

The Effect of Organizational Culture, Competency, and Rewards on Job Satisfaction and Their Impact on Performance of Aceh Transportation Service Employees

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Abstract

This study was conducted to examine the effect of culture, competence, and reward on satisfaction and its impact on the performance of Aceh Transportation Service employees. The population was the employees of the Aceh Transportation Service, totaling 204 people. Sampling was carried out using the census method so that the number of samples was the same as the total population. Data were collected through the distribution of Likert scale questionnaires. The model was analyzed using AMOS-SEM statistical equipment. The test results prove that the Performance, Satisfaction, Culture, Competence, and Rewards at the Aceh Transportation Service are good; Culture Affects Satisfaction at the Aceh Transportation Service; Competence affects Satisfaction; Reward affects Satisfaction; Culture does not affect Performance; Competence affects Performance; Rewards affect Performance; Satisfaction affects performance; Satisfaction fully mediates the Culture effect on Performance; Satisfaction partially mediates the competence effect on performance; and satisfaction partially mediates the reward effect on performance. These results prove that the model for improving the performance of the Aceh Transportation Service employees is a function of cultural adjustment, increasing competence, increasing rewards, and increasing job satisfaction. Satisfaction with the model functions as a full mediator and partial mediator.

Keywords: Organizational Culture, Competence, reward, job satisfaction, employee performance

1. Introduction

In general, the Aceh Transportation Service, one of the Aceh provincial government institutions in Indonesia, has the task of serving public transport permits, testing motor vehicles, operating bridges and terminals. To carry out these duties and functions to improve the performance of the Department of Transportation, they must give serious attention to their employees, especially their job satisfaction which will have a direct impact on their performance. As an organization that serves the public or community interests, the Aceh Transportation Service must play an active role in achieving organizational goals, must

continuously improve its employees by paying attention to things that affect their performance and job satisfaction.

Referring to the results of the inspection and guidance carried out by the Aceh Provincial Inspectorate Office, the Aceh Transportation Service was able to achieve good performance with the support of its employees. This service can absorb a fairly good budget, in addition to the absence of public reports about the problem of its calculation services. This condition is helped by the adequate number of civil servants in this government service, although the performance of employees is rarely evaluated with more precise indicators. The performance of employees at the Aceh Transportation Service from the observations of researchers shows a tendency to decrease individually. The ability of employees to prepare work plans is still relatively low, the way employees work individually is still without planning, and employees have not been able to maximally realize work plans.

To achieve better performance, it is also influenced by several factors, namely the low satisfaction felt by employees. The phenomenon that appears in this study proves that there are still many employees who feel unsatisfied in carrying out their duties and low productivity employee work where many jobs do not reach the targets. Then cultural factors in the Aceh Transportation Service environment also influence satisfaction and overall performance. This can be seen from their innovation and risk-taking that are carried out by employees, and their attention to the details.

Another factor that affects the level of employee satisfaction is the competence of employees, namely the data shows that there are still 8 employees who graduated from high school and junior high school, this will have an impact on the knowledge possessed by employees is still low. In addition to culture and competence, another influencing factor is the reward given to employees. The phenomenon related to the compensation rewards received by most employees at the Aceh Transportation Service is still not sufficient for the necessities of life and also the needs of their families. Experts in the field of reward/compensation believe that compensation affects the motivation of workers to stay in their companies (Gibson, Ivancevich, Donnelly, & Konopaske, 2012).

2. Literature Study

Employee Performance

(Robbins & Judge, 2017) Employee performance is the result of work during a certain period compared to various possibilities. (Soeprihanto, 2009) and (Zainal, Hadad, & Ramly, 2019) said that performance is the result of an employee's work during a certain period. According to (Robbins & Judge, 2017), Factors that affect performance are: 1) Competency factor consisting of: ability and expertise, background, and demographics. 2) Organizational culture. 3) Rewards. Indicators of performance according to (Robbins & Judge, 2017) namely: (1) the quality of the work produced; (2) The quantity of work that can be produced; (3) employees receive supervision; (4) Attendance rate; (5) can do the work without the help of others; and (6) can achieve work targets.

