



**THE INFLUENCE OF ORGANIZATIONAL CULTURE ON EMPLOYEE
PERFORMANCE THROUGH JOB SATISFACTION AS AN INTERVENING
VARIABLE: A CASE STUDY OF ROTI AJIB SUMENEP**

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Abstract

In an increasingly changing and competitive business climate, organizations are required to have internal capacity to ensure their effectiveness and sustainability. One strategic resource that plays a crucial role is organizational culture. Conceptually and methodologically, this study adopts a multidimensional model of organizational culture and examines the causal relationships and mediating mechanisms (culture, job satisfaction, and employee performance). Furthermore, this study contributes to the academic literature on management and human resources in Indonesia, particularly regarding the dynamics of small-scale organizations.

Keywords: Culture, Job Satisfaction, Employee Performance, Management



INTRODUCTION

Conceptually, organizational culture serves to guide internal coordination and align the behavior of organizational members. Through shared values, norms, and basic assumptions, organizations can create structural stability, strengthen collective identity, and present a clearer strategic direction. A multidimensional approach involving values, norms, beliefs, and cultural manifestations in work practices or artifacts provides a comprehensive understanding of how culture shapes organizational integrity (Schein & Schein, 2017).

At the individual level, organizational culture is a crucial determinant in shaping perceptions and attitudes toward work. When employees experience a positive culture characterized by cooperation, clear procedures, open communication, and a sense of collective responsibility, they tend to have stronger commitment and more consistent work behavior. This condition impacts performance, including productivity, quality of output, discipline, and loyalty to the organization (Luthans, 2011).

However, various empirical studies suggest that the influence of organizational culture on employee performance is not always direct. The role of intermediary variables (mediators) often emerges to explain this relationship more comprehensively. One of the most frequently discussed mediators in the management literature is job satisfaction (Pawirosumarto, Sarjana, & Gunawan, 2017). Job satisfaction reflects employees' emotional and cognitive evaluations of various aspects of their jobs, such as the work environment, interpersonal relationships, rewards, role clarity, and opportunities for development. Employees who evaluate their jobs positively generally demonstrate higher motivation, commitment to the organization, and a tendency to contribute optimally to performance (Locke, 1976; Greenberg & Baron, 2010).

Thus, job satisfaction can serve as an intervening variable that bridges the influence of organizational culture on employee performance. A positive culture fosters job satisfaction, which in turn strengthens performance. This mediating relationship has been demonstrated in numerous studies in Indonesia and internationally (Rivai & Sagala, 2014; Fitria, 2018). These studies were conducted not only in large companies but also in small and medium-sized organizations. Empirical findings consistently show that organizational culture and job satisfaction remain important variables influencing employee performance, despite varying organizational contexts and sizes (Wibowo, 2016).



Conceptually and methodologically, this study can adopt a multidimensional organizational culture model and test the causal relationships and mediating mechanisms (culture-job satisfaction-employee performance). Previous research typically uses quantitative methods such as Structural Equation Modeling (SEM) or path analysis to systematically examine the relationships between variables (Hair et al., 2019). From a practical perspective, the findings of this study can serve as a basis for formulating managerial strategies for Roti Ajib owners or managers. Strengthening work culture, creating a conducive work environment, and clarifying organizational values can be strategic steps in improving employee satisfaction and performance (Mathis & Jackson, 2011).

LITERATURE REVIEW

According to Edgar H. Schein, one of the key theoretical figures in the study of organizational culture, organizational culture is "a pattern of shared basic assumptions that a group has invented, discovered, or developed in learning to cope with its problems of external adaptation and internal integration." In other words, organizational culture is not simply written rules, but rather fundamental assumptions that are collectively formed and passed on to new members as the "correct" way to understand, think, and respond to the organizational environment.

By this definition, organizational culture operates at a very fundamental level, not just in formal norms or policies, but in shared perspectives, ways of approaching problems, and ways of acting collectively. Schein emphasized that these basic assumptions are formed through shared experiences in dealing with external adaptation and internal integration. Once proven effective, they are deemed valid and passed on to new members.

Employee performance is a crucial concept in human resource management, reflecting an individual's level of success in meeting the work standards set by the organization. Performance is not solely measured by final results, but also encompasses the process, work behavior, and underlying competencies. Robbins and Judge (2016) explain that performance is the contribution of individual behavior to achieving organizational goals. Therefore, employee performance is a key factor determining an organization's effectiveness and competitiveness.

Mathis and Jackson (2011) argue that performance reflects the actions employees take, or fail to take, to support the achievement of organizational



goals. This demonstrates that organizational success is significantly influenced by the quality of each employee's contribution. Therefore, organizations require a comprehensive performance evaluation system to assess employee productivity and long-term development.

