational culture is also called corporate culture, often called work culture because it can not be separated by the performance of human resources. The stronger of corporate culture, will be drive the achievement. One of the factors that distinguishes an organization from another organization is its culture. Culture is a very important factor in improving organizational effectiveness. Organizational culture can be a major competitive competitiveness tool, when organizational culture supports organizational strategy and can answer or address environmental challenges quickly and appropriately. Robbins (2001: 523-524), describes how an organization's culture is built and maintained. Indigenous culture is shown from the philosophy of its founder. Furthermore, this culture greatly influences the criteria used in hiring employees. The actions of top management determine the general climate of acceptable or unacceptable behavior. Whichever employee is socialized, the level of success achieved will depend on the suitability of the values embraced by the new employee with the organization's values in the selection process as well as on the preferences. According to Robbins (2006: 279), there are 7 primary characteristics that essence to the organizational culture that is:

1. Innovation and risk taking
Innovation and risk-taking are related to the extent to which members of the organization or employees are encouraged to be innovative and risk-averse.
2. Attention to detail
Attention to details is related to the extent to which members of the organization or employees are expected to demonstrate accuracy, analysis and attention to detail.
3. Outcome orientation
Outcome orientation, is the extent to which management focuses on results, not on the techniques and processes used to obtain the results.
4. People Orientation
The individual's orientation, that is, the extent to which management decisions take into account the effect of outcomes to people within the organization.
5. Team Orientation
The team's orientation, which relates to the extent to which the organization's work activities are carried out in the work teams, not on the individuals.
6. Aggressiveness
Aggressiveness, ie the extent to which people in the organization exhibit aggressiveness and competitive rather than relax.
7. Stability
Stability is the extent to which organizational activities emphasize maintaining the status quo as opposed to growth or innovation.

2.2 Work Motivation

The word motivation is basically the word motive which means encouragement, cause or reason someone doing something. Thus, motivation means a condition that encourages or becomes the cause of a person doing an act or activity, which takes place consciously. Motivation is a set of attitudes and values that affect individuals to achieve specific things. According to Robbins (2003: 424), said motivation is the desire to use high-level energy from his efforts to achieve organizational goals, conditioned by the ability to satisfy some of the individual goals. Meanwhile, according to Hasibuan (2007: 95), motivation is the provision of the driving force that creates the excitement of one's work so that they will work with all the power to reach satisfaction. Then Uno (2007: 1), defines motivation is a process that determines the intensity, direction, persistence of individuals in the effort to achieve goals, motivation is the strength of both from within and outside that encourage a person to achieve certain predetermined goals.

Sedarmayanti (2014: 233), said motivation is a willingness to expend high levels of effort toward organizational goals conditioned by the ability of the effort to meet individual needs. The element of effort is intensity. When a person is motivated he will try strongly. The purpose of the organization is the effort it should be. The need for something internal circumstance that causes certain outcomes appears attractive. From the limitations that have been expressed in simple can be said that the motivation is the emergence of behaviors that lead to certain goals with full commitment until the achievement of the intended purpose. The motivational approach is that leaders create a climate that can make members feel motivated. Members should be inspired to feel a sense of hope and availability within the organization in which they work. leadership and motivation are two things that can not be separated. In most cases, an individual's motivation will arise because of effective leader influence. Motivation is the psychological reliability and mental attitude of the human being that energizes the activity or movement and directs or distributes behaviors toward meeting the needs that satisfy or reduce the imbalance. Therefore, work motivation is the driving force to direct employees and it also shows how important motivation in job satisfaction within an organization. Abraham Maslow put forward a theory of motivation called *Maslow's Need Hierarchy Theory*. Maslow in Hasibuan (2009: 154-156), argued that the five hierarchies of human needs are as follows:

