

Research Article

Does Job Satisfaction Mediate Effects of Organizational Commitments, Culture and Staff's Empowerment on the Islamic Bankers' Performance?

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Abstract: This study empirically assesses the mediating effect of job satisfaction on the relationship between organizational commitment, organizational culture, and employee empowerment on the performance of Islamic bank's employees in Aceh province, Indonesia. All 145 employees of the PT. Bank Aceh Syariah, Lhokseumawe Branch Office were selected as the respondent of study. To gather the data, the questionnaires were distributed to the respondents and analyzed using the structural equation modelling (SEM). The study found that organizational commitment, organizational culture, and employee empowerment have significant direct influences on job satisfaction and employees' performance of the Lhokseumawe Branch Office of PT. Bank Aceh Syariah, Indonesia. The study also documented that the job satisfaction has significantly mediated the effects of organizational commitment, organizational culture, and employee empowerment on the performance of bank's employees. These findings imply that any efforts to improve employees' performance should be focused on the improvement of staff's job satisfaction on the basis of enhancing that organizational commitment, organizational culture, and employee empowerment of the bank.

Keywords: Organizational commitment, Organizational culture, Staff empowerment, Job satisfaction, Staff performance, SEM, Islamic bank.

INTRODUCTION

All organizations intend to achieve its targets as part of their efforts to satisfy all employees, customers and other stakeholders. As the only government Islamic bank in the province of Aceh, Indonesia, PT. Bank Aceh Syariah should compete with its conventional bank counterparts to provide better services quality for its employees, customers, and other stakeholders as the main bank's target. The success of the bank to accomplish its target is very much depending on its human resources. As rightly put by Robbins and Judge (2016), organizational performance is a combination of achievements of the individual employee. The results of the whole staff would then constitute the performance of the organization.

In the last few years, PT. Bank Aceh Syariah has been not successfully achieving its target. There have been complaints from customers about the low quality of services offered by the bank. Realizing on this fact, thus it is enormously imperative to identify

factors determining the success of the bank to deliver its services to the employees, customers, and its stakeholders. Declining employee's performance is found to be one of crucial determinants of the failure of the bank to achieve its target. The low level of employee dissatisfaction to the bank management has caused difficulty for the bank to improve the performance of its employees, and in turns, its services quality. Employees who feel dissatisfaction in work would be reluctant to work as hard as possible with all the abilities they have to complete the assigned official jobs. Thus, the low job satisfaction that is felt will have a negative impact on the employee performance (Yousef, 2000).

Many studies have found that employee performance and job satisfaction are determined by factors such organizational commitment, organizational culture, and employee empowerment (Shore and Martin, 1989; Yousef, 1998 and 2000; Huey and Zaman, 2009). Organizational commitment is the level

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at which an employee recognizes an organization and is bound to its goals. This is an important work attitude because employees who are committed would show a willingness to work harder to achieve organizational goals and have a greater desire to continue working in an organization (Kreitner and Kinicki, 2014). On the other hand, employees with low level of organizational commitment, they would be less motivated to work harder and consequently would contribute toward low level of their performance.

In addition to organizational commitment, organizational culture is also affecting employees' job satisfaction and their performances (Yousef, 1998; Huey and Zaman, 2009). As a rule that directs employee behaviour to improve workability, commitment and loyalty, organizational culture would also promote extra-role behaviours, such as helping other employees, volunteering to do extra activities, avoiding conflicts with other co-workers, protecting organizational property, respecting applicable regulations, tolerance in situations that are less pleasant, providing constructive advice, and do not waste time at work. These positive behaviours would enhance employee performance as a result of satisfaction enjoyed by the employees with their job and organizational management (Yousef, 2000). Finally, the empowerment of employee will also contribute to their performance improvement (Bradley and Sparks, 2000). Lack of capabilities possessed by employees would be a detrimental for the employees to successfully carry out their jobs, thus they are needed to be empowered to upgrade their working skills and consequently would enhance their job satisfaction and performance.

