

THE INFLUENCE OF ORGANIZATIONAL CULTURE ON ORGANIZATIONAL COMMITMENT AND JOB SATISFACTION

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Abstract

The aims of this study were to determine: 1) the influence of organizational culture on organizational commitment to the employees; 2) the influence of organizational culture on job satisfaction to the employees; 3) the influence of job satisfaction on organizational commitment. This study used causal research method. The populations of this study were all permanent employees. In the research questionnaire, there were 30 questions and the number of respondents was 155 permanent employees. The findings of this study suggest that organizational culture was very influential on organizational commitment. From the findings, it was known that the strongest indicator that formed organizational culture was when the culture was able to reach the lowest level; in this case, staff and all organizational components run it without any coercion. The findings of this study also proven that organizational culture had an influence on job satisfaction. From the findings of the study, it is noted that the strongest indicator that formed the organizational culture was the comfortable feeling of all employees to the appreciation and positive cultures that can provide space for them to work optimally. In addition, job satisfaction had no influence on organizational commitment. Further, it is noted that the existing indicators did not interpret a strong relationship between job satisfaction and organizational commitment.

Keywords: Organizational Culture, Job Satisfaction, Organizational Commitment

INTRODUCTION

The ability of a company or organization to grow and develop depends on various aspects of the advantages it has in order to achieve these goals. An organization or company is in need of human resources. With a large amount of human resources, if it is used effectively and efficiently, it will be useful to support the pace of sustainable national development. The abundance of the existing human resources requires us to think carefully how to utilize human resources optimally.

Human resources are the only resource that has reason and skill. All potential human resources influence the organization's efforts in achieving a goal. According to Gaol (2014), human being is the most important resource of an organization. Gaol (2014) stated that Human Resources (HR) are people, individuals, and groups that help organizations produce goods or services. Having human resources that are able to contribute optimally to the organization is a hope that is sometimes quite difficult to meet. It should become a motivation for the organization in making efforts to retain employees who have been and are predicted able to make a meaningful contribution to the organization. According to Gaol (2014), human being provides talent, expertise, knowledge, and experience to achieve the goals of the organization.

Every organization or company must be able to manage, organize and embrace its human resources as well as possible. Human resources, whom are the key in determining the success or failure of organizational goals, have thoughts, feelings and desires that can affect organizational commitment. Every employee working within an organization should have a work commitment because if there is no organizational commitment, the goals of the company or organization will not be achieved and employee loyalty will be reduced, (Dubkevics et al, 2010). Organizational commitment is important to an organization. Darwish (2000) stated that high organizational commitment will make employees feel compelled to live in the organization; feelings resulting from the internalization of normative pressure are given to an individual before or after entering an organization.

The organizational culture is a characteristic that is highly regarded by the organization and a role model for differentiation between one organization and another. Organizational culture is also defined as the values and norms of behavior that are accepted and shared by members of the organization as a basis in the rules of conduct within the organization. According to Daft (2010), all organizations emerge for a purpose. An organization needs a culture that suits the organization's situation. By having appropriate culture, members can easily follow it. If a member has followed the existing culture of the organization, the member will be committed to his organization (Cronley and Kim, 2017). According to Seniati (2006), employees

with high organizational commitment are more stable and productive, which in turn will benefit the organization or the company.

In addition to organizational culture, other factors affecting organizational commitment are job satisfaction. Robbins and Judge (2001) mentioned that job satisfaction is an individual thing about one's feelings toward one's work. Job satisfaction influences employee performance. Employees who are satisfied with their work will have high productivity. According to Tenggara & Suyasa. (2008), job satisfaction is also negatively related to employee turnover and absenteeism.