1. **Physiological Needs**
Physiological Needs is the need to survive. Included in this need is the need for food, drink, housing, and so forth. The desire to meet this need stimulates a person to behave or work hard.
2. **Safety and Security Needs**
Safety and Security Needs is the need for freedom from the threat of feeling safe from the threat of accidents and safety in carrying out the work. This necessity leads to two forms: (1) the need for security in the workplace; (2) The need for security of property in the workplace during working hours.
3. **Affiliation or Acceptance Needs**
Affiliation or Acceptance Needs is a social need, friends, affiliation, interaction, loved and loved, and accepted in the association of workers and community groups environment. Since man is a social being, it is clear that he has social needs consisting of four groups, namely: (1) Needs to be accepted by others (sense of belonging); (2) Needs to be respected (sense of importance); (3) Need for progress and not fail (sense of achievement); (4) The need for a sense of participation.
4. **Esteem or Status Needs**
Esteem or Status Needs is a need for self-esteem and recognition and prestige awards from employees and the community of the environment. Prestige and status are manifested by many things that are used as status symbols.
5. **Self Actualization**
Self Actualization is the need for self-actualization by using the ability, skill, and the optimal potential to achieve job performance is very satisfactory.

2.3 Job Satisfaction

Job satisfaction becomes an interesting problem to be studied and important, because it proved to be of great benefit. Job satisfaction is the starting point of problems that arise in organizations such as employee-headed conflicts and employee turnover. Job satisfaction is an important condition that every employee must have, where the person is able to interact with his work environment and work passionately. According to Mathis and Jackson (2011: 121), defining job satisfaction is a positive emotional state that is the result of an evaluation of one's work experience. Meanwhile, according to Gibson et.al (2009: 152), states that job satisfaction is an attitude of workers regarding their work resulting from their perception of their work based on factors that exist in the work environment such as supervisory style, policies and procedures, working conditions, and other benefits for workers. According to Handoko (2008: 193), job satisfaction is a pleasant or unpleasant emotional state by which employees view their work. Meanwhile Locke in Sopiah (2008: 170), explains that "*Job satisfaction is a positive or pleasant emotional expression as a result of an assessment of a job or work experience*". While George and Jones (2008: 78), said "*Job satisfaction is the collection of feeling and beliefs that people have about their work*". Wexley and Yukl in Mangkunegara (2013: 117), defines job satisfaction "*is the way an employee feels about his or her job*".

Based on the opinions of Wexley, and Yukl, job satisfaction is a feeling that endorses or does not support the employee associated with his work or with his condition. Job-related feelings involve aspects such as wages or salaries received, career development opportunities, relationships with other employees, job placements, occupations, organizational structure of the company, quality of supervision. While the feelings associated with himself, including age, health condition, ability, education. Employees will feel satisfied in working if aspects of work and aspects of himself support and vice versa if these aspects are not support, employees will feel dissatisfied. While Robbins and Judge (2009: 119), states there are five factors of job satisfaction are:

1. Satisfaction with Work

This satisfaction is achieved when an employee's work is consistent with the employee's own interests and abilities.

2. Satisfaction with Rewards

Where employees feel the salary or wages received in accordance with the workload and balanced with other employees working in the organization.

3. Satisfaction with Supervisor Supervision

Employees feel they have a boss who is able to provide technical assistance and motivation.

4. Satisfaction with Colleagues

Employees are satisfied with their colleagues who are able to provide technical assistance and social encouragement.

5. Promotion Opportunity

Opportunity to improve position on the organizational structure.

2.4 Employee Performance

Understanding performance according to Armstrong (2006: 119), is "*Performance is often defined simply in the output terms-the achievement of quantified objectives. But performance is a matter of what the people achieve but how they achieve it*". Performance is not just the end result seen but we can see the performance process by seeing how people achieve it. Then Ivancevich (2010: 229), said the performance is the achievement of the work of employees in a certain period of time to achieve organizational goals. Assessment of the implementation of the work is a guideline in terms of employees who are expected to demonstrate the performance of employees regularly and regularly so as to benefit the career development of assessed employees as well as for the organization as a whole. Performance appraisal is a formal system for periodically reviewing or reviewing and evaluating a person's performance. performance can also be seen as a combination of work (what one has to achieve) and Competency (how one achieves it). Employee performance indicators according to Chester I. Barnard in Suyadi Prawirosentono (2008: 27-32), are as follows:

1. Effectiveness and Efficiency

The effectiveness of an organization if the goals of an organization can be achieved in accordance with the planned needs, the efficiency associated with the amount of sacrifices incurred in achieving the goal.