Job Satisfaction

According to (Masrukhin & Waridin, 2012) job satisfaction depends on individual characteristics and the job situation. Meanwhile, according to (Davis & Newstrom, 1993) satisfaction is a pleasant or unpleasant feeling experienced by employees at work. (Wexley & Yuki, 2005) and (Daft, 2010) states that no matter how perfect the plans are, if employees cannot do their duties with interest and joy then a company will not achieve as many results as it could have achieved. (Luthans, 2012), includes (1) Happiness felt by employees, (2) Relationships with co-workers in the office environment, (3) Relationships with leaders, (4) Employees can overcome boredom, (5) Employees have an attitude of respect, and (6) Employees feel comfortable.

Organizational culture

(Schermerhorn, 2013) defines organizational culture as a system of beliefs and values developed by the organization. About culture, (Kottler & Heskett, 2007) formally express culture as the totality of patterns of behavior, arts, beliefs, institutions, and all other products of human creativity and thought that distinguish a society. For (Brown & Holloway, 2008), Culture is a shared value created by a group of people at a certain time. Indicators of organizational culture to measure culture at the Aceh Transportation Service, using the theory expressed (J. Peters & H. Waterman, 1982) which consists of four dimensions, namely: 1) Freedom of opinion, namely employees are given the freedom to express opinions. 2) Ideas, namely employees have ideas related to improving performance. 3) Orientation, namely employees provide organizational information in improving performance. 4) Commands, namely the abilities possessed by employees related to words that mean to order to do something; 5) Supervision at work, namely the supervision carried out by the leadership in carrying out the work.

Competency

According to (Wibowo, 2016), "said that every organization was formed to achieve certain goals and if it is achieved then it can be called a success". (Hartati, 2005) stated that competence is the ability to carry out tasks following science and skills as well as relevant technology and experience. Competency indicators according to (Wibowo, 2016) are (1) the level of knowledge according to their main duties and responsibilities, (2) the workability shown in achieving targets, (3) the communication skills possessed in establishing working relationships with co-workers, (4) employee skills in completing work, (5) IT Employee mastery of various information technology problems.

Rewards

Definition of reward according to (Safiullah, 2014) Compensation is a reward or remuneration received by an employee. The results can be extrinsic or intrinsic. This is a gift that generates pride. Rewards may or may not increase employees' financial well-being. (Nawawi, 2005), (Sastrohadiwiryo & Syuhada, 2015) and (Dessler & Angelica, 2016)

distribute compensation into three components, namely direct cash payments, piece rates, and indirect payments.

According to (Mahmudi, 2013) reward is a positive assessment of employees. (Mahmudi, 2013) also mentions that the indicators of rewards given to employees can be in the form of: 1) Salary and Bonuses, 2) Welfare, 3) Career development, 4) Psychological rewards, 5) Social rewards.

Research Models and Hypotheses

Researchers formulate research models and hypotheses.