Organizational commitment is one of the consequences of job satisfaction. In an industry, job satisfaction is part of internal marketing, meaning that management firstly must be able to give satisfaction to its employees, (Castillo and Cano, 2004). Employees who are satisfied with their work will certainly be able to provide the best service to its customers. Alvi et al. (2014) stated that the long-term sustainable success of the company depends on job satisfaction and employee commitment to the company. There are many types of industries and one of them is the garment industry. In this study, the object under study is the permanent employees of PT. Hari Mau Indah on the sewing department.

Research Problem

The problems of the research are: 1) how the influence of organizational culture on organizational commitment to the employees of PT. Hari Mau Indah is; 2) how the influence of organizational culture on job satisfaction to the employees of PT. Hari Mau Indah is; 3) how the influence of job satisfaction on organizational commitment at PT. Hari Mau Indah is.

Research Objectives

Based on the above research problems, the purposes of this study are to determine: 1) the influence of organizational culture on organizational commitment to the employees of PT. Hari Mau Indah; 2) the influence of organizational culture on job satisfaction on the employees of PT. Hari Mau Indah; 3) the influence of job satisfaction on organizational commitment at PT. Hari Mau Indah.

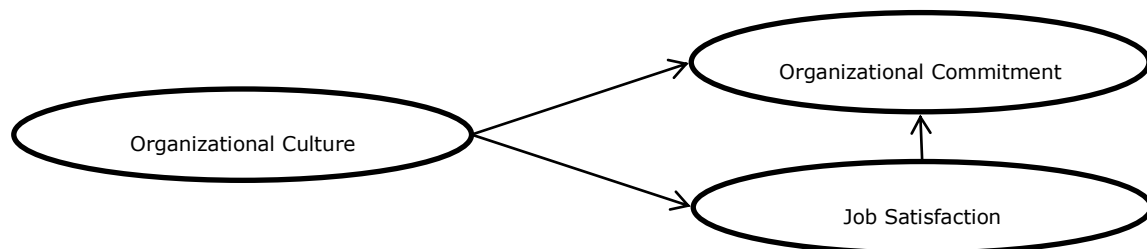
Conceptual Framework of the Research

The conceptual framework of this study will look at the influence of organizational culture on organizational commitment and job satisfaction, and then look at the influence of job satisfaction on organizational commitment. Organizational culture is a system shared jointly by its members, so that there is no difference between one employee and the others in an organization, (Kim,

2016). Organizational culture has a strong relationship to organizational commitment. It can be seen from how members of the organization run the provisions made by the organization. If an organization is well-organized in which the leader is responsible for his or her authority, then the members will be certainly committed to the organization, (Lim, 2003).

Job satisfaction is also an early sign of organizational commitment (Lund, 2003). Organizational commitment will grow if work expectations are met by the organization. With the fulfillment of such work expectations, it will bring a sense of job satisfaction. It is clear that job satisfaction has a strong relationship with organizational commitment. Job satisfaction has a positive influence on organizational commitment. It means that the greater job satisfaction perceived by employees then the organization's commitment is also higher. In other words, if job satisfaction of the employee increases then organizational commitment of the employee will also increase, (Naves, 2003). There is a reciprocal relationship from the side of job satisfaction with organizational commitment. Based on the description above, conceptual framework model of the study can be described as in Figure 1 below.

Figure 1. Conceptual Framework of the Research



Hypotheses

Based on the above conceptual framework, the hypotheses are formulated as follows:

H1: High organizational culture will increase organizational commitment.

H2: High organizational culture will increase job satisfaction.

H3: High job satisfaction will increase organizational commitment.

RESEARCH METHOD

Research Design

Based on the problems to be discussed in this study, the design is a causal design. According to Umar (2008), study with causal design is a study that aims to analyze the relationship between one variable with other variables. The characteristic of possible relationships between the variables is symmetrical, asymmetric and reciprocal.

Data Sources and Types

Data is information about a fact or an empirical phenomenon in which its form can be a set of measures and numbers (quantitative) or in the form of words (verbalize) or qualitative. This study used primary data and secondary data. Primary data is the type of data that is obtained directly from the source, either through interviews or questionnaires. The data were obtained from the answers of the respondents who are permanent employees who work at sewing department of PT. Hari Mau Indah. Secondary data is the type of data that has been collected in advance by related parties, among others, previous studies and literature.

