

Review Article

The Influence of Organizational Culture on Job Satisfaction and Organizational Commitment and Their Impacts on Employee Performance of Tax Service Office Pratama Banda Aceh, Aceh, Indonesia

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Abstract: This research aimed to analyze the influence of organizational culture on job satisfaction and organizational commitment and their impact on employee performance. The sampling technique used was census, with the size of respondents as many 132 employees of Tax Service Office Pratama Banda Aceh. Data analysis technique used was Structural Equation Model. The results showed that organizational culture has a significant influence on job satisfaction and organizational commitment; organizational culture has no significant influence on employee performance, while job satisfaction and organizational commitment have a significant influence on employee performance; organizational culture indirectly has a significant influence on employee performance through job satisfaction and organizational commitment.

Keywords: Organizational Culture, Job satisfaction, Organizational Commitment, Employee Performance.

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INTRODUCTION

Tax Service Office Pratama (KPPP) Banda Aceh is an organization that is dominated to The Regional Office of The Directorate General of Taxes, the agencies under Ministry of Finance. In accordance to the validation report on performance appraisal in 2017, it is shown that the performance obtained by KPPP Banda Aceh is 90.45% (KPPP Banda Aceh, 2018). The results of this assessment indicate that the performance of KPPP Banda Aceh employees are already optimal.

An employee's performance can be influenced by organizational commitment. An employee's commitment is needed by the organization, because an employee who has a commitment to an organization will have better performance than employees who are not committed to the organization (Meyer et al., 2002).

In addition, the performance of an employee also affected by job satisfaction. According to Robbins (2006), the impact of job satisfaction tends to focus on performance, when an employee has high job satisfaction, he will carry out his work optimally so that his performance will also be better.

Moreover, the performance of an employee affected by organizational culture. In line with this, Wirawan (2007) stated that culture in an organization can affect the behavior of its members. Also, a positive organization culture can enhance the performance of its members and affect on the organizational performance (Moeljono, 2005).

Based on the explanation above, it is known that organizational culture, job satisfaction, and organizational commitment have a positive correlation to employee performance (Moeljono, 2005; Robbins, 2006; Meyer et al., 2002). In line with this, Fauzi et al. (2016) found the organizational culture, job satisfaction, and organizational commitment have a significant influence on employee performance. In contrast to this, the results of research conducted by Daniel & Purwanti (2015) and Renyut et al. (2017) found that organizational culture, job satisfaction, and organizational commitment did not have a significant influence on employee performance.

Based on the differences of the results found, it is necessary to conduct a further research to find out whether the organizational culture, job satisfaction, and organizational commitment affected on the employees performance of Tax Service Office Pratama (KPPP) Banda Aceh.

LITERATURE REVIEW

Employee Performance

A performance is a joint process between manager, individual and teamwork where the process is based on management principles, agreement on target requirements, knowledges, skills and competencies as well as work plans (Armstrong and Taylor, 2014). While an employee performance is a work results obtained from the employee in term of carrying out tasks and achieving the stated goals (Robbins and Judge, 2013). Indicators of employee performance in this research are adapted from the indicators proposed by Pradhan and Jena (2017) which consist of the following three aspects: task performance, adaptive performance, and contextual performance.

Organizational Commitment

Organizational commitment is a characteristic of an individual's relationship with an organization that has implicated on decision made to maintaining membership in the organization (Allen & Meyer (1990) cited in Mugizi *et al.*, 2016). According to Greenberg (2011), organizational commitment is individual involvement in an organization and remain a membership that reflects a loyalty attitude and overall work-ethic for the organization. Indicators of organizational commitment in this research are adapted from the indicators proposed by Allen & Meyer (1990) cited in Mugizi *et al.* (2016) which consist of the following three aspects: affective commitment, continuance commitment, and normative commitment

Job Satisfaction

Job satisfaction is an affective respons that is owned by an individual to various aspects of work (Kreitner & Kinicki, 2014). Additionally, Gibsons *et al.* (2011) proposes that job satisfaction refers to individual attitude on work as the results of his perspective about the characteristics of the work. Due to this, Beam (2006) says that job satisfaction refers to employee's perspective on different aspects of work roles. Indicators of job satisfaction in this research are adapted from the indicators proposed by Weiss *et al.* (1967) cited in Martins & Proença (2012) which consist of the following two aspects: intrinsic job satisfaction and extrinsic job satisfaction.