2. Authority and Responsibility

In this case the authority is the authority that someone has to govern others to perform tasks assigned to each subordinate within an organization. Responsibility is an inseparable part or as a result of the ownership of such authority. If there is a meaningful authority it automatically arises responsibility.

3. Discipline

Discipline when obeying applicable laws and regulations. Employee discipline as the employee's obedience in respecting the employment agreement where employees work.

4. Initiative

One's initiative is related to thinking power, creativity in the form of ideas for something related to organizational goals. Each reverse initiative gets the attention or positive response from the leader.

3. Methodology

3.1. Conceptual Framework

This research is designed to answer the problems that have been formulated through hypothesis testing. The design made by Kerlinger (2000) is an inquiry structure that is structured in such a way as to help researchers obtain a definite answer. It uses a deductive approach consisting of exploratory research to find some relatively new relationships and explanatory research, a study conducted by explaining the indications emerging from the research object. By applying a deductive approach, the researcher seeks to look at the data empirically and systematically, then compare it with existing theories. As seen from the objectives, causal studies attempt to explain causal relationships on the influence of organizational culture, work motivation, and job satisfaction on the performance of employees at Pertamina hospitals managed by PT. Pertamedika.

3.2. Population and Sample

The research was conducted in 5 of Pertamina's largest hospitals including Pertamina Central Hospital (RSPP), Pertamina Hospital Balikpapan (RSPB), Pertamina Jaya Hospital Jakarta (RSPJ), Pertamina Hospital of Cirebon (RSPC) and Pertamina Prabumulih Hospital (RSPPBM) . The population is total employees in the 5 largest hospitals Pertamina that is as many as 2.172 employees while the number of respondents is 338 employees selected by using proportionate stratified random sampling. The amount is based on the Slovin equation where $n = N / (N.d^2 + 1)$, then: $2.172 / (2.172 (0.05)^2 + 1) = 338$ respondents.

3.3. Classification of Variables Research

The study was grouped into three groups of variables; first, organizational culture, work motivation included into independent variable (exogenous variable), second is job satisfaction including intervening variable and third is employee performance including dependent variable (endogenous variable). The data collected from the questionnaire were calculated using the interval scale where the scale of value are 10 for the highest value and the value of 1 for the lowest. Value 10 shows strongly agree with the actual condition at the field while value 1 strongly disagree that describe the opposite conditions.

3.4. Model Analysis

This study aims to obtain the best model in explaining the influence of organizational culture, work motivation, and job satisfaction on employee performance in the 5 largest hospitals PT. Pertamina Bina Medika. This research uses a statistical technique Structural Equation Model (SEM). According to Ferdinand (2002), SEM is well suited to: (1) confirm the unidimensionality of various indicators for dimensions or constructs, (2) test the compatibility or accuracy of models based on observed empirical data, (3) test model compatibility and causality relationships between observed factors or built in models. Basically, a complete modeling consists of measurement models and structural models. The purpose of outer model test is to specifies the relationship between latent variables with the indicators or it can be said that the outer model defines how each indicator relates to its latent variable. While the purpose of Inner model test is a model of the relationship structure that forms or explains the causality between variable.

3.5. Hypothesis

Based on the past research and presented in the literature review and following model framework above there are several hypothesis was proposed as below:

1. Organizational Culture (X1) significantly positive impact on the Job Satisfaction (Y)
2. Work Motivation (X2) significantly positive impact on Job Satisfaction (Y)
3. Job Satisfaction (Y) significantly positive impact on the Employee Performance (Z)
4. Organizational Culture (X1) significantly positive impact on the Employee Performance (Z)
5. Work Motivation (X2) significantly positive impact on the Employee's Performance (Z)
6. Organizational Culture (X1) through the Job Satisfaction (Y) significantly positive impact on the Employee Performance (Z).
7. Work Motivation (X2) through the Job Satisfaction (Y) significantly positive impact on the Employee Performance (Z)
8. Organizational Culture (X1) and Work Motivation (X2) simultaneously and significantly positive impact to the Employee Performance (Z)