Data Collection Technique

In this study, the data were obtained by using questionnaire. Questionnaire is a number of written questions that is used to obtain information from respondents; in this case, reports of their personalities or things they know (Arikunto, 2010). Questionnaire is designed in such a way so that all respondents are expected to answer all questions. The questionnaire is distributed along with letters of application for questionnaires and explanations of matters relating to the research. The scale used in the questionnaire is the Likertscale using multi-level answers in five categories ranging from strongly disagree to strongly agree.

Population and Sample

In this study, the population was all permanent employees who work at sewing department of PT. Hari Mau Indah. Based on the analysis tool that will be used, in this case the Structural Equation Model (SEM), the determination of the minimum sample size must be representative. According to Hair et al (2008), the sample should amount to five times the number of the questions that will be analyzed. This research questionnaire had 30 questions. Thus, the minimum required sample size was 150 respondents. In this study, the number of respondents was 155 permanent employees at sewing department of PT. Hari Mau Indah which used five questionnaires as a backup in case of damage or loss.

Structural Equation Model (SEM)

The test of the research model was conducted by using Structural Equation Modeling (SEM), also known as Analysis of Moment Structures using Lisrel. This statistical analysis was used to estimate several separate but simultaneously related regressions. Unlike regression analysis, SEM can have several dependent variables and these dependent variables can be an independent variable for other dependent variables. According to Hair et al. (2008), SEM is a multivariate statistical technique that combines aspects of multiple regression (which aims to

test for dependent relationships) and factor analysis (which presents unmeasured concepts factors with multiple variables) that can be used to simultaneously estimate a series of interdependent dependent relationships.

Data processing technique using structural equation modeling (SEM) with confirmatory factor analysis (CFA) method was used in this research. These observed variables (indicators) represented a particular latent variable (latent dimension). It was a testing method that combines analysis factors, path analysis and regression. SEM is more of a confirmatory than explanatory method which aims to evaluate the proposed dimension and the dimension from the previous studies. By this understanding, SEM can be used as a tool to confirm pre-knowledge that has been previously obtained.

Table 1. Goodness of Fit to the Structural Model

No	GOF MEASURE	ACCEPTABLE GOODNESS OF FIT
1	NCF	The scores ranged from 1-3 (close fit) and 3-5 (good fit) Confidence Interval 90%, NCP ranged from 29.983-98.953
2		RMSEA \leq 0.08 (good fit), RMSEA $<$ 0.05 (close fit)
3		ECVI Model was close to ECVI saturated that showed good fit
4		AIC Model was close to AIC saturated that showed good fit CAIC Model was close to CAIC Saturated that showed good fit
5		NFI \geq 0.90 (good fit), $0.80 \leq$ NFI \leq 0.90 (marginal fit) CFI \geq 0.90 (good fit), $0.80 \leq$ CFI \leq 0.90 (marginal fit) NNFI \geq 0.90 (good fit), $0.80 \leq$ NNFI \leq 0.90 (marginal fit) IFI \geq 0.90 (good fit), $0.80 \leq$ IFI \leq 0.90 (marginal fit) High scores showed good fit RFI \geq 0.90 (good fit), $0.80 \leq$ RFI \leq 0.90 (marginal fit)
6		CN \geq 200 showed good fit or an acceptable fit level
7	Standartized RMR	RMR \leq 0.05 was good fit GFI \geq 0.90 (good fit), $0.80 \leq$ GFI \leq 0.90 (marginal fit) AGFI \geq 0.90 (good fit), $0.80 \leq$ AGFI \leq 0.90 (marginal fit) PGFI score ranged from 0 to 1, higher score showed good fit model

FINDINGS

Descriptive Statistics

The respondents were classified by sex, age, educational background, marital status and work period. It was performed by the researcher to see the distribution and demography of the questionnaire responses before further processing using Lisrel application. The purposes of the

formation of demography were to: 1) study the quantity and distribution of respondents in a particular population; 2) explain the growth of respondents in the past; its decline and distribution as well as possible by using available data; 3) develop a causal relationship between the development of the respondent with various other aspects.