There have been many previous studies investigated the influences of organizational commitment (Riketta, 2002; Ahmad *et al.*, 2010, Li *et al.*, 2012; Jyoti, 2013), organizational culture (Yousef, 1998 and 2000; Huey and Zaman, 2009), and employee empowerment (Bradley and Sparks, 2000; Chow *et al.*, 2006) on job satisfaction and employee performances. These factors are documented to positively influence both job performance and employee performance directly. However, these studies mainly focused their analyses on the direct effect of these factors on job satisfaction and employee performance, and very few have investigated the mediating effect of job satisfaction on the relationship between organizational commitment, organizational culture, and employee empowerment on employee performance. Thus, this study tries to fill up these gaps by assessing the mediated effect of job satisfaction on the relationship between organizational commitment, organizational culture, and employee empowerment on the performance of employees of the Lhokseumawe Branch Office of PT. Bank Aceh Syariah in the Aceh Province, Indonesia.

The findings of this study are hoped to shed some lights for the bank management to improve the performance of their employees and job satisfaction on the basis of improvement of organizational commitment, organizational culture, and employee empowerment. Additionally, these findings are also expected to enrich the existing literature on the organizational behaviour and bank human resource management especially those related to the influence of organizational commitment, organizational culture, and employee empowerment on both employees' job satisfaction and their performances.

The next sections of this study are structured in the following manners: Section 3 provides the empirical research framework and data. Section 4 discusses the findings of the study and their implications. Finally, Section 5 concludes the study.

LITERATURE REVIEW

Staff Performance

Performance is a work achievement resulted from implementing a work plan made by an institution carried out by leaders and employees to achieve organizational goals (Abdullah, 2014). It is a result of work in quality and quantity achieved by an employee in carrying out his duties in accordance with the responsibilities given to him (Mangkunegara, 2012). The concept of performance stands for work energy kinetics that is an output produced by functions or individuals on a particular job or profession (Mathis and Jackson, 2013). Majid *et al.* (2016) defines individual performance as a work performance which is set based on predetermined standards or criteria by an organization. In short, performance or often referred as work performance or job performance is the quality and quantity of an individual's work (output) in a particular activity and according to the size that applies to the work concerned, determined by the organization set target in a certain period.

The triumph of an organization is influenced by the performance of its employees. The organization constantly strives to improve the performance of its employees in achieving organizational goals that have been set. Employee performance refers to a person's achievements measured by standards and criteria set by the organization. According to Zhang *et al.* (2012), it is a combination of behaviour with the achievement of what is expected and choice or part of the assignment requirements that exist in each individual in the organization. Thus, to have a good performance, a person must have a high desire to work and know how to improve it by matching the assigned job and ability.

Job Satisfaction

Job satisfaction refers to a general attitude towards one's work, which shows the difference between the number of awards received by workers and the amount they believe they should receive (Patrick

and Sonia, 2012). Jobs require interaction with co-workers and superiors, following organizational rules and policies, meeting performance standards, living with work conditions that are often less than ideal and the like. Job satisfaction reflects the attitude and not behaviour. Thus, job satisfaction shows the relationship with performance factors and it is a value preference held by many organizational behaviour researchers.

According to Mangkunegara (2012), job satisfaction is a feeling of employees related to their work or their condition. The feeling reflects the conformity between what the employee expects and what the employee gets from his job. Thus, job satisfaction is the employee's view of his job, including employee feelings and employee ratings of the role of work in fulfilling their needs. In their study, Judge *et al.* (2001) reviewed and re-examined the relationship between job satisfaction and job performance and concluded that job satisfaction play important role in improving performance of employees and organizations, both public and private.

Organizational Commitment

Organizational commitment has become a popular research topic over the past two decades, partly because of the strong motivational implications of commitment (Mowday *et al.*, 1982; Meyer *et al.*, 1989). Despite progress in understanding the concept, theoretical disputes remain regarding the nature of concepts and how they must be applied in the organizational context (Hunt and Morgan, 1994).