4. Result & Discussion

4.1 Descriptive test result

The demographic of the respondents tabulated in table 4.1, were derived from descriptive analysis. The majority of the sample is female (64.58%), category of age 31-40 years (38.46%), with majority service years 16-20 years (35.26%), majority of education is Diploma (57.95%), and majority of job function is nurses (53.8%).

Table 4.1. Demographic of the respondents

Profile	Frequency	%
1. Gender		
Male	120	35.42
Female	218	64.58
2. Age		
20-30 Years	71	20.91
31-40 years	130	38.46
41-50 Years	111	32.98
>50 Years	26	7.65
3. Service Years		
0-5 Years	55	16.17
6-10 Years	68	20.24
11-15 Years	71	21.23
16-20 Years	119	35.26

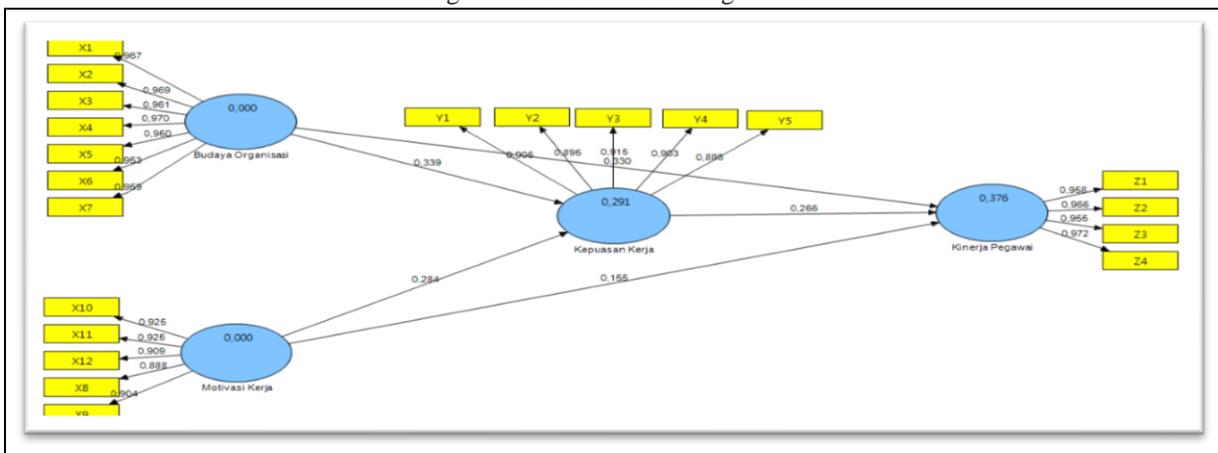
>20 Years	24	7.10
4. Education		
Secondary High School	45	13.27
Diploma	196	57.95
Bachelor Degree	81	23.91
Master Degree	16	4.70
Ph.D	1	1
5. Work Function		
Director	1	0.30
Managements Level	3	0.89
Doctor	28	8.28
Nurses	181	53.8
Medical Support	80	23.7
Non Medic	44	13.0

4.2 SEM Analysis Result by Partial Least Square

4.2.1. Outer Model Test

Outer model is a model that specifies the relationship between latent variables with the indicators or it can be said that the outer model defines how each indicator relates to its latent variable. The Outer model is interpreted by looking at several things, including: convergent validity, discriminant validity, composite reliability, Average Variance Extracted (AVE) and alpha cronbach's. The PLS Algorithm model is presented in the figure below.

Figure 4.2.1. Model PLS Algorithm



4.2.2.1. Convergent Validity

Convergent value is measuring the amount of loading factor for each latent variable. Loading factor above 0.70 is highly recommended, however the above factor loading factor of 0.60 can still be tolerated as long as the model is still in development stage. Full value indicator loading indicator is presented in the table below.

