

## Research Article

## Determinant of Job Satisfaction and Employee Performance: Study in Department of Energy and Mineral Resources of Aceh

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**Abstract:** This study aims to determine the effect of organizational commitment, competence, work motivation and organizational culture on job satisfaction and its impact on the employee performance of the Department of Energy and Mineral Resources of Aceh. The sample is taken using the saturated sampling technique (census) which amount 117 respondents. Primary data is collected by distributing questionnaires. The data analysis technique uses Structural Equation Modeling (SEM) with AMOS statistical software for hypothesis testing. The results shows that descriptively organizational commitment, competence, work motivation, organizational culture, job satisfaction and employee performance have been going well. Then the hypothesis test shows that: 1) organizational commitment does not have a significant effect on job satisfaction, 2) competence has a significant effect on job satisfaction, 3) work motivation does not have a significant effect on job satisfaction, 4) organizational culture has a significant effect on job satisfaction, 5) job satisfaction has no significant effect on performance employees, 6) organizational commitment has a significant effect on employee performance, 7) competence does not have a significant effect on employee performance, 8) work motivation does not have a significant effect on employee performance, and, 9) Organizational culture has a significant effect on employee performance. The originality of this research lies on its combination among variables based on previous theories, and this approach using SEM to test the causality relationships. This implies to both academic and practical persons. The limitation is in the scope of object, which means this can be developed for further researchers.

**Keywords:** Organizational Commitment, Competence, Work Motivation, Organizational Culture, Job Satisfaction, Employee Performance.

### I. INTRODUCTION

The rapidly changing community environment as a result of globalization has made public awareness to demand freedom, openness, independence and attention to their rights being open. The community seemed no longer afraid to criticize and even protest any government policy that did not favor the people (Rahmawati & Suwitri, 2006). Such a situation requires the government to immediately make various efforts to improve the performance of public organizations by making various efforts; one of it is by improving the performance of employees of government agencies. According to (Pasolong, 2008) employee performance is all the results of all forms of actions and policies in a series of work ventures in a certain period of time in order to achieve a goal. Whereas according to (Mangkunegara & Prabu, 2003) said that employee performance is the work result in the quality and

quantity achieved by an employee in carrying out his duties in accordance with the responsibilities given to him.

The Department of Energy and Mineral Resources as a government agency is also expected to be able to improve the performance of its employees, this is due to the performance of these agencies which are highly dependent on the performance of employees or human resources in this case the civil servants (PNS) who work at the agency. Agency employees are the main resource in supporting the agency's overall operational activities. So that the achievement of organizational goals is only possible happened if the efforts of employees found in the organization. This means that there is an unidirectional relationship between employee performance and the performance of the agency where the employee works. If the employee

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performance is good, then it is likely that the agency's performance is also good (Sedarmayanti & Pd, 2001) (Sedarmayanti, 2014).

The success of the Department of Energy and Mineral Resources of Aceh in carrying out its operational activities in providing services to the community is inseparable from the support of all employees of the institution. The better the performance of employees, the better will be the organizational performance. But in reality based on observation to 30 employees, it is known that employees of the Department of Energy and Mineral Resources of Aceh have different performance from each other. A real indication of differences in performance can be seen from the ability to complete work. Some employees can complete their work in a timely manner, some even able to complete the work before the time limit for work ends. Conversely, there were also employees who were unable to complete their work on time. Those who belong to this group certainly include employees with low performance. The low performance of employees indicates the factors that affect it should be identified. Unfulfilled desires can cause dissatisfaction at work. According to (Robbins & Judge, 2012) job satisfaction is a general attitude towards one's work, the difference between the number they believe and they should receive. Whereas (Rivai & Sagala, 2015) states, job satisfaction is an evaluation that describes a person with a feeling of being happy or unhappy, satisfied or not satisfied at work.

