The Effect of Organizational Culture and Work Ethic on Organizational Performance With Job Satisfaction As A Mediation in Pt. Hitachi Chemical Indonesia

Abstract: This study aims to examine the influence of organizational culture and work ethic on organizational performance with job satisfaction as a mediating variable at PT. Hitachi Chemical Indonesia. This study uses an explanatory analysis approach, that is, each variable put forward in the hypothesis is observed through testing the causal relationship between the independent variable and the dependent variable, as well as the mediating variable, in this case, is job satisfaction, as the observed variable can mediate the direct relationship of the independent variable (culture organization and work ethic) on the dependent variable (organizational performance). The influence of these mediating variables can strengthen or weaken the relationship between the dependent and independent variables. This phenomenon is created as a variable (X3), where job satisfaction is a mediating variable that will later be tested through an interaction test. The sample in this study using the simple random sampling technique, as many as 178 respondents. Data analysis using path analysis. The results showed that organizational culture, work ethic, job satisfaction affected company performance both partially and simultaneously. The direct effect of organizational culture on company performance is 0.564. While the indirect effect of organizational culture on company performance through job satisfaction is 0.693 x 0.871 = 0.603. This indirect effect is greater than the direct effect, so the job satisfaction variable is intervening. The direct effect of work ethic on company performance is 0.662. While the indirect effect of work ethic on company performance through job satisfaction is 0.770 x 0.871 = 0.671. This indirect effect is greater than the direct effect, so the job satisfaction variable is intervening.

Keywords: organizational culture, work ethic, job satisfaction, company performance.

INTRODUCTION

Performance is an achievement or work result achieved by individuals, groups and organizations in the form of goods, services, or a process. The achievement of this work reflects the realization of the implementation of activities, programs and policies as a manifestation of the overall goals of the organization. Sedarmayanti (2009: 180-181), argues that company performance is the result of certain job functions or activities during a certain period.

Moehleriono (2010: 60) states that company performance is a description of the level of achievement of the implementation of an activity program or policy in realizing the goals, objectives, vision and mission of the organization as outlined in the strategic planning of an organization. From this description, it is concluded that the company's performance is the final result of the overall activities carried out by the organization according to predetermined criteria as well as a reflection of the achievements that the organization has achieved through input, process, output, results, benefits and impacts to achieve organizational goals.

Company performance is influenced by organizational culture, work ethic and job satisfaction. Organizational culture as a series of values and norms that control organizational members interact with others and with suppliers, consumers and others outside the organization. Organizational culture consists of end states that the organization strives to achieve (terminal values) and models encouraging organizational behavior (instrumental values). Ideally, instrumental value helps the organization reach its terminal goals. Different organizations have different cultures because they process different instrumental and terminal value arrangements.
Organizational culture is the style and way of life of an organization which is a reflection of the values or beliefs held by all members of the organization, organizational culture is a pattern of beliefs, values, rituals, myths of the members of an organization that affect the behavior of all individuals and groups in the organization. Organization (Harrison, 2003: 1). Organizational culture influences most aspects of organizational life, such as how decisions are made, who makes them, how rewards are shared, how people are treated, and how organizations respond to their environment. Another definition of organizational culture was put forward by Drucker as quoted by Tika (2006: 4) the organizational culture is the body of solution to an external and internal problem, that has worked consistently for a group and that is therefore taught to new members as the correct way to perceive, think about and feel concerning those problems”.

Another factor that affects company performance is work ethic. Work ethic or morale is subjective, depending on someone’s orders concerning their work. In general, observations of work ethic are categorized into two opposing things, namely high and low work ethics. Wirawan (2008: 59) suggests that people with high work ethics have a high belief that work is a way to achieve life happiness. If one wants to have sufficient and happy life, one has to work, while misery and poverty are the results of laziness.

Meanwhile, work ethic according to Ndraha (2005: 204), is the value of work is any value generated) through work as a process and value that is felt by consumers or recipients through the use or enjoyment of it in the form of new value, added value and added value. The core value of work is work ethic. Sinamo (2008: 29) states that the work ethic is due to being able to work responsibly, thoroughly with integrity (honesty), hard full of enthusiasm (discipline), intelligent full of creativity and passionate (future orientation).

Job satisfaction is also predicted to affect company performance. Job satisfaction is a positive emotional state which is the result of evaluating one's work experience. Employee job dissatisfaction will arise when an employee feels that his expectations for work are not being met. Luthans (2006: 243) defines that job satisfaction is the result of employees' perceptions of how well their jobs provide things that are considered important.