Table 4.2.2.1. Value of Loading Indicator

Indicator	Employee Performance	Job Satisfaction	Organisation Culture	Work Motivation
X1			0,9666	
X2			0,9693	
X3			0,9611	
X4			0,9702	
X5			0,9498	
X6			0,9534	

X7			0,9586	
X8				0,8876
X9				0,904
X10				0,9246
X11				0,9255
X12				0,9086
Y1		0,9049		
Y2		0,8954		
Y3		0,9148		
Y4		0,9031		
Y5		0,8855		
Z1	0,958			
Z2	0,9658			
Z3	0,955			
Z4	0,9723			

From table above the result shows all of the indicator loading values obtained > 0.7, this proves that all indicators are valid as a constituent measure.

4.2.1.2. Discriminant Validity

Discriminant value is useful to assess whether the variable has an adequate discriminative validity that is by comparing the correlation of the indicator with the intended construct must be greater than the correlation with the other construct. If the correlation of the indicator has a higher value than the correlation indicator with other construct, it is said that the variable has a high discriminant validity. This value can be seen on the value of cross loading factor as follows:

Table 4.2.1.2. Value of Cross Loading

Indicator	Employee Performance	Job Satisfaction	Organization Culture	Work Motivation
X1	0,5103	0,4652	0,9666	0,4607
X2	0,5241	0,4673	0,9693	0,4848
X3	0,528	0,4627	0,9611	0,4906
X4	0,517	0,4566	0,9702	0,4794
X5	0,5006	0,4632	0,9498	0,4674
X6	0,4926	0,4675	0,9534	0,46
X7	0,5218	0,4409	0,9586	0,4736
X8	0,3616	0,3722	0,408	0,8876
X9	0,4078	0,427	0,4686	0,904
X10	0,4087	0,4023	0,4626	0,9246
X11	0,4401	0,4122	0,442	0,9255
X12	0,3706	0,4362	0,4589	0,9086
Y1	0,4686	0,9049	0,4087	0,407
Y2	0,4032	0,8954	0,4368	0,3788
Y3	0,4413	0,9148	0,4234	0,3957
Y4	0,4335	0,9031	0,4199	0,4232
Y5	0,4754	0,8855	0,4663	0,4239
Z1	0,958	0,459	0,499	0,4206

Z2	0,9658	0,4969	0,526	0,4378
Z3	0,955	0,4481	0,4957	0,3837
Z4	0,9723	0,4974	0,5347	0,4422

From the table above can be seen that the value of loading indicator X1 to the construct directed organization culture is 0.9666 higher than other constants that is to work motivation of 0.4607, to employee performance 0.5103, to job satisfaction only 0.4652. Similarly, for the indicator X2 - X9 has the highest loading value to Organizational culture as construct. On the indicator X8 loading value of the work motivation the construct is 0.8876, while to the other construct of employee performance is 0.3616, job satisfaction 0.3722 and organization culture 0.408. Similarly, for other indicators X8 - X12 has a higher loading value to the intended construct than to unintended construct. Indicator Y1-Y5 has a higher loading value to Job satisfaction and indicator Z1 - Z4 also higher to employee performance than to the unintended construct.

4.2.1.3. Composite reliability

The high value of composite reliability indicates a good consistency of each indicator in the latent variable to measure the variable. Criteria value composite reliability is > 0.7 indicates that the variable has a good internal consistency. Composite reliability values are presented as per following table.

Table 4.2.1.3. Value of *Composite Reliability*

Construct	Composite Reliability
Employee Performance	0,9807
Job Satisfaction	0,9556
Organisation Culture	0,9884
Work Motivation	0,9602

From the table above shows that the value of composite reliability construct Organization culture is 0.9884, work motivation is 0.9602, job satisfaction is 0.9556 and Employee performance is 0.9807. The four composite values of composite reliability > 0.70 that's mean has a good internal consistency.