Indications of differences in the performance of employees are also seen from the ability of cooperation in the work team. As employees of government agencies the ability to cooperate among fellow employees in completing tasks assigned to each field of work greatly determines the success of the institution in carrying out its duties and functions. Therefore, every employee is required to be able to

work well together. The fact shows, the employees in this institution have different cooperative abilities. Some employees have good cooperation skills so they can work together in completing tasks that have been charged. Conversely, there are still employees with poor cooperation skills. Those who belong to this group prefer to carry out work independently without having to work with other people even though the work is the responsibility of the team in a particular field of work. This figures the behavior of employees how they can work in team, which depends on how the culture in organization works. Organizational culture is a system of shared meanings adopted by members who distinguish the organization from other organizations (Robbins & Judge, 2012). Then according to Davis in (Moehariono, 2012) interpreting organizational culture as a pattern of beliefs and values of the organization that are understood, imbued, and practiced by organizations so that the pattern gives its own meaning and becomes the basis for the rules of behavior in the organization..

The phenomenon related to some employee performance indicators as described above, is based on the results of preliminary observations on 30 respondents who worked at the Department of Energy and Mineral Resources of Aceh. Quantitatively and referring to the results of the performance assessment of civil servants in general, the differences in the performance can also be seen from the Employee Performance Target report, which indicates that most employees of this institution have values below 85 especially for items service orientation, integrity, commitment, discipline, cooperation, and leadership. This indicates that most employees of the agency were considered to have relatively low performance appraisal results. Moreover, employees with the results of work performance assessment 95 (excellent work performance category) are only a small part of the total number of employees.

**Table1.Employee Performance Target**

No	Type of Assessment	Frequency of Employees Based on Employee Performance Goals				Total
		< 85	85-90	91-95	≥ 95	
1	Service Orientation	72	29	16	-	117
2	Integrity	95	19	3	-	117
3	Commitment	99	14	4	-	117
4	Discipline	97	20	-	-	117
5	Cooperation	99	18	-	-	117
6	Leadership	110	7	-	-	117

Source: Secondary Data (2017)

Based on the researcher observation, it is also found that the commitment or sense of engagement and competence of the employees are relatively different from each other. The difference in commitment can be seen from their willingness to be serious in completing the tasks charged. Not only that, until now there are still among the employees who want to move to other institution. This indicates that the commitment of the

employee is very low. (Mathis & Jackson, 2006) define, "organizational commitment is the degree to which employees believe in and accept organizational goals and desire to remain with the organization". Furthermore, Mowday as quoted by (Peter & Olson, 2000) states that organizational commitment is an important behavioral dimension that can be used to

assess the tendency of employees to stay as members of the organization.

Differences in competency can be seen from the skills of employees in utilizing work equipment used. Some employees are quite skilled in utilizing the work equipment provided, such as using computers for example, so that the ability to complete the work is also getting better. On the contrary, there are still employees who have poor skills so that they have a negative impact on their ability to complete the work. According to (Sedarmayanti & Pd, 2001) states that competence includes a variety of technical and non-technical factors, personality and behavior, soft skills and hard skills, then is widely used as an aspect that is considered by many companies to recruit employees into the organization.

In addition to the differences in performance and competencies as explained above, the motivation of work of employees and their perception to their organizational culture are also relatively different. The difference in work motivation among employees can be seen from their ability to comply with the rules that apply in the workplace. (Sedarmayanti & Pd, 2001) states, motivation is the willingness to issue high efforts towards organizational goals that are controlled by the ability of the effort to meet individual needs. Whereas (Segal, 2003) states "work motivation is seen as a willingness to use desire to move and guide towards goals, help take initiative and act very effectively and endure failure and frustration".

The presence of some employees who are late for work and leave the workspace during office hours is one indicator of the problem in the employee's motivation to work. For more details, the results of these observations can be seen in the table below:

**Table2. Employee Existence**

Day	The Existence of Indoor Employees				
	Presence	At 8.30 to 12.00 *WIB	% Indoor	At 14.00 to 16.00 *WIB	% Indoor
Monday	110	70	63.63	47	42.72
Tuesday	103	62	60.19	42	40.77
Wednesday	108	60	55.56	39	36.11
Thursday	101	59	58.41	41	40.59
Friday	96	47	48.95	33	34.37
Monday	112	76	67.85	44	39.28
Tuesday	107	56	52.33	40	37.38
Wednesday	91	50	54.94	38	41.75
Thursday	104	52	50.00	45	43.27
Friday	97	41	43.29	32	32.99
Average in the Workspace			55.51		38.92

\*WIB: Western Indonesia Time (Zone) Source: Primary Data, 2018

Based on the table above, it shows that the average percentage of employees in the workspace from 8.30 WIB to 12.00 WIB is only 55.51% and only 38.92% of the employees are in the office at 14.00 WIB until 16.00 WIB of the total number of employees present at the 10 working days.