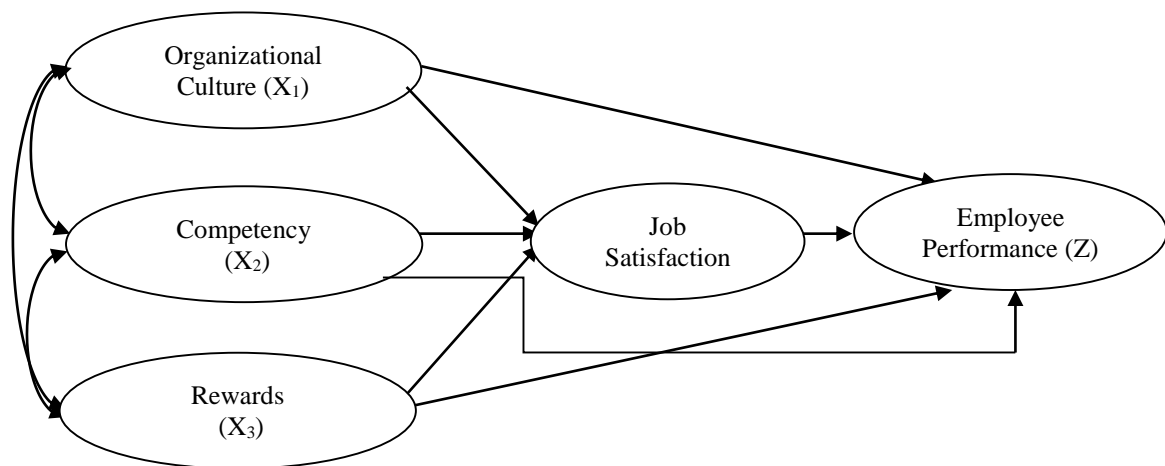


Figure 1. Effects between Variables

Ha1: Culture, competence, reward, satisfaction, and performance of the Aceh Transportation Service employees are good.

Ha2: Culture affects performance.

Ha3: Competence affects performance.

Ha4: Rewards affect performance.

Ha5: Culture affects satisfaction.

Ha6: Competence affects satisfaction.

Ha7: Reward affects satisfaction.

Ha8: Satisfaction affects performance.

Ha9: Culture affects performance through satisfaction.

Ha10: Competence affects performance through satisfaction.

Ha11: Rewards affect performance through satisfaction.

Research Novelty

The novelty in this study can be seen from the variables in this study that have never been carried out at the Aceh Transportation Service institution, but the authors use indicators such as research conducted by (Susanty & Miradipta, 2013), where the results of the research from the two researchers stated that the competence and reward variables had a relatively small influence. This proves that there is a research gap between theory and research results, this is proven by theory (Organ & Konovsky, 1989) which states that employee performance

indirectly affects the promotion of efficient and effective organizational functions, while employee performance refers to the behavior of employees' competencies, competencies, and rewards that can affect the general performance of the organization, so there is a need for comprehensive solutions and research to Proving the existence of gaps or gaps in research becomes a new finding and becomes a reference for further researches.

Research Method

The research location was the Aceh Transportation Service, one of the government institutions in Aceh Province, Indonesia. The population was all employees of the Aceh Transportation Service, totaling 204 people. Sampling was carried out using the census method so that the number of samples was the same as the total population, namely 204 respondents as well. The questionnaire used was a Likert scale. The analytical equipment used was SEM AMOS.

3. Result

Descriptive Hypothesis (Hypothesis 1)

The results of the descriptive hypothesis test are shown in the following table

Table 1. Descriptive

No.	Variable	Average	Variable Items	Significance	Information
1.	Organizational Culture (X ₁)	4.41	5	0.000	Good
2.	Competency (X ₂)	4.39	5	0.000	Good
3.	Rewards (X ₃)	4.50	5	0.000	Good
4.	Job Satisfaction (Y)	4.30	6	0.000	Good
5.	Employee Performance (Z)	4.61	6	0.000	Good

From the results of testing the descriptive hypothesis above, it is known that all variables are in good condition where all variables have an average value greater than 3.40 and a significance value less than 0.05. These results prove that the first hypothesis is accepted where Ha1 is accepted and Ho1 is rejected.

Direct Hypothesis

After a series of tests, have been carried out and the standard values have been set, here is the full model test image in this study.