4.2.1.4. Average Variance Extracted (AVE)

The value of AVE shows the variance value of each indicator in the constancy that the variable can capture more than the variance caused by the measurement error. AVE value is expected > 0.5 . Value of AVE constellation Organization culture 0.9241, work motivation 0.8284, job satisfaction 0.8115 and Employee performance of 0.927. The full results are presented in the table below.

Table 4.2.1.4. Value of *Average Variance Extracted (AVE)*

Construct	AVE
Employee Performance	0,927
Job Satisfaction	0,8115
Organization Culture	0,9241
Work Motivation	0,8284

4.2.1.5. Cronbach's Alpha

Reliability test also compared with value of alpha cronbach's value. Limitations of alpha cronbach's for reliability test is > 0.7 . The result for Organization culture is 0.9861, work motivation is 0.9482, job satisfaction is 0.9415 and Employee performance is 0.9738. The results of the Cronbach's alpha are presented in the table below.

Table 4.2.1.5. Value of *Cronbach's Alpha*

Construct	Cronbachs Alpha
Employee Performance	0,9738
Job Satisfaction	0,9419
Organization Culture	0,9863
Work Motivation	0,9482

4.2.2. Inner Model Test

4.2.2.1. Goodness of fit test

To test the structural model is done by looking at the value of R^2 which is called the test of Goodness of fit. The job satisfaction obtains R^2 value of 0.2906 which can be interpreted that the variant in job satisfaction can be explained by organization culture and work motivation is 29.06% while the rest is 70.94% explained by other variables. For employee performance the R^2 values is 0.3761, this value indicates that employee performance can be 37,61% explained by work motivation, organizational culture and job satisfaction while the rest of 62.39% is explained by other variables. The results of the full R-square values are presented as following table.

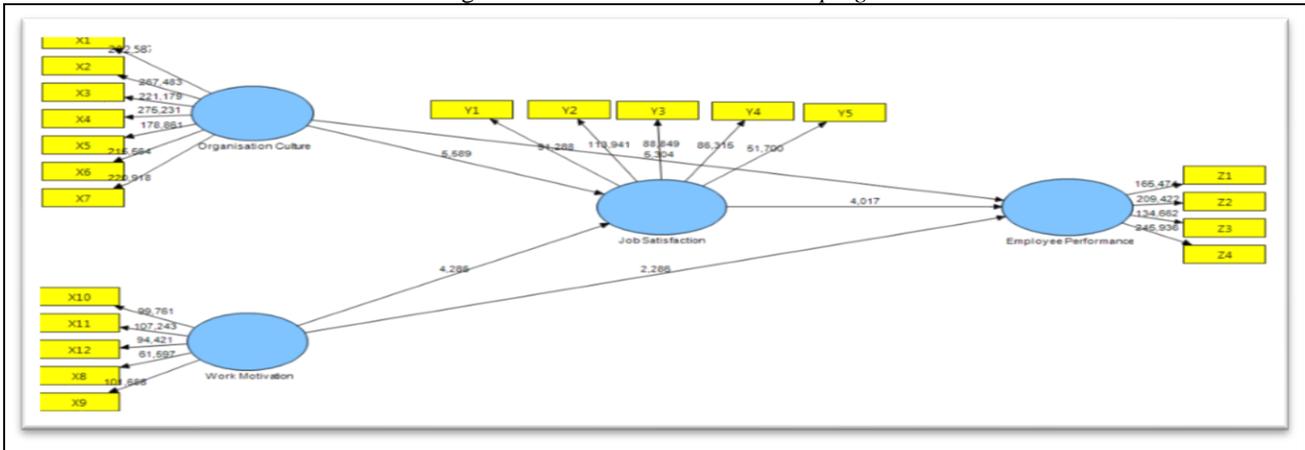
Table 4.2.2.1. Value of R-Square

Construct	R Square
Employee Performance	0,3761
Job Satisfaction	0,2906

4.2.2.2. Hypothesis test

The next analysis is hypothesis test to see the significance of the influence between independent construct on the dependent construct and answer what has been hypothesized. Testing with a significance level of 5% if the value of t-statistic > 1.96 then the null hypothesis (H_0) is rejected. The t-statistical coefficient of influence of the latent constraint is obtained from PLS Bootstrapping. The results of the Bootstrapping PLS Model are presented in the figure below.