Furthermore, from the above phenomena concludes that many works are supposed to be completed on time, however, could not be done, because the desire of employees to be in the office is still low and their motivation to complete their work is

relatively less. This impacts to the decline of their performance. This is figured from the number of employees who ignore their main duties and functions, as well as their responsibilities.

The model in this study illustrates the relationship of independent variables, namely Organizational Commitment (X1), Competence (X2), Work Motivation (X3), Organizational Culture (X4) to dependent variables namely Employee Performance (Z) with Job Satisfaction (Y) as a variable mediation. The following research models developed in this study:

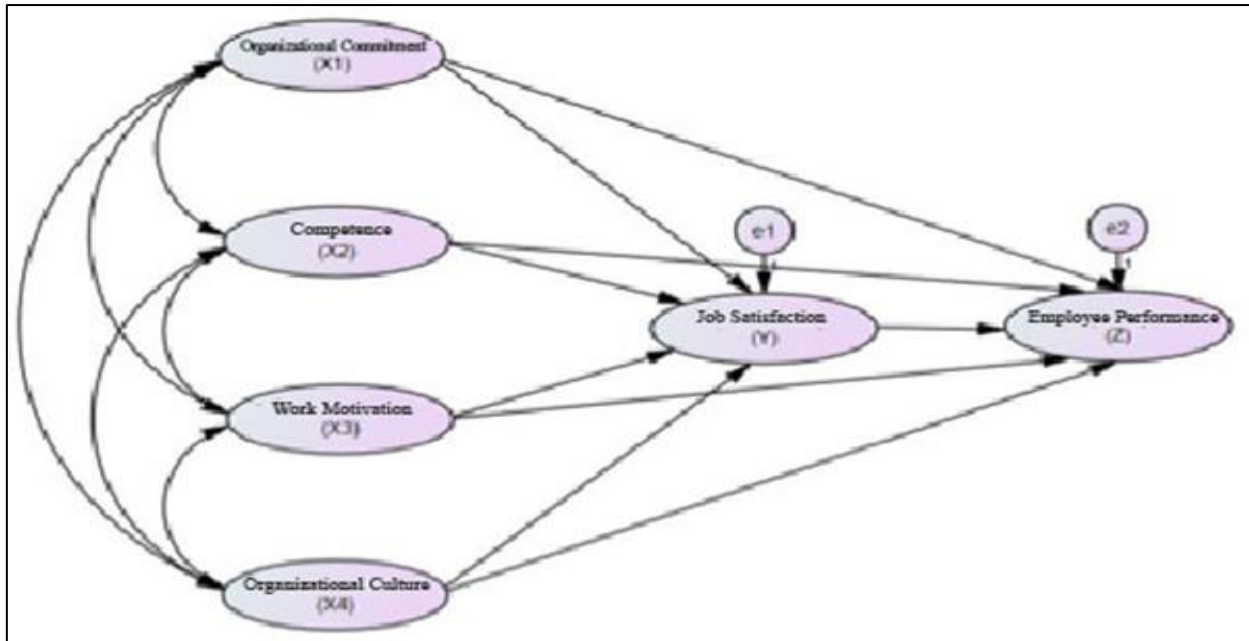


Figure1. Research paradigm

Based on the research paradigm in the figure 1, the hypothesis that can be formulated is as follows:

- H1:** Organizational Commitment has a significant effect on job satisfaction
- H2:** Competence has a significant effect on job satisfaction
- H3:** Work motivation has a significant affect on job satisfaction.
- H4:** Organizational culture has a significant effect on job satisfaction.
- H5:** Job Satisfaction has a significant affect on the performance.
- H6:** Organizational Commitment has significant effect on employee performance.
- H7:** Competence has a significant affect on employee performance.
- H8:** Work motivation has a significant affect on employee performance.
- H9:** Organizational culture has significant effect on employee performance.

**II. METHOD**

This research is conducted in the Department of Energy and Mineral Resources of Aceh, whereas the population is its all employees which amounted to 117 people using Saturated Sampling Techniques (census).