Job satisfaction is an emotional response to work situations, thus job satisfaction can be seen and predicted. Job satisfaction is often determined by how well the results achieved meet or exceed expectations. Job satisfaction also represents several interrelated attitudes. Wexley and Yuki (Bangun; 2012) say that job satisfaction is a generalization of attitudes towards their work. The various attitudes of a person towards their work reflect pleasant and unpleasant experiences at work and their hopes for future experiences. A job that is fun to do, it can be said that it gives satisfaction to the shaker. On the contrary, dissatisfaction will be obtained when a job is not fun to do.

**LITERATURE REVIEW**

**Organizational Culture**

Organizational culture as a series of values and norms that control organizational members interact with others and with suppliers, consumers and others outside the organization. Organizational culture consists of end states that the organization strives to achieve (terminal values) and models encouraging organizational behavior (instrumental values). Ideally, instrumental value helps the organization reach its terminal goals. Different organizations have different cultures because they process different instrumental and terminal value arrangements.

Meanwhile, Wibowo (2016; 15) states organizational culture as what workers perceive and how these perceptions create patterns, beliefs, values, and expectations. Furthermore, Mangkunegara (2011; 133) organizational culture is a set or assumption or belief system, values and norms developed within the organization which serve as a code of conduct for its members to overcome external adaptation problems and internal integration, Chatab (2007: 10) organizational or corporate culture is a pattern of values, norms, beliefs, attitudes and assumptions that can no longer be articulated, but the shape and determine how people behave and get things done.

Furthermore, Robbins (2000) argues that organizational culture as the dominant values disseminated in the organization is used as an employee work philosophy that guides organizational policies in managing employees and consumers. According to Robbins (2000), a strong organizational culture is a culture in which the core values of the organization are held intensively and widely shared by members of the organization.

**Work Ethic**

Work ethic or morale is subjective, depending on someone's orders concerning their work. In general, observations of work ethic are categorized into two opposing things, namely high and low work ethics. Wirawan (2008: 59) suggests that people with high work ethics have a high belief that work is a way to achieve life happiness. If one wants to have sufficient and happy life, one has to work, while misery and poverty are the results of laziness.

Sinamo (2008: 29) states that the work ethic is due to being able to work responsibly, thoroughly with integrity (honesty), hard full of enthusiasm (discipline), intelligent full of creativity and passionate (future orientation). Atmodjo (2012 232), argues that work ethic...
is the foundation for improving work performance of every civil servant. If this foundation is cultivated among the state apparatus, then we have a result-oriented work attitude, achieved as planned. The State Apparatus as the dominant human resource is expected to bring more optimal work results.

Anaroga (2005: 29) states that work ethic is a view and attitude of a nation or a people towards work. If those views and attitudes see work as a noble thing as human existence, then the work ethic will be high. On the other hand, if you see work as something meaningless to human life, especially if there is no view and attitude towards work, then the work ethic is automatically low. Therefore, to generate views and attitudes that respect as something noble, encouragement, or motivation is needed.

Based on the definitions stated above, it can be concluded that work ethic is the ability of an employee to carry out his duties with full responsibility, honesty, and discipline as well as cooperation and orientation to the future, hard work attitude, far-sightedness, respect for time and have the outlook of tomorrow must be better than today.

**Job Satisfaction**

Job satisfaction is a pleasant psychological condition felt by workers/employees in a work environment for their role in the organization and their needs are properly met. According to Robins, job satisfaction or job satisfaction is identified with individual things. Therefore, the level of satisfaction of each person is different and what happens when several factors are met, namely individual needs and their relation to the degree of likes and dislikes of workers (Robins, 2008).

Meanwhile, Nguyen et al (2015) described the concept of job satisfaction as influenced by multidimensional and unpredictable things through a single dimension. In a corporate and business environment this job satisfaction also has a different dimension. The dimensions are the type of work involved, satisfaction with compensation, satisfaction with supervision, satisfaction with aspects of promotion to colleagues. This difference in aspects causes the job satisfaction level of each person to always be different. This is because it relates to a person's emotional state; happy or unhappy. According to Hasibuan, the definition of job satisfaction is the emotional condition of an employee who is happy and loves his job. This attitude can be seen from work morale, discipline, and work performance. It can be enjoyed at work, outside of work, and a combination of the two.

Job satisfaction is a very important thing that must be owned by someone at work. Each employee has a different level of job satisfaction, so it will be different for each individual to achieve job satisfaction. The more aspects of the job that match the individual's expectations, the higher the level of satisfaction that is felt.

According to Robbins and Judge (2008: 99) job satisfaction is defined as a positive feeling about one's job which is the result of an evaluation of its characteristics. A person with a high level of job satisfaction has positive feelings about the job, while someone dissatisfied has negative feelings about the job. As mentioned above, the notion of job satisfaction is a form of emotional attitude that is fun and loves one's job which is indicated by work morale, discipline, and work performance.