Organizational Culture

Organizational culture is conceptualized shared beliefs and behavior patterns of an organization members (Kotter & Heskett (1992) cited in Uddin *et al.*, 2013). Organizational culture can also be defined as beliefs, habits, values, norms, behavior, and ways of working in organizations that regulate organizational patterns of activities and actions, as well as implicit patterns, behaviors and emotions as the characteristic of the organization (Clemente & Greenspan (1999) cited in Chipunza & Malo, 2017). Indicators of organizational culture in this research are adapted from the indicators proposed by Denison (2002) cited in Sherafati *et al.* (2015) which consist of the following four aspects: involment, consistency, adaptability, and mission.

THEORITICAL FRAMEWORK

The theoritical of framework in this research can be seen in the following figure:



Based on The Research of Framework, The Hypotheses That Can Be Formulated In This Research Are As Follows:

- H1:** Organizational culture has an influence on job satisfaction.
- H2:** Organizational culture has an influence on organizational commitment.
- H3:** Organizational culture has an influence on employee performance.
- H4:** Job satisfaction has an influence on employee performance.
- H5:** Organizational commitment has an influence on employee performance.
- H6:** Organizational culture has an influence on employee performance through job satisfaction.
- H7:** Organizational culture has an influence on employee performance through organizational commitment.

RESEARCH METHODS

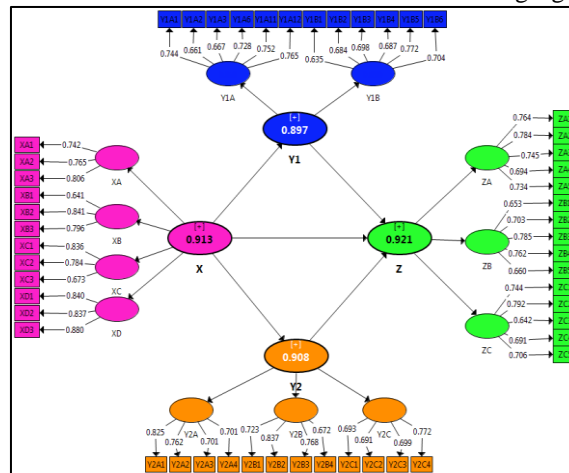
Respondents in this research were all employees of KPPP Banda Aceh, amounting to 132 employees who were determined using a census. Data

collection in research using questionnaires, while data analysis techniques used are Structural Equation Model with SmartPLS version 3 software.

RESULTS

Measurement Model (outer model)

The results of the measurement model in this research can be seen in the following figure:



Based on that figures, it is known that the indicator loading of all latent variables has an indicator loading value > (0.60) so that the indicators of each latent variable can be declared valid. Then, based on that figures it is also known that the composite reliability value of the latent variables is as follows:

organizational culture (X) of (0.913), job satisfaction (Y1) of (0.897), organizational commitment (Y2) of (0.908), and employee performance (Z) of (0.921). Therefore, the indicators of latent variables are declared reliable because they have composite reliability value > (0.70).

Structural Model (inner model)

The results of the structural model in this research can be seen in the following table:

Effect	ρ	p-value
Direct		
X → Y1	0,745	0,000
X → Y2	0,779	0,000
X → Z	0,076	0,560
Y1 → Z	0,539	0,000
Y2 → Z	0,307	0,007
Indirect		
X → Y1 → Z	0,402	0,000
X → Y2 → Z	0,239	0,009

Description:

- X = Organizational Culture; Y1 = Job Satisfaction
- Y2 = Organizational Commitment; Z = Employee Performance
- Direct Effect: (X→Y) and (X→Z) and (Y→Z)
- Indirect Effect: (X→Y) x (Y→Z) = X→Y→Z

Based on the results of the research, the information received or not the hypotheses formulated can be seen in the following table:

Hypothesis		
H1	Organizational culture has an influence on job satisfaction	✓
H2	Organizational culture has an influence on organizational commitment	✓
H3	Organizational culture has an influence on employee performance	X
H4	Job satisfaction has an influence on employee performance	✓
H5	Organizational commitment has an influence on employee performance	✓
H6	Organizational culture has an influence on employee performance through job satisfaction	✓
H7	Organizational culture has an influence on employee performance through organizational commitment	✓

CONCLUSIONS

Organizational culture has an influence on job satisfaction and organizational commitment, as well as job satisfaction and organizational commitment has an influence on employee performance. Organizational culture does not directly affect employee performance, but indirectly organizational culture has an influence on employee performance through job satisfaction and organizational commitment.

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RECOMMENDATIONS

Organizational culture contained in KPPP Banda Aceh must always be maintained well continuously so that job satisfaction and employee commitment to the organization can continue to increase so that the performance produced by employees will also be optimal which will also have a positive impact on overall organizational performance.

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