**Verification Analysis**

**Structural Equation Modeling (SEM): The First Stage Approach with the Measurement Model.**

All constructs is combined in the measurement model stage. The result of the measurement model analysis at the initial stage shows as follows:

Data is analyzed using Structural Equation Modeling (SEM) with the AMOS statistical software for hypothesis testing.

**III. RESULT**

**Descriptive Analysis**

Based on the result, organizational commitment obtains an average value 3.41, meaning that organizational commitment variables are perceived positively by respondents so it figures the organizational commitment in this institution has been good. For the competence variable as a whole, the average score is 3.55. This means that respondents have a positive perception for competence variable so it describes the competence in the institution has been good as well. Furthermore, employee motivation has an average value 3.31 so that shows the good one. Then the organizational culture has an average value 3.51, which illustrates that the organizational culture in the institution has been good also. For the overall average score on the variable job satisfaction which is 3.31, this explains the variable job satisfaction in this institution has been going well, and lastly for the variable of employee performance has also been good with the average value 3.81.

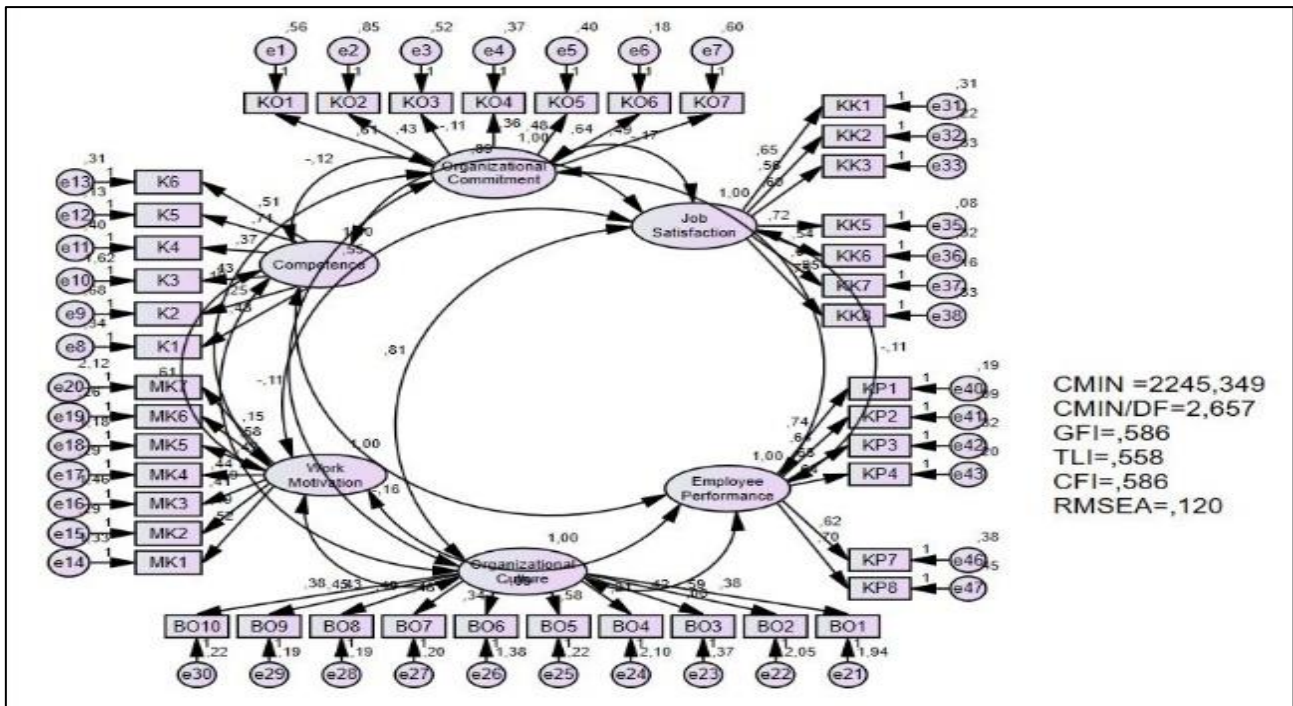


Figure2. Measurement Model Analysis

Based on the measurement model shows the results that are still less fit, thus must be re-specified (F. Hair Jr, Sarstedt, Hopkins, & G. Kuppelwieser, 2014).  $\chi^2$  results with 117 respondents = 2245.349, GFI = 0.586, TLI = 0.558, CFI = 0.586, and RMSEA = 0.120 only able to produce marginal fit conditions, therefore, need to be re-specified. In detail there are indicators that have a value of large MI > 10.000. The final results of the measurement model can be seen in the following figure:

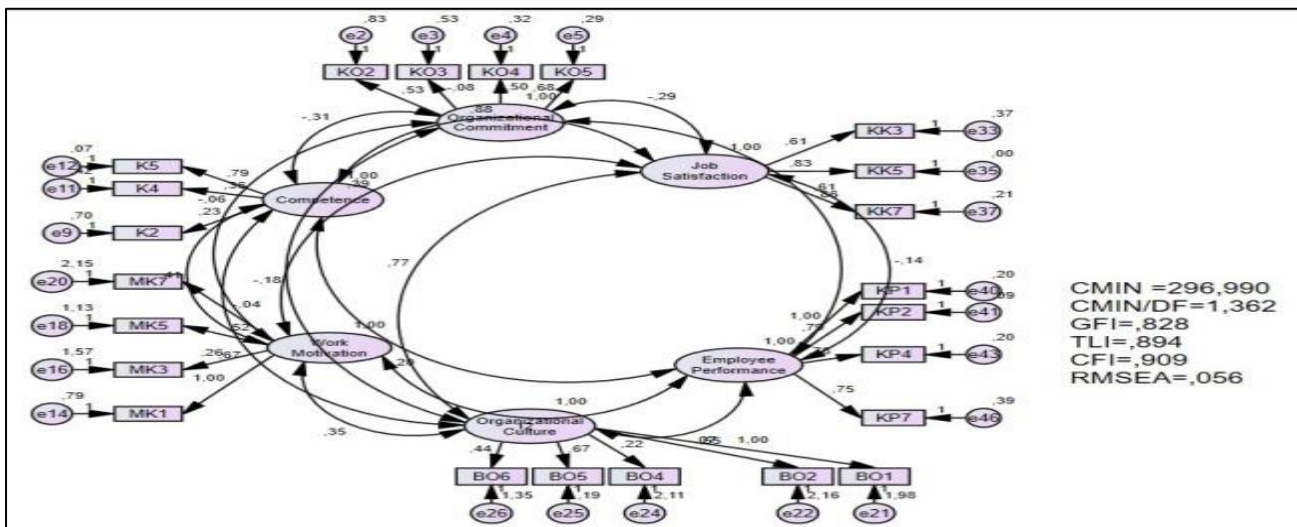


Figure3. Re-specified Analysis Model

The result of the above analysis indicates that the Chi-square value = 296.990 ( $p < .000$ ) with  $\chi^2/df = 1.362$ . GFI value is 0.828, TLI is 0.894 and CFI is 0.909 > 0.90 shows the results of good fit. The RMSEA value of 0.056 has shown a satisfactory value, which is between 0.05 - 0.08 (requirements).

**Structural Equation Modeling (SEM): Step-Two Approach with a Structural Approach**

Based on the data that has been validated according to the measurement equation model through the first step approach, further analysis can be done with the second step approach or structural equation model. In the previous section, the result of the measurement model has achieved acceptable fit index, with parameters that are feasible and statistically significant.

Apart from the above, in the phase of this measurement model, the unidimensionality and reliability of all variables have been tested to reach acceptable levels. Furthermore, the structural measurement model conducts the predictive validity test or hypothesis test. The output in Figure 4 shows that the structural equation model is fit and satisfying for data

with samples  $X^2(117) = 296.990$  at  $p < .001$ ;  $X^2/df = 1.362$ ,  $GFI = 0.828$ ,  $TLI = 0.894$ ,  $CFI = 0.909$  and  $RMSEA = 0.056$ . This output also shows that all loading factors in the model are significant at  $p < .001$ . As explained earlier, the goodness of fit statistics (ie  $X^2$ ) must display  $p > .05$  to get a good and fit model. As shown in the following picture:

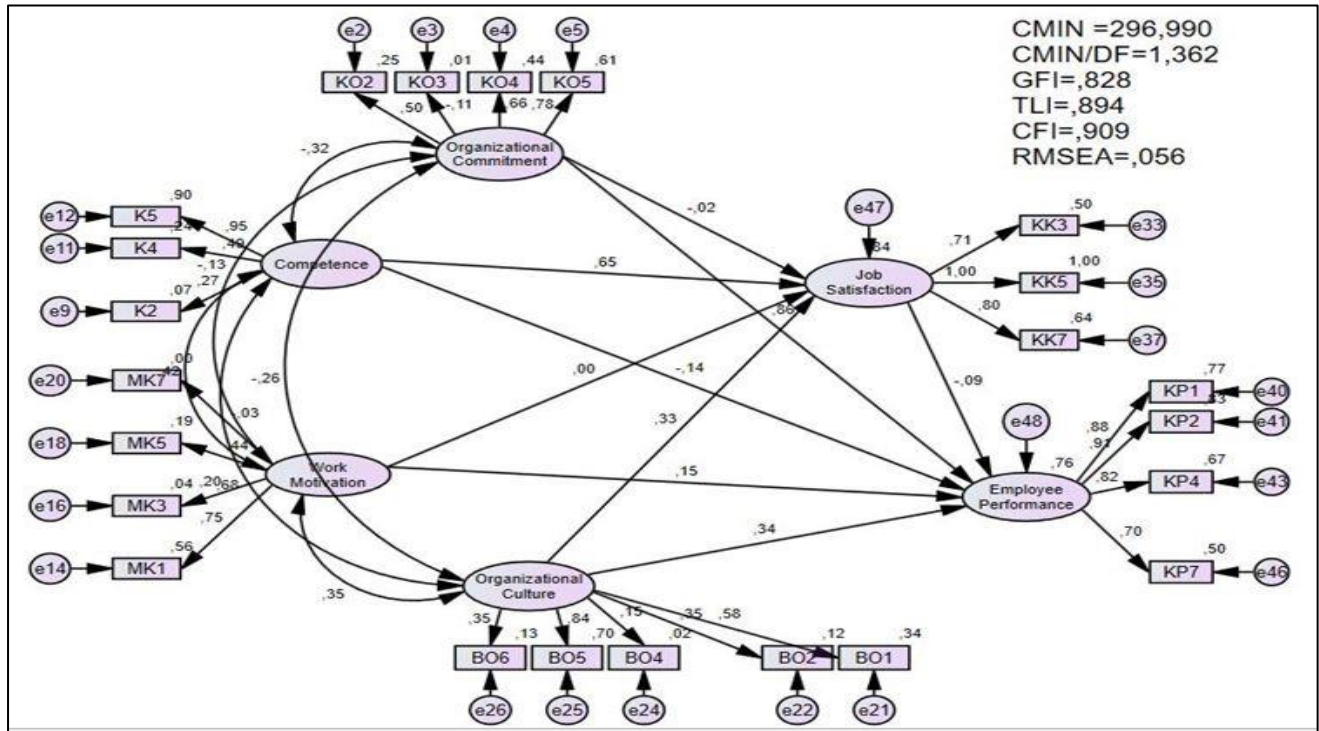


Figure4. Analysis of SEM

**Hypothesis Test Result**

Hypothesis test is based on the value of Critical Ratio (CR) and the Probability (P) value of the data, with the constraints implied, namely the value of

$CR > 1.96$  and  $P < 0.05$ . The following table result of research hypothesis testing that has been obtained based on data processing.

**Table3. Relationship between Constructs**

			Estimate	S.E.	C.R.	P	Label
Job Satisfaction	←	Organizational Com.	-.019	.063	-.303	.762	par_8
Job Satisfaction	←	Competence	.642	.081	7.934	***	par_9
Job Satisfaction	←	Work Motivation	.004	.072	.052	.959	par_10
Job Satisfaction	←	Organization Culture	.333	.087	3.815	***	par_11
Employee Perf.	←	Job Satisfaction	-.075	.193	-.388	.698	par_1
Employee Perf.	←	Organizational Comm	.708	.083	8.525	***	par_12
Employee Perf.	←	Competence	-.116	.168	-.691	.490	par_13
Employee Perf.	←	Work Motivation	.126	.098	1.278	.201	par_14
Employee Perf.	←	Organization Cult.	.285	.148	1.919	.055	par_15

Source: Result, 2019

Based on the table 3, the effect test we can see as follows:

- 1) Hypothesis 1 is accepted, Organizational Commitment has a positive and significant effect on job satisfaction.
- 2) Hypothesis 2 is rejected, Competence does not affect the job satisfaction.