Furthermore, the authors did the mapping using pie chart to visually see the respondents of this study in order to see the advantages and disadvantages of this study. The complete visualization is in Figure 2-6.

Figure 2. Distribution of Respondents by Sex

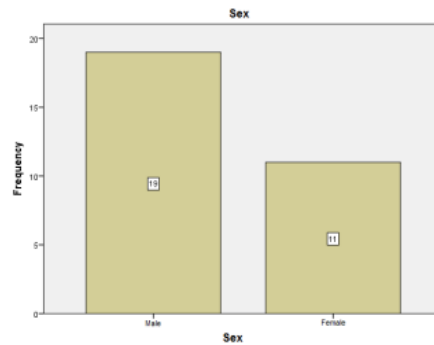


Figure 3: Distribution of Respondents by Marital Status

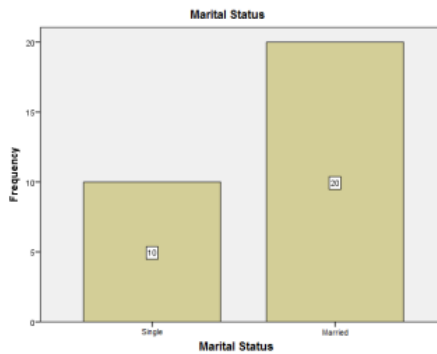


Figure 4: Distribution of Respondents by Work Period

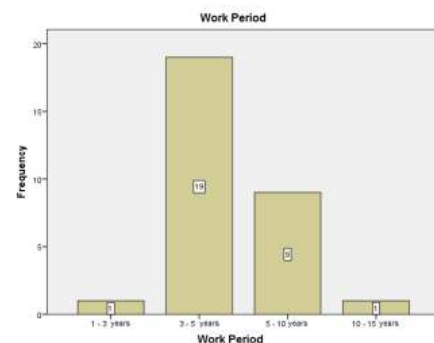


Figure 5: Distribution of Respondents by Educational Background

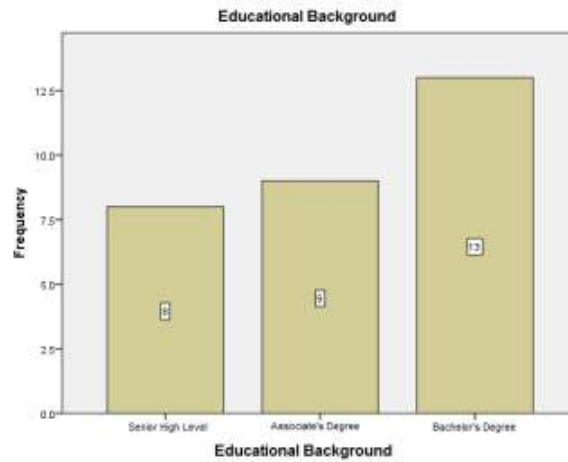
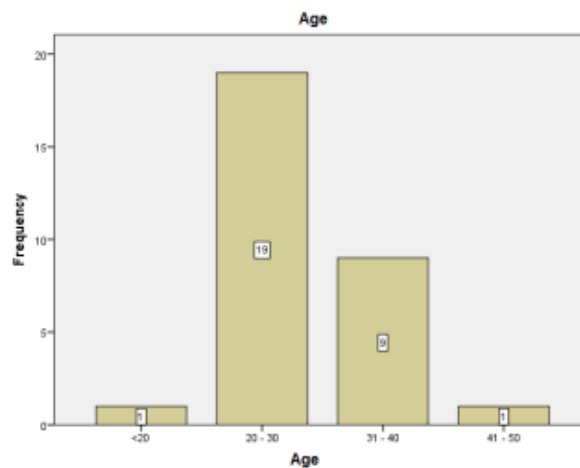