Figure 4.2.2.2. Model PLS Bootstrapping



The value of the parameter coefficient can be seen in the value of (original sample) and the value of t-statistical significance can be seen in the table below.

Table 4.2.2.2. Coefficients value (Original Sample), Standard Error and T-Statistics

Significance Test	Original Sample (O)	Standard Error (STERR)	T Statistics (O/STERR)	Result
Job Satisfaction -> Employee Performance	0,2663	0,0663	4,0166	Significant
Organisation Culture -> Employee Performance	0,3302	0,0622	5,3043	Significant
Organisation Culture -> Job Satisfaction	0,3391	0,0607	5,5886	Significant
Work Motivation -> Employee Performance	0,1552	0,0679	2,2856	Significant
Work Motivation -> Job Satisfaction	0,284	0,0663	4,2865	Significant

Hypothesis 1

The coefficient value of organizational culture influence on job satisfaction is 0.3391, standard error 0,0607 and t-statistic 5,5886. Because the value of t-statistics $5.886 > 1.96$ then reject H_0 . That mean the organizational culture has a significantly positive impact on job satisfaction.

Hypothesis 2

The coefficient value of work motivation effect on job satisfaction is 0.284, standard error 0.0663 and t-statistic value 4.2865. Because the value of t-statistics $4.2865 > 1.96$ then reject H_0 . That mean the work motivation significantly positive impact on job satisfaction.

Hypothesis 3

The coefficient value of job satisfaction effect to employee performance is 0.2663, standard error 0.0663 and t-statistic value 4,0166. Because the value of t-statistics $4,0166 > 1.96$ then reject H_0 . That mean the job satisfaction has a significantly positive impact on employee performance.

Hypothesis 4

The coefficient value of organizational culture influence on employee performance is 0.3302, standard error 0.0622 and t-statistic value 5.3043. Because the value of t-statistics $5.3043 > 1.96$ then reject H_0 . That mean the organizational culture has a significantly positive impact on employee performance.

Hypothesis 5

The coefficient of the effect of work motivation on employee performance is 0.1552, the standard error value is 0.0679 and the t-statistic value is 2.2856. Because the value of t-statistics $2.2856 > 1.96$ then reject H_0 . That mean the work motivation has a significantly positive impact on employee performance.

Hypothesis 6

The coefficient of indirect influence from organization culture to employee performance through job satisfaction is $0.3391 \times 0.2663 = 0.0903$. Calculation of the value of z Sobel test as follows:

$$z = \frac{ab}{\sqrt{(b^2 SE_a^2) + (a^2 SE_b^2)}} = \frac{0.3391 \times 0.2663}{\sqrt{(0.2663^2 \times 0.0607^2) + (0.3391^2 \times 0.0663^2)}} = \frac{0.0903}{\sqrt{0.00076}} = 3.261$$

Where :

- a = coefficient influence *organization culture on job satisfaction*
- b = coefficient influence *job satisfaction on employee performance*
- SE_a = standard error *organization culture on job satisfaction*
- SE_b = standard error *job satisfaction on employee performance*

Since z score is 3,261 greater than Z 1.98 at the 0.05 significance level it can be concluded that the coefficient of mediation 0.0903 is significant. This shows that job satisfaction significantly mediates the influence of organization culture on employee performance.

Hypothesis 7

The coefficient of indirect influence from work motivation to employee performance through job satisfaction is $0.284 \times 0.2664 = 0.0663$. Calculation of the value of the test Sobel as follows:

$$z = \frac{ab}{\sqrt{(b^2 SE_a^2) + (a^2 SE_b^2)}} = \frac{0.284 \times 0.2663}{\sqrt{(0.2663^2 \times 0.0663^2) + (0.284^2 \times 0.0663^2)}} = \frac{0.0756}{\sqrt{0.00066}} = 2.929$$

Where :

- a = coefficient influence *work motivation on job satisfaction*
- b = coefficient influence *job satisfaction on employee performance*
- SE_a = standard error *work motivation on job satisfaction*
- SE_b = standard error *job satisfaction on employee performance*

Since z score is 2.929 greater than Z 1.98 at the level of significance of 0.05 it can be concluded that the coefficient of mediation 0.0756 is significant. This shows that job satisfaction significantly mediates the effect of work motivation on employee performance.