Previous studies have categorized commitment into "attitudes" and "behavioural", and "affective" and "continuation" (Mowday *et al.*, 1982; Meyer *et al.*, 1989). The first difference relates mainly to the commitment development process but has implications for how the concept is explained and operationalized. According to the attitude approach, commitment develops as a result of a combination of work experience, organizational perceptions, and personal characteristics, which leads to positive feelings about an organization which in turn becomes a commitment (Mowday *et al.*, 1982). Further explanation is offered under the guise of exchange theory where people with positive attitudes are more likely to offer a commitment in return for future rewards (Angle and Perry, 1983). Previous studies have found that organizational commitment significantly influenced job satisfaction and employee performances (Riketta, 2002; Ahmad *et al.*, 2010, Li *et al.*, 2012; Jyoti, 2013).

Organizational Culture

Every organization certainly has different definitions of organizational culture. According to Robbins and Judge (2012), organizational culture is a shared value system in an organization that determines the level of how employees carry out activities to

achieve organizational goals. It is also defined as values that are guided by human resources in dealing with external problems and efforts to understand existing values and understand how they must act and behave (Denison, 1990). All human resources must be able to properly understand the organization's culture because this understanding is closely related to every step or activity carried out, both strategic and tactical planning and planning implementation activities, where each of these activities must be based on organizational culture.

Organizational culture is the most important factor in an organization, an organization with a strong culture can attract the attention of an individual to join an organization. Strong organizational culture can support the achievement of organizational goals because organizational culture can help organizations to direct employees to do a good job so that every employee needs to understand and implement the culture. Organizational culture is often interpreted as values, symbols that are understood and obeyed jointly by all members of the organization so that members feel bound in a family and create a condition that is different from other organizations. Some previous studies have documented that organizational culture affected the job satisfaction and employee performances of public and private organization as well (Yousef, 1998 and 2000; Huey and Zaman, 2009).

Staff Empowerment

Empowerment is one strategy to improve human resources by giving responsibility and authority to those who are expected to enable them to achieve higher work performance. According to Leslie *et al.* (1998), the empowerment comes from the word power, which means the ability to work for something to happen or not at all. It is a continuous interpersonal relationship to build trust between employees and management. As a broader concept, empowerment stimulates participation in various areas, including work itself, work context, and work environment.

Staff empowerment is an essential and potential process of governance to maximize their abilities through coaching, training, and other types of employee development program to enhance their contribution to the higher level of performances. It is a motivational conception of self-fulfilment, represented by the promotion of motivation of employee work in the form of connotation, capability, independence, and impact (Spreitzer, 1995). Employee empowerment is meant to improve performance of employee as well as organization throughout a all-inclusive process of analysis of the proficiency and universal management of organization (Al-Sulaiti and Ahmed, 2015). In their studies, Bradley and Sparks (2000) and Chow *et al.* (2006) documented that employee empowerment have significantly affected the job satisfaction and employee performances of the public and private organization.

Based on the above discussion, the study proposes the following estimated research model to be tested:

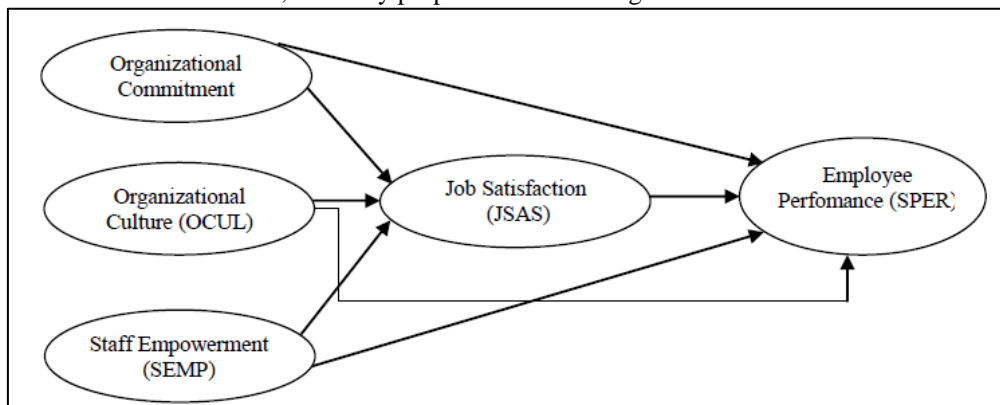


Figure.1 Proposed Research Model

RESEARCH METHODS

This study empirically explores the mediating effect of job satisfaction on the influence of organizational commitment, organizational culture, and employee empowerment on employee performance of the PT. Bank Aceh Syariah, Branch Office of Lhokseumawe, and Aceh Province, Indonesia. All 145 employees of the bank were selected as the sample of the study using the census technique. This sample size is sufficient to portray the entire picture of the population since the minimum sample size required for the structural equation modelling (SEM) analysis. The number of sample between 100 and 200 is sufficient for the SEM analysis (Hair *et al.*, 2012).

To collect the data for analysis, the questionnaires are distributed to the respondents. To measure the employee performance, 5-indicator (i.e., productivity, quality of service, responsiveness, responsibility, and creativity) proposed by Mathis and Jackson (2013) are used; 5-indicator (i.e., compensation, promotion, team work, supervisor, and the work itself) introduced by Koh and Boo (2004) are used to measure job satisfaction; 4-indicator (i.e., service, improved performance, willingness, and job targets) proposed by Allen and Meyer (1990) are used to measure organizational commitment; 5-indicator (i.e., devoting all abilities, organizing your own work, a sense of pride and respect, members of the organization are warm, and has initiative) introduced by Ramdhani *et al.* (2017) is used to measure organizational culture; and finally 6-indicator (i.e., work accomplished, skills of employees, freedom of employees, employees initiatives, work of employees, and opinion given) introduced by Robbins and Judge, (2014) are used to measure employee empowerment. In totality, 25 indicators are used to measure 5 investigated variables.

To explore the interrelationship among variables, the SEM is used and analyzed using AMOS and SPSS statistical software. This is an appropriate technique to estimate the investigated model as it enables to examine a series of multifaceted interrelationships (Hair *et al.*, 2012). Thus, the

following proposed SEM equations are examined in this study are as follows:

$$JSAS = \gamma_{11}OCOM + \gamma_{12}OCUL + \gamma_{13}SEMP + \zeta_1 \quad (1)$$

$$SPER = \gamma_{21}OCOM + \gamma_{22}OCUL + \gamma_{23}SEMP + \gamma_{24}JSAS + \zeta_2 \quad (2)$$

Where JSAS is the job satisfaction, OCOM is the organizational commitment, OCUL is the organizational culture, SEMP is the staff empowerment, SPER is the staff performance, γ_{ii} are the estimated loading factors for each variable and ζ_i are the structured error terms.

Before the SEM equations are estimated, the tests of instrument, consisting of validity and reliability will be performed first. Additionally, to ensure the aptness of the model to inspect the direct and indirect influences, the goodness of fit indices will also be conducted.

FINDINGS AND DISCUSSION

Characteristics of the Respondents

Table 1 reports the characteristics of respondents. As illustrated in Table 1, of 145 bank staff, 82 employees (56.6%) were male, and the rest 63 were women (43.4%). In terms of age, the majority of employees were in the age group 40-50 years (43.4%), while the minority of them were in the age group 25-30 years (4.1%). When viewed from the marital status, 77.2% of them have married, 18.6% was single, while 4.1% of them was widow/widower.

In terms of education level, there was 19.3% with a master degree, 55.9% with a bachelor degree, 22.1% with a diploma degree, and 2.8% with junior high school, respectively. In terms of average monthly income, employees with revenues of less than IDR2,999,999 were 2.1%, IDR3,000 - 3,499,999 as many as 17.2%, IDR3,500,000-3,999,999 as many as 20.0%, IDR4,000,000-3,499,999 as many as 31.0%, and greater then IDR4,500,000 as many as 29.7%.