Figure 6: Distribution of Respondents by Age



One of the advantages of SEM, compared to other regression and multivariate methods, is the application of SEM procedures performed simultaneously to a hybrid/ full SEM model (a combination of measurement model and structural model). Data analysis techniques using Structural Equation Modeling (SEM) is performed to explain thoroughly the relationship between variables existing in the study. SEM is used not to design a theory but rather to examine and justify a model. Therefore, the main requirement of using SEM is to construct a hypothetical model consisting of a structural model and a measurement model in the form of a path diagram based on the justification of the theory. SEM is a collection of statistical techniques that allows testing of a series of relations simultaneously. The relationship is built between one or several independent variables (Santoso, 2011).

Structural Model Analysis

It is a model that describes the data structures used in business processes. During the analysis, the structural model presents the logic of the data without showing how data is stored, created, or manipulated so that the analyst can focus on the business. The structural model presents an idea of the concept that exists in the problem domain and presents the relationships. The structural model is a model of relationship structure that forms or explains causality between factors. This research performs testing of structural model to determine the relationship between research variables. A hypothesis can be accepted or considered as significant if the value of $t \geq 1.96$. The following is the result of calculation of causality between each research variable.

Figure 7. Structural Equation Model - Estimation

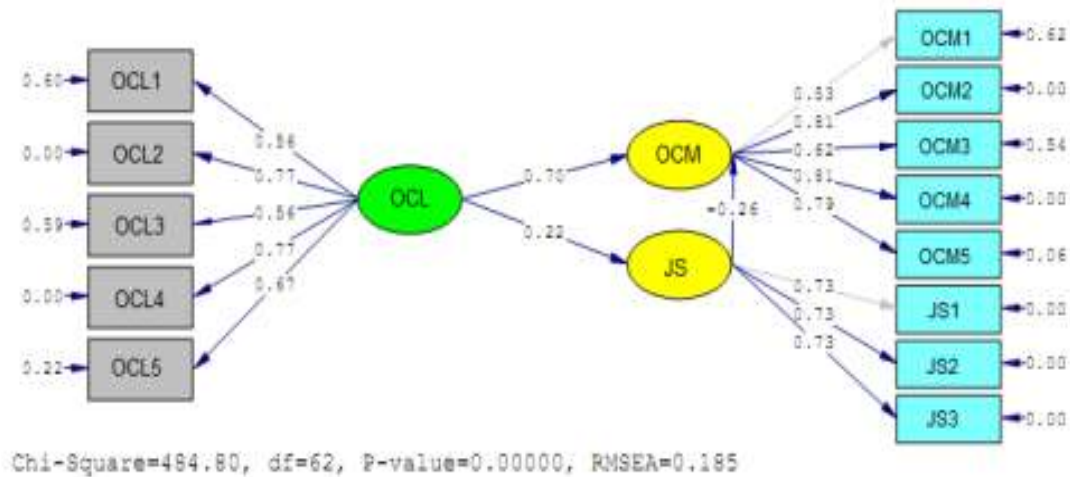


Figure 8. Structural Equation Model - Standardized Solution

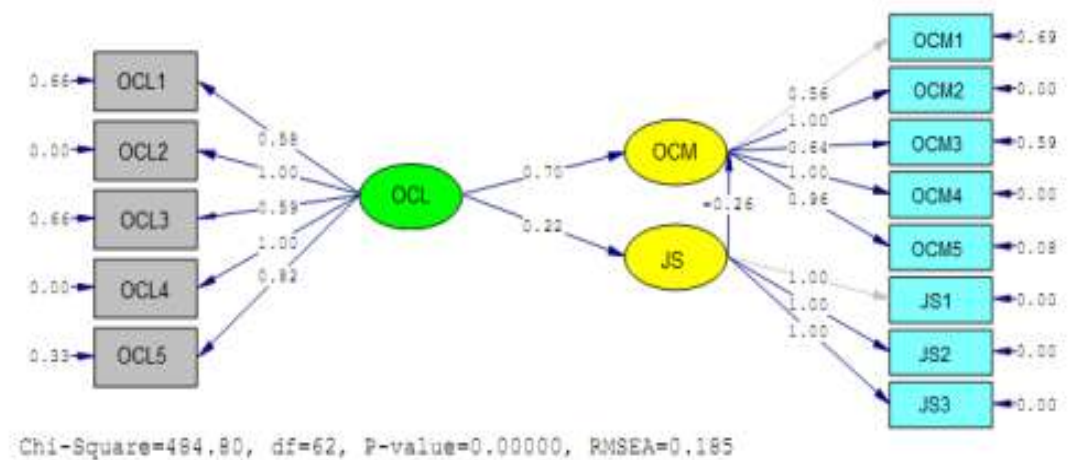
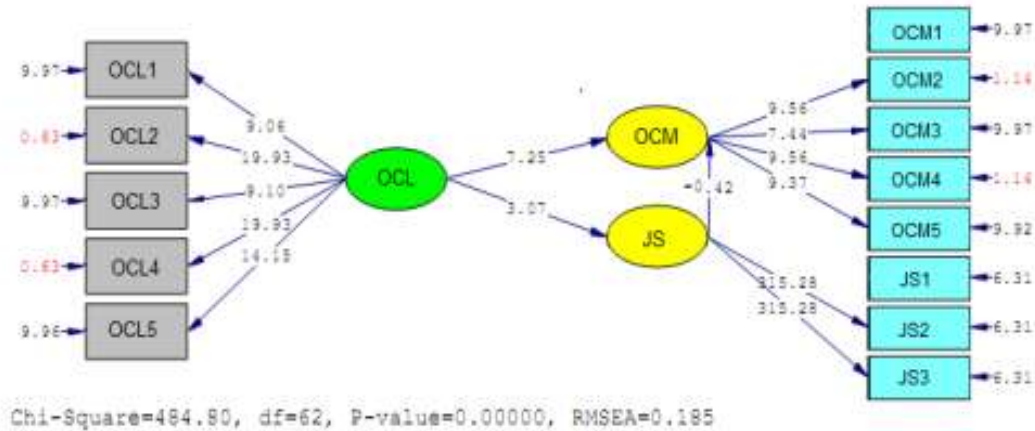


Figure 9: Structural Equation Model - t Value



Furthermore, from 5-8, 5-9 and 5-10 figures, the researcher tabulated the data as a result of the research hypothesis, can be seen in Table 2.

Table 2. Result of Research Hypothesis

The Relationship of Variables	Estimation	Loading Factor	t Value (>1,96)	Conclusion
OCL → OCM	0.70	0.70	7.25	Significant
OC → JS	0.22	0.22	3.07	Significant
JS → OCM	-0.26	-0.26	-4.42	Not significant

Based on the structural equation model, the t value of each relationship between latent variables OCL → OCM and OCL → JS was significant, while JS → OCM was not significant. Next, a goodness of fit test was conducted to assess whether the data were fit and match the model. There were three types of measures to test whether the SEM model as a whole fit into good fit data. Sizes and values were described in Table 3.