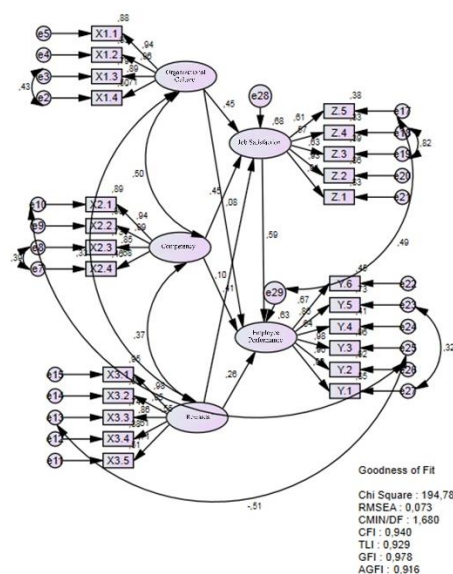


Figure 2. Structural Model Test Results

From testing on the structural model, the following results were obtained.

Table 2. Regression Result

			Estimate	S.E.	C.R.	P
Satisfaction	<---	Organizational Culture	0.449	0.094	4.167	0.000
Satisfaction	<---	Competency	0.449	0.073	4.103	0.000
Satisfaction	<---	Rewards	0.102	0.049	2.375	0.019
Empl_Performance	<---	Organizational Culture	0.080	0.089	0.918	0.359
Empl_Performance	<---	Competency	0.411	0.084	3.872	0.000
Empl_Performance	<---	Rewards	0.258	0.058	3.470	0.000
Empl_Performance	<---	Job Satisfaction	0.449	0.078	5.951	0.000

Table 2 formulates the statistical equation as follows:

$$\begin{aligned} \text{Job Satisfaction} &= 0.449 \text{ Organizational Culture} + 0.449 \text{ Competence} + 0.102 \text{ Reward} \\ \text{Employee Performance} &= 0.080 \text{ Organizational Culture} + 0.411 \text{ Competence} + 0.258 \text{ Reward} \\ &\quad + 0.449 \text{ Job Satisfaction} \end{aligned}$$

From the table above, the results of direct hypothesis testing are known. The explanation of the results of direct hypothesis testing is as described below

The Role of Culture in Affecting Satisfaction (Hypothesis 2)

Testing the Culture effect on Satisfaction resulted in a significance value of 0.000. This reveals that Culture affects the increase in Satisfaction. The coefficient of the Culture effect on Satisfaction is 0.449 or 44.9%. This indicates that the better the culture, the more it will play a role in increasing satisfaction.

The Role of Competence in Affecting Satisfaction (Hypothesis 3)

Testing the Competence effect on Satisfaction provides a significance value of 0.000. This reveals that competence affects the increase in satisfaction. The coefficient of the Competence effect on Satisfaction is 0.449 or 44.9%. This indicates that the better the competence, the more it will play a role in increasing satisfaction.

The Role of Reward in Affecting Satisfaction (Hypothesis 4)

Testing the Reward effect on Satisfaction resulted in a significance value of 0.019. This reveals that Reward affects the increase in Satisfaction. The coefficient of the Reward effect on Satisfaction is 0.102 or 10.2%. This indicates that the better the reward, the more it will play a role in increasing satisfaction.

The Role of Culture in Affecting Performance (Hypothesis 5)

Testing the Culture effect on performance resulted in a significance value of 0.359. This reveals that culture does not affect performance, so however culture is set, it will not play a significant role in improving the performance of its employees.

The Role of Competence in Affecting Performance (Hypothesis 6)

Testing Competence effect on Performance provides a significance value of 0.000. This illustrates that competence affects performance. Coefficient the competence effect on employee performance is 0.411 or 41.1%. This indicates that the higher the level of competence, the more it will play a role in improving performance.

The Role of Rewards on Performance (Hypothesis 7)

Testing the Reward effect on Performance provides a significance value of 0.000. This indicates that rewards affect performance. Coefficient the Reward effect on Employee Performance is 0.258 or 25.8%. This indicates that the higher the level of competence, the more it will play a role in improving performance.

The Role of Satisfaction in Affecting Performance (Hypothesis 8)

Testing the Satisfaction effect on performance provides a significance value of 0.000. This explains that satisfaction affects performance. Coefficient the Reward effect on Employee Performance is 0.594 or 59.4%. This indicates that the higher the level of satisfaction, the more it will play a role in improving performance.