**Company Performance**

In an individual, group, or organization, an assessment is needed to determine the final goal it wants to achieve or often called performance. This performance appraisal is very important because it can be used as a measure of an organization's success in achieving its mission. Also, performance can be used to measure the level of achievement or policies of individuals or groups of individuals.

According to Keban (2004: 182), performance is a translation of performance which is often interpreted as "appearance", "demonstration" or "achievement". This agrees with what Mangkunegara (2011: 67) said, that the term performance comes from the word job performance or actual performance, namely the work performance or achievement to be achieved. From the above opinion, the notion of performance is a translation of performance which is often interpreted as appearance, demonstration, or achievement. Experts put forward several definitions of the concept of performance, which are a description of the level of achievement of the implementation of an activity/program / policy in realizing the goals, objectives, mission and vision of the organization as stated in the strategic planning of an organization (Mahsun, 2006: 25). Also, performance is a set of outputs (outcomes) produced by the implementation of certain functions during a certain period (Tangkilisan, 2005: 109).

While Prawirosentono (2007: 176), argues that performance is the work that can be achieved by employees or groups of employees in an organization, following their respective authorities and responsibilities to achieve the goals of the organization concerned legally, does not violate the law and following morals and ethics. The definition of company performance according to Keban (2004: 193) is: "The company's performance questions whether the goals or mission of an organization are following existing economic, political, and cultural conditions or factors; whether the structure and policies support the desired performance; does it have the leadership, capital and infrastructure in achieving its mission; whether the policies, culture and incentive systems support the achievement of the desired performance; and whether
the organization creates and maintains selection and training policies, and their resources."

According to Mahsun (2006: 25), providing the concept of performance measurement is: "A process of assessing work progress against predetermined goals and objectives, including information on efficient use of resources in producing goods and services; quality of goods and services (how well the goods and services are delivered to the customer and to what extent the customer is satisfied); the results of the activities are compared with the intended purpose; and the effectiveness of action in achieving goals."

RESEARCH METHODS

Time and Location of Research

This research was conducted at PT. Hitachi Chemical Indonesia, with an estimated research time of three months, starting from November 2019 to January 2020.

Research design

This study uses an explanatory analysis approach, that is, each variable put forward in the hypothesis is observed through testing the causal relationship between the independent variable and the dependent variable, as well as the mediating variable, in this case, is job satisfaction, as the observed variable can mediate the direct relationship of the independent variable (culture organization and work ethic) on the dependent variable (organizational performance). The influence of these mediating variables can strengthen or weaken the relationship between the dependent and independent variables. This phenomenon is created as a variable, where job satisfaction is a mediating variable that will later be tested through an interaction test.

Population and Research Sample

In general, the population refers to a part of the generalization area consisting of objects/subjects that have certain qualities and characteristics (Sugiyono, 2013: 115). The population in this study were employees at PT. Hitachi Chemical Indonesia, which has 231 employees. The sample generally explains some of the numbers and characteristics possessed by this population (Sugiyono, 2013: 116). In this study, the number of samples in this study using the Simple Random Sampling technique, namely 178 respondents.

Research Results and Discussion

1. The dependent variable (X) partially to the independent (Y)

The data collected in this questionnaire were analyzed using SPSS version 20.0. The X variable studied included organizational culture, work ethic and job satisfaction. Meanwhile, the variable Y studied was company performance. The coefficient value of each path can be seen in the following table:

<table>
<thead>
<tr>
<th>Coefficientsa</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
</tr>
<tr>
<td>-------</td>
</tr>
<tr>
<td>1 (Constant)</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Organizational Culture</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>a. Dependent Variable: Company Performance</td>
</tr>
</tbody>
</table>

Path analysis 1

Path analysis 1 is an analysis of the influence of organizational culture on company performance. The influence of organizational culture on company performance is 0.564. The t value is 8.897 with a significant of 0.00 less than 0.005 so this effect is significant. The analysis table can be seen in the following table.

Path analysis 2

Path analysis 2 is an analysis of the influence of work ethic on company performance. The influence of work ethic on company performance is 0.662. The t value is 11.508 with a significant of 0.00 less than 0.005 so this effect is significant. The analysis table can be seen in the following table.
Table 2. The results of the calculation of the standard coefficient on the second line

<table>
<thead>
<tr>
<th>Coefficients</th>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
</tr>
<tr>
<td>(Constant)</td>
<td>29.710</td>
<td>1.142</td>
<td>26.022,000</td>
</tr>
<tr>
<td>Work Ethic</td>
<td>.591</td>
<td>.051</td>
<td>.662 11,508,000</td>
</tr>
</tbody>
</table>

Path analysis 3
The third path analysis is an analysis of the effect of job satisfaction on company performance. The effect of satisfaction on company performance is 0.871. The t value is 23.063 with a significant of 0.00 less than 0.005 so this effect is significant. The analysis table can be seen in the following table.