Table 3. Structural Model Matching Test Goodness of Fit

Measure	Description	Value	Conclusion
Absolute Fit Measures			
Chi square	≥ 0.05 good fit model	484.00	Good Fit
Goodness of Fit Index (GFI)	≥ 0.90 fit model, 0.80 ≤ GFI ≤ 0,90 marginal fit model	0.73	Good Fit
Adjusted goodness of fit index (AGFI)	≥ 0.90 fit model, 0.80 ≤ AGFI ≤ 0.90 marginal fit model	0.60	Good Fit

Root Mean Square Residual (RMR)	Difference between covariance matrix of estimation model, ≥ 0.05 fit model	0.09	Good Fit
Standardized RMR	≥ 0.05 fit model; $0.05 \leq$ SRMR ≤ 0.1 acceptable fit; SRMS > 0.1 poor fit	0.12	Good Fit
Root mean square error of approximation (RMSEA)	≤ 0.05 good fit model; $0.05 \leq$ RMSEA ≤ 0.08 fair good fit model	0.19	Poor Fit
Expected Cross Validation Index (ECVI)	Value is close to 1 good fit model	2.73	Good Fit
Incremental Fit Measures			
Normed fir Index (NFI)	≥ 0.90 good fit model	0.84	Fit
Non-normed fit index (NNFI)	≥ 0.90 good fit model	0.82	Fit
Relative fit Index (RFI)	≥ 0.90 good fit model	0.80	Fit
Incremental fit Index (IFI)	≥ 0.90 good fit model	0.85	Fit
Comparative fit Index (CFI)	≥ 0.90 good fit model	0.85	Fit
Parsimony Fit Measures			
Akaike information criterion (AIC)	AIC value $<$ good fit model	182.00	Good Fit
Consistent goodness of fit index (CAIC)	CAIC value $<$ good fit model	573.15	Good Fit
Parsimony goodness of fit index (PGFI)	PGFI value $>$ model ranged from 0-1	0.50	Good Fit
Parsimony normed fit index (PNFI)	PNFI value $>$ model and ranged from 0-1	0.67	Good Fit

From Table 3 of the structural model fit test, it can be concluded that the overall models were considered as good or good fit and there were good fit from each measure indicator in three groups.

Hypothesis Testing

In this study, there were three hypotheses. Hypothesis testing was performed with a significance level of 5% resulting in a critical t value. The hypothesis is accepted when the value of t is greater than or equal to 1.96 and the hypothesis is rejected if the value of t is smaller than or equal to 1.96. Based on the t value, hypothesis test was performed to see if the proposed model was supported by the data.

Table 4. t-Value and Structural Equation Coefficient

Hypotheses	Path	t Value (t ≥1,96)	Conclusion
H1	High organizational culture can improve organizational commitment	7.25	The data supported the hypothesis
H2	High organizational culture can improve job satisfaction	3.07	The data supported the hypothesis
H3	High job satisfaction can improve organizational commitment	-4.42	The data did not support the hypothesis

DISCUSSIONS

Organizational Culture Improves Organizational Commitment

Based on the results of the analysis, it supported the hypothesis 1 (H1). From the calculation result, it was known that organizational culture had a positive relationship to organizational commitment with a value of 7.25; greater than the default value of 1.96. The findings of this study supported the first hypothesis which meant that H1 is accepted; i.e. there was a positive relationship between organizational culture and organizational commitment. The result of the analysis showed that organizational culture on hypothesis testing was proved to be acceptable significantly. Thus, it could be concluded that there was a positive relationship between organizational culture and organizational commitment.

Organizational Culture Improves Job Satisfaction

Based on the results of data processing, the findings of this study supported the second hypothesis which meant that H2 was accepted. From the data that had been processed by the researcher, the calculation results in Table 4 noted that the organizational culture had a value above the standard value; the t value was greater than the standard value. The value generated in this study was amounted to 3.07 which were greater than the default value of 1.96. It showed that organizational culture had a significant effect on employee satisfaction. In other words, better organizational culture will have a positive impact on employee performance and job satisfaction.