Table.1 Characteristics of respondents

No.	Characteristics	Frequency	%
1.	Gender:		
	▪ Male	82	56.6
	▪ Female	63	43.4
<i>Total</i>		<i>145</i>	<i>100</i>
2.	Age:		
	▪ 25 - 30 Years	6	4.1
	▪ 30 - 40 Years	45	31.0
	▪ 40 - 50 Years	63	43.4
	▪ ≥ 50 Years	31	21.4
<i>Total</i>		<i>145</i>	<i>100</i>
3.	Marital Status		
	▪ Married	27	18.6
	▪ Single	112	77.2
	▪ Widow/Widower	6	4.1
<i>Total</i>		<i>145</i>	<i>100</i>
4.	Educational Level		
	▪ Senior High School	4	2.8
	▪ Diploma Degree	32	22.1
	▪ Bachelor Degree	81	55.9
	▪ Master Degree	28	19.3
<i>Total</i>		<i>145</i>	<i>100</i>
6.	Average Monthly Income		
	▪ IDR2,500,000 – 2,999,999.	3	2.1
	▪ IDR3,000,000 – 3,499,999.	25	17.2
	▪ IDR3,500,000 – 3,999,999.	29	20.0
	▪ IDR4,000,000 – 4,499,999.	45	31.0
	▪ ≥ IDR4,500,000.	43	29.7
<i>Total</i>		<i>145</i>	<i>100</i>

Prior to examining the interrelationships among variables, the validity and reliability tests were conducted to ascertain the accuracy and consistency of the indicators in measuring the variables. The study documented that all indicators were valid and reliable, proving that these indicators might be adopted to measure the variables and analyze their interrelationships.

In the next step, to make sure the aptness of the estimated proposed model. the study performed the goodness of fit indices test. The study documented that.

all indices are found to be better fit. These indices include Degree of Freedom (DG). χ^2 (Chi-Square). Goodness of Fit Index (GFI) and Augmented Goodness of Fit Index (AGFI). probability. Root Mean Square Error of Approximation (RMSEA). CMIN/DF. Tucker-Lewis Index (TLI). and Comparative Fit Index (CFI) showed a better fit model. The estimated value of GoF indices was above the cut-off value. indicating that the overall estimated SEM models better fit to provide the answer for the objectives of the study. These findings show that our proposed estimated are fit enough to provide robust findings.

Table.2 Results of goodness of fit indices

Goodness-of-Fit Index	Cut off Value	Result	Remark
Degree of Freedom (DF)	Positive (+)	Positive (+)	Better fit
χ^2 (Chi-Square)	Expected to be small	286.267	Better fit
Probability	≥ 0.05	0.066	Better fit
CMIN/DF	≤ 2.00	1.794	Better fit
GFI	≥ 0.90	0.963	Better fit
AGFI	≥ 0.90	0.915	Better fit
PGFI	≥ 0.90	0.936	Better fit
NFI	≥ 0.90	0.967	Better fit
TLI	≥ 0.90	0.961	Better fit
CFI	≥ 0.90	0.984	Better fit
PNFI	0.60 – 0.90	0.602	Better fit
RMSEA	0.05 – 0.08	0.078	Better fit

Direct effects of organizational commitment, organizational culture, and staff empowerment on job satisfaction and staff performance

Table 3 illustrates the empirical findings of the direct influences of organizational commitment,

organizational culture, and staff empowerment on job satisfaction and staff performance of the PT. Bank Aceh Syariah, Branch Office of Lhokseumawe, and Aceh, Indonesia. As identified from the table, all exogenous variables have a positive effect on the endogenous variables at

the 1% level of significance. The followings are the detailed explanations for the findings and discussion.