Theoretically, job satisfaction is closely related to needs theory, which explains that a person will achieve satisfaction when their work fulfills personal needs from basic to self-actualization. Because each individual has different expectations, job satisfaction is a highly individualized and heterogeneous concept. Maslow (1954) emphasized that fulfilling human needs is one of the main foundations for achieving satisfaction in the work context.

In addition to personal factors, external elements such as organizational policies, the quality of the work environment, and employee relationships also determine the level of job satisfaction. A suitable physical environment, a supportive work environment, and adequate facilities can enhance employee comfort and positive perceptions. Conversely, poor working conditions can lead to dissatisfaction and negatively impact performance (Luthans, 2011).

RESEARCH METHOD

This study employed quantitative research to ensure accurate analysis. According to Sugiyono (2018), quantitative research is based on positivity, where data is then measured using statistics as a qualifying tool, relating to the problem under study to conclude.

Explanatory research is a research approach used to provide an understanding of the relationships or correlations between variables. This explanatory research approach also aims to test hypotheses between the variables studied. (Supriyanto and Maharani, 2019)

RESULTS AND DISCUSSION

Descriptive Statistical Test

Convergent Validity

(Vinzi et al., 2010) to conduct research in the initial stage, the development of a measurement scale with a loading value of 0.7.

	Employee Performance	Job Satisfaction	Organizational Culture
X1.1			0.855
X1.2			0.796
X1.3			0.806



X1.4			0.791
X1.5			0.863
X1.6			0.881
X1.7			0.796
Y1.1	0.967		
Y1.2	0.987		
Y1.3	0.828		
Y1.4	0.965		
Z1.1		0.781	
Z1.2		0.843	
Z1.3		0.932	
Z1.4		0.851	
Z1.5		0.798	

Based on the table above, it can be seen that the results of several indicators meet the significance value requirement of 7%, and the indicators have a factor loading value above 0.7.

Composite Reliability

According to Hair (2014), the CR (Composite Reliability) value that is specifically acceptable in research ranges from 0.70 to 0.80. A construct can be said to have high reliability if its value is 0.70. The table of composite reliability values is as follows:

Results Data Cronbach's alpha and Composite Reliability

	Cronbach's Alpha	Composite Reliability (rho_c)
Organizational Culture	0.927	0.945
Job Satisfaction	0.901	0.941
Employee Performance	0.954	0.972

Based on the table above, it can be concluded that all constructs are reliable, with both composite reliability and Cronbach's alpha values above 0.70. This indicates that all variables in this research model have internal consistency reliability. Based on the previous tables, it can be concluded that this study has good convergent validity, good discriminant validity, and good internal consistency reliability.



a. Structural Model Testing (Inner Model)

The following table is the result of the R-square estimation by applying the PLS method.

Result Data R-Square

	R-square
Job Satisfaction	0.087
Employee Performance	0.409

The table above shows the R-Square value for the variable. The R-Square value for the Job Satisfaction variable was 0.087. This result indicates that 8.7% of the job satisfaction variable can be influenced by employee performance and organizational culture, while 91.3% is influenced by other variables outside the study. Meanwhile, employee performance obtained a value of 0.409. This result indicates that 49% of the employee performance variable can be influenced by job satisfaction and organizational culture variables, while 51% is influenced by other variables outside the study.

b. Hypothesis Testing

The indicators used in hypothesis testing are the values contained in the output path coefficients using SmartPLS with the bootstrapping method on the research data.

	Original Sampel (O)	T Value	P Value	Hypothesis	Significance
Organizational Culture -> Job Satisfaction	0.625	2.483	0.013	Accepted	Significant
Organizational Culture-> Employee Performance	0.625	1.554	0.120	Rejected	Not Significant
Employee Performance -> Job Satisfaction	0.044	0.208	0.836	Rejected	Not Significant
Organizational Culture -> Employee	0.013	0.124	0.901	Rejected	Not Significant



Performance -> Job Satisfaction					
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Based on the table above, the following hypotheses can be concluded:

a. Testing Hypothesis H1 (It is suspected that organizational culture influences job satisfaction). The table above shows a p-value of 0.013 and a t-statistic of 2.483. The hypothesis is accepted if the p-value is <0.05. To determine the level of significance, a t-statistic >1.96 is used. Therefore, H1 is accepted. Therefore, organizational culture has a significant effect on job satisfaction.

b. Testing Hypothesis H2 (It is suspected that organizational culture influences employee performance). The table above shows a p-value of 0.120 and a t-statistic of 1.554. The hypothesis is accepted if the p-value is <0.05. To determine the level of significance, a t-statistic >1.96 is used. Therefore, H2 is rejected. Therefore, organizational culture does not influence employee performance.