Job Satisfaction does not Improve Organizational Commitment

Based on the results of the analysis test in table 4, it was described that the third hypothesis or H3 was rejected. High job satisfaction did not increase organizational commitment. Based on data that had been processed by the researcher, from the calculation result, it could be known

that it had negative and insignificant relationship to job satisfaction; with a value of $t = -4.42$ which was much smaller than the standard t value of 1.96. It explained that strong job satisfaction did not influence organizational commitment.

MANAGERIAL IMPLICATIONS

The implication, according to a large Indonesian dictionary, is engagement and managerial is a skill that every leader needs. Thus, managerial implications mean a participatory decision-making process in a good managerial organization. In this case, the implications will be described with the program and the operationalization that will be carried out to give the best results as a suggestion to be considered in management so that existing gaps can be improved, developed and increased. The program was taken from the statements of the questionnaires which then by the researcher was described and operationalized in the form of strategies in action to be done so that the program objectives can be achieved according to company expectations of the phenomenon of this study. The findings of this study indicated that organizational culture, organizational commitment, and job satisfaction were the main factors influencing an organization. Based on these findings, several managerial implications that can be proposed from this research are as follows:

First, the findings of this study proven that organizational culture was very influential on organizational commitment. From the research findings, it was known that the strongest indicator that formed organizational culture was when the culture was able to reach the lowest level; in this case staff and all organizational components run their duties without any coercion.

Second, the findings of this study also proven that organizational culture had an influence on job satisfaction. From the findings of the study, it was known that the strongest indicator that formed the organizational culture was the comfortable feeling of all employees towards the appreciation and positive cultures that could provide space for employees to work optimally.

Third, the findings of this study proven that job satisfaction had no influence on organizational commitment. From the findings of the research, it was known that the existing indicators did not interpret a strong relationship between job satisfaction and organizational commitment. This was questionable because job satisfaction should be one of the determinants in improving employee productivity. The understanding of job satisfaction should be understood by the company officials in managing their human resources. All corporate activities are ultimately highly dependent on the human resources that are in dire need of help from them. Therefore, companies must know the understanding of job satisfaction of each employee to maintain and improve employee loyalty. By having an understanding of job satisfaction and job

satisfaction fulfillment on each individual, the employees will provide their best in exchange for the company in the form of high productivity. It indicated a close relationship between motivation and job satisfaction of the employee.

Fundamentally, job satisfaction is an individual thing. It is because each individual has a different job satisfaction indicator. The more aspects that fit with an employee in his/ her work the greater the level of job satisfaction is perceived.

CONCLUSIONS

As has been described, the problem to be reviewed in this study was how to determine the influence of organizational culture from job satisfaction and organizational commitment variables in searching the relationship of variables under study. To answer these problems, there were three factors that were considered influencing the organizational culture, namely organizational commitment and job satisfaction.

The findings of this study proven that organizational culture influenced organizational commitment and organizational culture also had a positive influence on job satisfaction. It means that organizational culture in a company was able to control organizational commitment and job satisfaction of the employee.

LIMITATIONS AND FURTHER RESEARCH

The researcher acknowledges that there are still many limitations in the study, such as the number of samples taken only the smallest part, only on a few people from the population in the company or object of the study. Therefore, it is expected to further researchers to be able to develop it with better and current methods and associate the variables that have not been discussed yet by the researcher such as relationship variable.

The addition of new variables makes this study more concrete. The variable of service behavior mediation, which is less to be studied, can be associated with other independent variables so that service behavior becomes a variable that is easy to find and researched. The variable of service behavior partially defines the quality of service and excellent service which in examining this variable still contains bias and is less specific.

The findings of this study indicated that job satisfaction did not improve organizational commitment. Furthermore, the researcher expects that this can be conducted more deeply on other objects to get a real comparison of the technical matters of organizational comparison. Differences in research findings will be a strategic consideration for decision makers or business actors of the hospital industry for things that are good to apply and improvements that do not have any added value.

Further research is expected to provide a more detailed description of the things causing job satisfaction did not significantly influence organizational commitment by using other variables outside the variables that have been studied.

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