Analysis of direct and indirect effects

The Role of Culture in Affecting Performance through Satisfaction (Hypothesis 9)

Testing the mediation effect in the Culture variable on Performance is figured as follows:

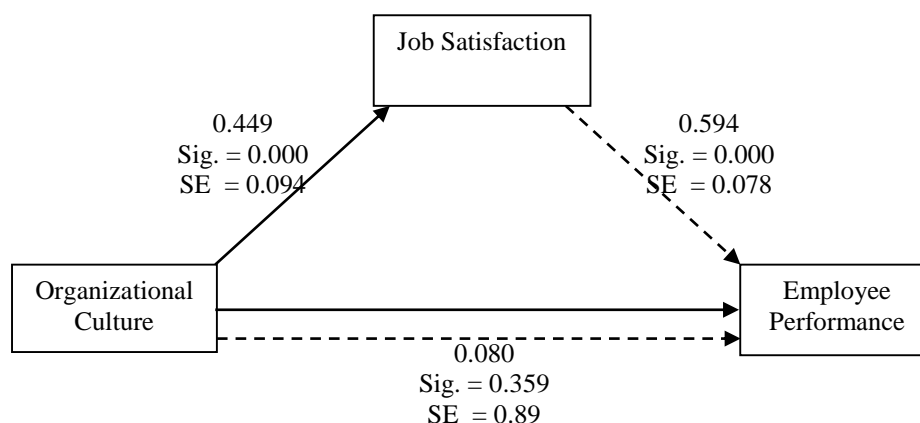


Figure 3. Mediation Effect of Hypothesis 9

From the results of calculations on the Sobel calculator, the results are 4.046 and are significant at = 0.000. Thus, satisfaction acts as a mediation between culture and performance. Thus, because satisfaction has a role and acts as a mediation variable, culture does not have a role on performance, the role of satisfaction in mediating the culture effect on performance is fully mediation.

From Figure 3, the result of the Sobel is explained in Table 3 as follows:

Table 3. Sobel Test of Hypothesis 9

Input:		Test statistic:	Std. Error:	p-value:
a	0.449	Sobel test: 4.04648478	0.06591054	0.00005199
b	0.594	Aroian test: 4.02167773	0.0663171	0.00005779
s _a	0.094	Goodman test: 4.07175662	0.06550146	0.00004666
s _b	0.078	Reset all	Calculate	

The Role of Competence in Affecting Performance through Satisfaction (Hypothesis 10)

Testing the mediation effect in the Competency variable on Performance is explained as follows:

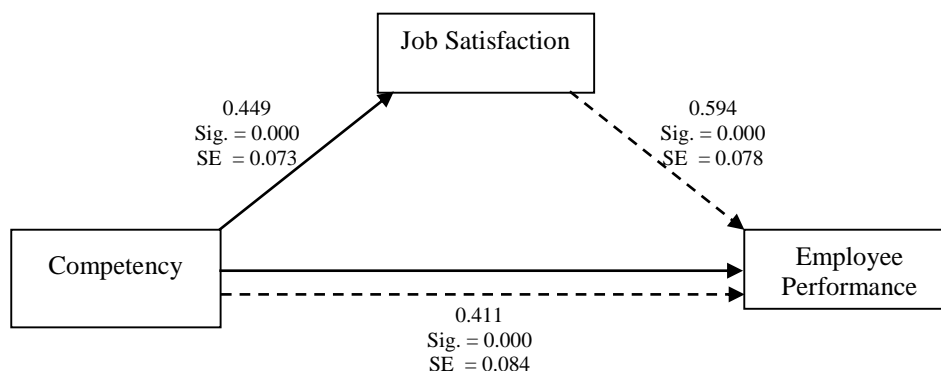


Figure 4. Mediation Effect of Hypothesis 10

From the results of the Sobel test calculation, the result is 4.784 and is significant at = 0.000. Thus, Satisfaction acts as a mediation between Competence and Performance. Thus, because satisfaction has a role and acts as a mediation variable, competence affects performance, the role of satisfaction in mediating the competence effect on performance is partially mediation.