First, the study found a positive significant effect of organizational commitment on job satisfaction and staff performance. Specifically, an increase in the organizational commitment by 1 unit has contributed to an enhancement of staff performance by 0.715 unit in the Likert scale and an increase in staff performance by 0.382 unit in the Likert scale, respectively. These findings confirmed the importance to have strong organizational commitment to improve staff's job satisfaction and their performances as well. Staff with strong commitment would feel satisfy with their assigned official jobs, which in turns lead to their

performances' improvement. These empirical findings are in harmony with the findings of the previous study by (Riketta, 2002; Ahmad *et al.*, 2010, Li *et al.*, 2012; Jyoti, 2013; Majid *et al.*, 2016; Fariana *et al.*, 2017; and Qadariah *et al.*, 2019) who found that higher organizational commitment has caused the staff to remain in the organization and with a better performance. Additionally, affective commitment, continuous commitment, and normative commitment were recorded to have a positive significant effect on both job satisfaction and their performances. Staff who is highly committed would feel satisfy with their jobs and would work harder to further improve their performance incessantly.

Table.3 Standardized regression weight SEM

Interrelationship among Variables			Estimate	Critical Value
Staff Performance	<---	Organizational Commitment	0.715***	13.772
Staff Performance	<---	Organizational Culture	0.507***	8.919
Staff Performance	<---	Staff Empowerment	0.940***	10.393
Job Satisfaction	<---	Organizational Commitment	0.382***	6.323
Job Satisfaction	<---	Organizational Culture	0.459***	8.626
Job Satisfaction	<---	Staff Empowerment	0.928***	10.101
Employee Performance	<---	Job Satisfaction	0.685***	7.396

Note: *** indicates significance at the 1% level.

Second, the organizational culture is also found to have a positive effect on staff's job satisfaction and their performance as well, as indicated by the significance p-values of the estimated organizational culture by 0.507 and 0.459 at the 1% level. This indicates that an increase in organizational culture by 1 unit caused an increased in job satisfaction and staff performance by 0.507 and 0.459 unit in the Likert scale, respectively. These findings showed that a better organizational culture has been crucial to the improvement in staff's job satisfaction and their performances. Organizational culture that is often interpreted as values and symbols that are understood and obeyed jointly by all members of the organization make the members to have a bounded feeling as a family within the organization that consequently influenced staff performance. These findings are in harmony with previous studies by Yousef (1998 and 2000), Huey and Zaman (2009), Fachreza *et al.* (2018), Sativa *et al.* (2018), Jaya *et al.* (2019), and Rozanna *et al.* (2019) who documented that organizational culture significantly and positively affected the job satisfaction and employee performances.

Third, the study found a positive significant effect of staff empowerment on both staff's job satisfaction and their performances. I a more specific, the study covered that an increase in the staff empowerment by 1 unit in the Likert scale has contributed to an improvement of staff's job satisfaction and their performances by 0.949 and 0.928 unit in the Likert scale, respectively. These findings showed that the staff empowerment to be most important

determinant influencing staff's job satisfaction and their performance. Empowering staff with lower skills would improve their satisfaction and consequently their performances. Additionally, human resources are an invaluable asset of office, thus the achievement of organizational setting goals is absolutely depended on professional human resources management. In the office, human resources play a pivotal role in processing input into producing better public services quality. To maintain the high contribution of staff towards organizational progress, staff empowerment through training and education schemes should be regularly provided. These empirical findings are in harmony with the findings of the previous study by Bradley and Sparks (2000) and Chow *et al.* (2006) who documented that employee empowerment have significantly affected both staff's job satisfaction and their performances, both in public and private organization.

Lastly, the study also documented the significant impact of job satisfaction on the staff performance. The study recorded than an increase in job satisfaction by a 1 unit in the Likert scale has caused an increase in the staff performance by 0.685 unit in the liker scale. This is not as surprising finding since job satisfaction is the overall positive feelings of staff towards their jobs and organizational management, thus the feelings would motivate the staff to work harder and in turns promote their performance as well. To maintain and improve staff performance, the company should provide greater job satisfaction for their staff. This finding supported the finding of previous studies by

Yousef (2000) and Judge et al. (2001) who found that job satisfaction and play important role in improving performance of employees.