- 3) Hypothesis 3 is rejected, work motivation does not affect the job satisfaction.
- 4) Hypothesis 4 is accepted, organizational culture has a positive and significant effect on job satisfaction.
- 5) Hypothesis 5 is rejected, Job Satisfaction does not affect the performance.

- 6) Hypothesis 6 is accepted, Organizational Commitment has a positive and significant effect on employee performance.
- 7) Hypothesis 7 is rejected, competence does not affect the employee performance.
- 8) Hypothesis 8 is rejected, work motivation does not affect the employee performance.
- 9) Hypothesis 9 is accepted, organizational culture has a positive and significant effect on the employee performance.

**The Following Session Will Explain And Interpret The Role Of Each Variable In The Model That Has Been Built In This Study.**

**1) The Role of Organizational Commitment**

Organizational commitment variable is proven has a positive and significant relationship with job satisfaction (H2). This condition implies that the better organizational commitment turns out to have an effect in the increasing job satisfaction. Furthermore, if it is associated with employee performance, the result of this analysis also shows that there is a positive and significant relationship between organizational commitment and employee performance (H7). This means that increasing organizational commitment will have a positive impact on improving employee performance. So that there is a role for the variable organizational commitment in this research model in increasing job satisfaction and employee performance in the Department of Energy and Mineral Resources of Aceh in terms of increasing job satisfaction and improving employee performance.

**2) The Role of Competence**

Competence, based on the analysis, it has a positive and significant relationship with job satisfaction (H3). This condition means that the better the competencies possessed by the employees, the more job satisfaction happens. Furthermore, if it is associated with employee performance, the result of the analysis shows that there is no positive and significant relationship between competence and employee performance (H8). This means that improving good competence will not have a positive impact on improving employee performance. So there is a role for competence variable in this research model in increasing employee job satisfaction in the Department of Energy and Mineral Resources of Aceh in terms of increasing job satisfaction and improving employee performance.

**3) The Role of Work Motivation**

From the analysis, Work motivation variable, based on the analysis, it is proven that are not have a positive and significant relationship with job satisfaction (H4). This condition means that the better work motivation does not affect the job satisfaction of the employees. Furthermore, if it is associated with employee performance, the results of the analysis also show that there is no positive and significant

relationship between work motivation and employee performance (H9). This indicates that the high work motivation of employees does not have an impact on improving employee performance. So, there is no role for work motivation variables in this research model in the Department of Energy and Mineral Resources of Aceh in terms of increasing job satisfaction and improving employee performance.

**4) The Role of Organizational Culture**

Organizational culture variable, has proved to have a positive and significant relationship with job satisfaction (H5). This condition shows that the better the organizational culture of the Department of Energy and Mineral Resources of Aceh will affect the job satisfaction of employees. Furthermore, if it is associated with employee performance, the results of the analysis show that there is a positive and significant relationship between organizational culture and employee performance (H10). This means that a good organizational culture will have an impact on improving employee performance in the Department of Energy and Mineral Resources of Aceh. So that there is a role for organizational culture variables in this research model in the Department of Energy and Mineral Resources of Aceh in terms of improving job satisfaction and employee performance.

**IV. CONCLUSION**

This research finds that organizational commitment, competence, work motivation, organizational culture, job satisfaction and employee performance are descriptively well underway in the Department of Energy and Mineral Resources of Aceh. Partially, this study concludes that : Organizational commitment does not have a significant effect on job satisfaction; Competence has a significant effect on job satisfaction; Work motivation does not have a significant effect on job satisfaction; Organizational culture has a significant effect on job satisfaction; Job satisfaction does not have a significant effect on employee performance; Organizational commitment has a significant effect on employee performance; Competence does not have a significant effect on employee performance; Work motivation does not have a significant effect on employee performance; Organizational culture has a significant effect on employee performance.

This findings have an impact for both academic and practical persons. For academic, this can be a new verification theories from the previous ones, to be an update. This is useful for the further to be developed. This research approach uses SEM that combined the old theories to be new model and this can be a reference for controlling another research related. And for practical managers, this can be a reference to develop their policies. This implies also to the object in this research, that the variables namely organizational commitment and organizational culture need to have

more attention in managerial implementation. The limitation in this study is in the scope of the object, which means that this can be developed by further researchers.

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