From Figure 4, the result of the Sobel scores is figured in Table 4 as follows:

Table 4. Sobel Test of Hypothesis 10

Input:		Test statistic:	Std. Error:	p-value:
a	0.449	Sobel test:	4.78493333	0.05573871
b	0.594	Aroian test:	4.76016002	0.05602879
s _a	0.073	Goodman test:	4.8100975	0.05544711
s _b	0.078	Reset all	Calculate	

The Role of Rewards in Affecting Performance through Satisfaction (Hypothesis 11)

Testing the mediation effect of the reward variable on performance is figured as follows:

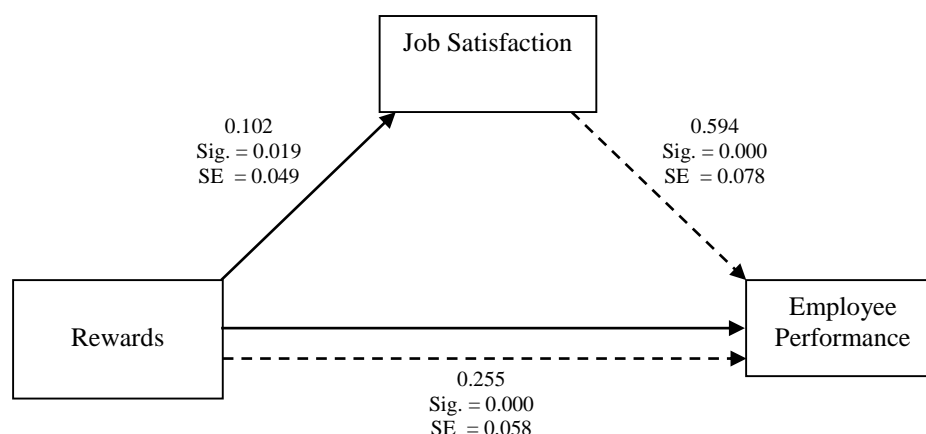


Figure 5. Mediation Effect of Hypothesis 11

From the results of the Sobel test calculation, the result is 4.007 and is significant at = 0.000. Thus, Satisfaction acts as a mediation between Reward and Performance. Thus, because satisfaction has a role and acts as a mediation variable, the reward affects performance, the role of satisfaction in mediating the reward effect on performance is partially mediation.

Based on Figure 5, the result of the Sobel score is figured in Table 5 as follows:

Table 5. Sobel Test of Hypothesis 11

Input:		Test statistic:	Std. Error:	p-value:
a	0.102	Sobel test: 2.00796832	0.03017378	0.04464666
b	0.594	Aroian test: 1.99205133	0.03041488	0.04636543
s _a	0.049	Goodman test: 2.02427304	0.02993074	0.04294207
s _b	0.078	Reset all	Calculate	

4. Conclusion

The test results prove that the Performance, Satisfaction, Culture, Competence, and Rewards at the Aceh Transportation Service are good; Culture Affects Satisfaction at the Aceh Transportation Service; Competence affects Satisfaction; Reward affects Satisfaction; Culture does not affect Performance; Competence affects Performance; Rewards affects Performance; Satisfaction affects performance; Satisfaction fully mediates the Culture effects on Performance; Satisfaction partially mediates the competence effect on performance; and satisfaction partially mediates the reward effect on performance. These results prove that the model for improving the performance of the Aceh Transportation Service employees is a function of cultural adjustment, increasing competence, increasing rewards, and increasing job satisfaction. Satisfaction with the model functions as a full mediator and a partial mediator. All of these findings can be a reference for future research models, where researchers can add new variables. For practitioners, especially the Aceh Transportation Service, leaders need to pay attention to the variables in this tested model and increase their role, so that they can have an impact on the performance of their employees.

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