Mediating Effects of Job Satisfaction on the Effects of Organizational Commitment, Organizational Culture, and Staff Empowerment on Staff Performance

As observed from Table 4, the indirect effects of organizational commitment(OCOM), organizational culture (OCUL), and staff empowerment (SEMP) on staff performance (SPER) through job satisfaction (JSAS) could be identified. On the basis of the Baron

and Kenny’s (1986) framework, the value of estimated path coefficient between organizational commitments on job satisfaction was 0.382, while the job satisfaction’s estimated path coefficient on staff performance was 0.685. These values showed that there was a mediating significant positive effect of job satisfaction on the relationship between organizational commitment and staff performance by the size of 0.262. This finding implies that the improvement of job satisfaction on the basis of improving staff’s organizational commitment would consequently contribute towards an enhancement of staff performance.

Table.4 Mediating effects of job satisfaction on the effects of organizational commitment, organizational culture, and staff empowerment on staff performance

Interrelationships among variables				Estimate	Sobel P-value	
SPER	<---	JSAS	<---	OCOM	0.262 ^{***} = (0.382 x 0.685)	0.000
SPER	<---	JSAS	<---	OCUL	0.314 ^{***} = (0.459 x 0.685)	0.005
SPER	<---	JSAS	<---	SEMP	0.636 ^{***} = (0.928 x 0.685)	0.000

Note: ^{***} indicates significance at the 1% level. SPER = staff performance; OCOM = organizational commitment; OCUL = organizational culture; and SEMP = staff performance.

Table 4 also showed that the value of the estimated path coefficient between organizational culture and jobs satisfaction was 0.459, while the job satisfaction’s estimated path coefficient on staff performance was 0,685. These values indicated that there was a mediated significant positive effect of job satisfaction on the relationship between organizational culture and staff performance by the size of 0.314. This finding further indicates that the improvement of staff’s job satisfaction on the basis of enhancing organizational culture would finally improve staff performance.

Finally, the value of the estimated path coefficient between staff empowerment and job satisfaction was 0.928 and the job satisfaction’s estimated path coefficient on staff performance was 0,685. These values showed that there was a mediated significant positive influence of job satisfaction on the relationship between staff empowerment and staff performance by the size of 0.636. This finding further signified that the improvement of job satisfaction on the basis of empowering staff would, in turns, contribute towards the realization of higher staff performance.

Since the study found significant partial relationships between organizational commitment, organizational culture, and staff empowerment on staff performance of the PT. Bank Aceh Syariah, Branch Office of Lhokseumawe, Aceh, Indonesia at the 1% level, respectively, and the effect of job satisfaction on staff performance were also significant at the 1% level, thus it concluded that the job satisfaction is found to act as the partial mediator. These findings further implied that to enhance the staff performance the focus should be given on improving job satisfaction on the basis of the enhancement of organizational commitment,

organizational culture, and staff empowerment of the bank.

CONCLUSION

This study empirically examined the mediating effect of job satisfaction on the relationship between organizational commitment, organizational culture, and employee empowerment on the performance of Islamic bank’s employees in Aceh province, Indonesia. All 145 employees of the PT. Bank Aceh Syariah, Lhokseumawe Branch Office were selected as the respondent of study. Based on the structural equation modelling (SEM) analysis, the study found that organizational commitment, organizational culture, and employee empowerment have significant direct influences on job satisfaction and employees’ performance of the Lhokseumawe Branch Office of PT. Bank Aceh Syariah, Indonesia. The job satisfaction is also found to have significant mediated effects on the relationships between organizational commitment, organizational culture, and employee empowerment on the performance of bank’s employees. These findings implied all efforts to improve bank employees’ performance should be focused on the improvement of staff’s job satisfaction on the basis of enhancing organizational commitment, organizational culture, and employee empowerment of the bank.

Further studies on this topic might offer broader empirical findings by taking into consideration more variables into the estimated model. These factors could cover both internal and external factors determining job satisfaction and performance of bank employees. In addition, incorporating more Islamic banks into the analysis would also enhance existing empirical evidence on the effects organizational commitment, organizational culture, and staff

empowerment on staff performance, mediated by the job satisfaction. Ultimately, comparing the conventional banks and Islamic banks would also enrich the literature and existing empirical findings on the examined issue.

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