Table 3. The results of the calculation of the standard coefficient on the third line

<table>
<thead>
<tr>
<th>Coefficients</th>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
</tr>
<tr>
<td>(Constant)</td>
<td>12.762</td>
<td>1.299</td>
<td>9.825,000</td>
</tr>
<tr>
<td>Job Satisfaction</td>
<td>.715</td>
<td>.031</td>
<td>.871 12.063,000</td>
</tr>
</tbody>
</table>

Path analysis 4
Path analysis 4 is an analysis of the influence of organizational culture on job satisfaction. The influence of organizational culture on satisfaction is 0.693. The t value is 12.530 with a significant of 0.00 less than 0.005, so this effect is significant. The analysis table can be seen in the following table.

Table 4. The results of the calculation of the standard coefficient on the four line

<table>
<thead>
<tr>
<th>Coefficients</th>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
</tr>
<tr>
<td>(Constant)</td>
<td>18.003</td>
<td>1.902</td>
<td>9.465,000</td>
</tr>
<tr>
<td>Organizational Culture</td>
<td>1.218</td>
<td>.097</td>
<td>.693 12.530,000</td>
</tr>
</tbody>
</table>

Path analysis 5
Path analysis 5 is an analysis of the effect of work ethic on job satisfaction. The effect of work ethic on satisfaction is 0.770. The t value is 15.734 with a significant of 0.00 less than 0.005 so this effect is significant. The analysis table can be seen in the following table.

Table 5. The results of the calculation of the standard coefficient on the fifth line

<table>
<thead>
<tr>
<th>Coefficients</th>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
</tr>
<tr>
<td>(Constant)</td>
<td>23.486</td>
<td>1.184</td>
<td>19.844,000</td>
</tr>
<tr>
<td>Work Ethic</td>
<td>.837</td>
<td>.053</td>
<td>.770 15.734,000</td>
</tr>
</tbody>
</table>

Path analysis 6
The 6th path analysis is an analysis of the influence of organizational culture on company performance through satisfaction. The direct effect of organizational culture on company performance is 0.564. While the indirect effect of organizational culture on company performance through job satisfaction is 0.693 X 0.871 = 0.603. This indirect effect is greater than the direct effect, so the job satisfaction variable is intervening.

Path analysis 7
The 7th path analysis is an analysis of the influence of work ethic on company performance through job satisfaction. The direct effect of work ethic on company performance is 0.662. While the indirect effect of work ethic on company performance through satisfaction is 0.770 x 0.871 = 0.671. This indirect effect is greater than the direct effect, so the satisfaction variable is intervening.
CONCLUSIONS AND SUGGESTION

Conclusion

The influence of organizational culture on company performance is 0.564. The t value is 8.897 with a significant of 0.00 less than 0.005 so this effect is significant. The influence of work ethic on company performance is 0.662. The t value is 11.508 with a significant of 0.00 less than 0.005 so this effect is significant. The effect of job satisfaction on company performance is 0.871. The t value is 23.063 with a significant of 0.00 less than 0.005 so this effect is significant. The influence of organizational culture on job satisfaction is 0.693. The t value is 12.530 with a significant of 0.00 less than 0.005 so this effect is significant.

The effect of work ethic on job satisfaction is 0.770. The t value is 15.734 with a significant of 0.00 less than 0.005 so this effect is significant. The direct effect of organizational culture on company performance is 0.564. While the indirect effect of organizational culture on company performance through job satisfaction is 0.693 x 0.871 = 0.603. This indirect effect is greater than the direct effect, so the job satisfaction variable is intervening. The direct effect of work ethic on company performance is 0.662. While the indirect effect of work ethic on company performance through job satisfaction is 0.770 x 0.871 = 0.671. This indirect effect is greater than the direct effect, so the job satisfaction variable is intervening.

Suggestion

Companies need to improve the understanding and application of organizational culture to the company. This can be done by socializing organizational culture through meetings or meetings such as the importance of discipline, the importance of completing tasks on time, giving greetings, being friendly to customers and so on.

Work ethic also needs to be improved to increase company performance. Work ethic needs to be improved by paying attention to factors that affect performance such as adequate salary, co-workers who cooperate and fair leadership. Therefore the company can pay attention to these things to improve the work ethic.

Job satisfaction also needs to be considered in increasing company performance. Activities to increase employee satisfaction include providing an objective assessment of employee work and providing appropriate rewards for employee achievement, providing penalties for employees who violate rules such as violating discipline, defaming the company's good name and so on. This will reinforce for employees to contribute to the company.

REFERENCES