c. Hypothesis Testing H3 (It is suspected that employee performance influences job satisfaction). Based on the table above, it can be seen that the p-value is 0.836 and the t-statistic is 0.208. The hypothesis is accepted if the p-value is <0.05. To determine the level of significance, a t-statistic value >1.96 is used. Therefore, H3 is rejected. Therefore, employee performance does not influence job satisfaction.

d. Hypothesis Testing H4 (It is suspected that there is an influence of organizational culture on job satisfaction through employee performance). Based on the table above, it can be seen that the p-value is 0.901 and the t-statistic is 0.124. The hypothesis is accepted if the p-value is <0.05. To determine the level of significance, a t-statistic value >1.96 is used. Therefore, H4 is rejected. Therefore, organizational culture does not influence job satisfaction through employee performance.

The Influence of Organizational Culture on Job Satisfaction of Ajib Bakery Sumenep Employees

The research results show that organizational culture significantly influences job satisfaction. The relationship between organizational culture and job satisfaction has a T-statistic of 2.483 > 1.96, or a P-value of 0.013 < 0.05. Therefore, it can be concluded that organizational culture has a positive effect on the job satisfaction of Ajib Bakery Sumenep employees.

One important factor in creating job satisfaction among Ajib Bakery Sumenep employees is providing appropriate salaries and the work itself. Providing appropriate salaries will increase employee satisfaction.



The Influence of Organizational Culture on Employee Performance at Ajib Bakery Sumenep

Based on the results of the study, it shows that Organizational Culture does not affect Employee Performance. Organizational Culture with Employee Performance has a T-statistic value of 1.554 <1.96 or P values 0.120> 0.05. So it can be concluded that Organizational Culture does not affect the performance of Ajib Bakery Sumenep employees, this is because not all organizational cultures created in the Ajib Bakery Company environment affect the performance of their employees.

The Influence of Employee Performance on Job Satisfaction at Ajib Bakery Sumenep

Based on the results of the study, it shows that Employee Performance does not affect Job Satisfaction. Employee Performance with Job Satisfaction has a T-statistic value of 0.208 <1.96 or P values 0.836> 0.05. So it can be concluded that Employee Performance does not affect Job Satisfaction at Ajib Bakery Sumenep. This is caused by the excessive workload given by the Ajib Bakery Sumenep company to its employees.

The Influence of Organizational Culture on Employee Job Satisfaction through Performance as a Mediating Variable at Ajib Bakery Sumenep

The results of the mediation test of Organizational Culture on Job Satisfaction through Employee Performance produced a p-value of 0.901 (> 0.05) which explained that Employee Performance cannot mediate the relationship between Organizational Culture and Job Satisfaction so that H4 is rejected. So it can be concluded that Organizational Culture does not have a significant effect on Job Satisfaction with Employee Performance as an intervening variable at Ajib Bakery Sumenep. The position of Employee Performance as an intervening or intermediary variable for Organizational Culture style on Job Satisfaction cannot mediate the existing influence.

CONCLUSION

The following are the findings of the data analysis and discussion regarding the influence of organizational culture on job satisfaction through employee performance as a mediating variable for Ajib Bakery Sumenep employees, using Structural Equation Modeling – Partial Least Squares (SEM-PLS) analysis.



1. Organizational culture significantly influences job satisfaction. The T-statistics of 2.483 and job satisfaction correlate with a P-value of $0.013 < 0.05$. Therefore, it can be concluded that organizational culture positively influences job satisfaction for Ajib Bakery Sumenep employees.
2. Organizational culture does not influence employee performance. The T-statistics of 1.554 and employee performance correlate with a P-value of $0.120 > 0.05$. Therefore, it can be concluded that organizational culture does not influence employee performance for Ajib Bakery Sumenep employees.
3. Employee Performance has no effect on Job Satisfaction. Employee Performance and Job Satisfaction have a T-statistic value of $0.208 < 1.96$ or a P-value of $0.836 > 0.05$. Therefore, it can be concluded that Employee Performance has no effect on Job Satisfaction at Ajib Bakery Sumenep.
4. Organizational Culture on Job Satisfaction through Employee Performance yields a p-value of $0.901 (> 0.05)$, indicating that Employee Performance cannot mediate the relationship between Organizational Culture and Job Satisfaction, thus H4 is rejected. Therefore, it can be concluded that Organizational Culture does not significantly influence Job Satisfaction with Employee Performance as an intervening variable at Ajib Bakery Sumenep.

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