Hypothesis 8

To get F value for simultaneously testing it can use the following formula:

$$F_{hit} = \frac{R^2/k}{(1 - R^2)/(N - k - 1)}$$

$$F_{hit} = \frac{0.3761/2}{(1 - 0.3761)/(339 - 2 - 1)}$$

$$F_{hit} = \frac{0.1880}{(1 - 0.3761)/(339 - 2 - 1)}$$

$$F_{hit} = \frac{0.6239/336}{0.1880}$$

$$F_{hit} = \frac{0.0018}{0.1880}$$

$$F_{hit} = 104.44$$

F-table value with error (alpha) 5%, df1 = 2 and df2 = 337 (N-k) where N number of sample and k number of independent indicator is 3,00. Because the value of F-hit > F-table (104.44 > 3.00) then it is proven that the organization culture and work motivation simultaneously have a significantly positive impact on employee performance.

5. Conclusion

From Outer model test results using convergence test validity obtained all the loading factor values for the indicator greater than 0.70 it illustrates that the indicator is valid. While the test results using discriminant, validity obtained the value of loading factor for each indicator is greater to the intended construct than the unintended construct, it can be concluded that the indicator has a high discriminant validity value. Composite reliability test results show the value of composite reliability to four variables greater than 0.70 so concluded that the variable has a good internal consistency. As for the value of variance of each indicator in the constraint obtained the value of AVE is greater than 0.50 so it can be concluded that the indicators in the construct that can be caught by these variables more than the variance caused by measurement error. The reliability test results for each latent variable are obtained for Cronbach's Alpha value greater than 0.70 which means the reliability of the four variables is high.

Inner model test results obtained R² 0.2906 for job satisfaction that describe the organizational culture and job motivation has an influence of 29.06% of job satisfaction. While for R² employee performance variable is 0.3761 which describe that organizational culture variable, work motivation and job satisfaction have impact 37.61% to employee performance. **Hypothesis 1** results obtained t-statistical for organizational culture on job satisfaction is 5.886, this value is higher than 1.96 so H0 rejected and proved that organizational culture significantly positive impact on job satisfaction. Result of **Hypothesis 2** got t-statistic for work motivation on job satisfaction is 4,286, this value is higher than 1.96 so H0 rejected and prove that work motivation significantly positive impact on job satisfaction. **Hypothesis 3** got t-statistic job satisfaction on employee performance is 4,016, this value is higher than 1.96 so H0 rejected and prove that job satisfaction significantly positive impact on employee performance. **Hypothesis test 4** shows that t-statistic of organizational culture toward employee performance is 5,304, this value is higher than 1.96 so that H0 is rejected and proves that organizational culture has a significantly positive impact on employee performance. **Hypothesis 5** results obtained t-statistic work motivation on employee performance is 2,285, this value is greater than 1.96 so H0 rejected and proved that work motivation significantly positive impact on employee performance. **Hypothesis 6** shows that the coefficient of indirect (z) effect from organizational culture to employee performance through job satisfaction is 3,261, this value is greater than 1.98 at the 0.05 significance level which shows that organizational culture significantly impact on employee performance through job satisfaction. **Hypothesis test 7** shows that the coefficient of influence (z) is not directly from work motivation to employee performance through job satisfaction 2,929, this value is greater than 1.98 at significance level of 0.05 which illustrates that work motivation significantly affect employee performance through job satisfaction. **Hypothesis 8** results obtained by the F-hit (104.44) where this value is higher than F-table (3.00) it can be concluded that organizational culture and work motivation simultaneously have a significantly positive impact on employee performance.

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