

The Impact of organizational culture and Non- Physical Work Environment on Employee Performance Through Job Satisfaction as an Intervene Variables

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Abstract

Job satisfaction is very important and plays a role in influencing company branding, if employees feel dissatisfied at work, then employees will also show a negative attitude towards their work. The purpose of this study was to determine how much influence organizational culture and non-physical work environment have on employee performance through job satisfaction as an intervening variable. This research is quantitative and collects data through questionnaires. This study has a population of 100 people and a sample of 80 people. The sampling technique in this study was probability sampling using simple random sampling using the Slovin formula. The data analysis method in this study uses the Partial Least Square program with the help of the SmartPLS software application program to obtain results where Organizational Culture has no influence on Employee Performance, Non-Physical Work Environment has an influence on Employee Performance, Organizational Culture has no influence on Job Satisfaction, Non-Physical Work Environment has an influence on Job Satisfaction, Organizational Culture has no influence on Employee Performance mediated by Job Satisfaction, Non-Physical Work Environment has an influence on Employee Performance mediated by Job Satisfaction.

1. INTRODUCTION

In the era of globalization, companies are required to adapt to the changing economic landscape. As business development increases, competition becomes more intense among economic actors. In order to compete effectively, companies must formulate new strategies, particularly in the realm of Human Resource (HR) empowerment. This involves enhancing employee development, optimizing all aspects related to company activities, and improving employee performance. Performance, as defined by Rivai (cited in Asy et al., 2021a), pertains to an individual's or group's willingness to engage in activities and refine them to achieve the desired outcomes. Performance is a critical factor that contributes to sustainable progress and success in the future.

A pertinent issue in Indonesia's HR performance landscape is the phenomenon of "Quiet Quitting" among Millennial and Gen Z workers. This term reflects a disengagement from work when compensation aligns merely with minimal expectations and directives from

superiors or the company, without further commitment. This trend is observed particularly among the younger generation, where mental well-being is prioritized. This action is seen as a self-defense mechanism against demanding work environments (Kompas.Com, 2022). This phenomenon underscores the idea that if employees experience Quiet Quitting or display disengagement, the potential for optimal performance and satisfaction for both the employees and the company diminishes. This necessitates organizational support and a conducive work environment to bolster employee performance.

Employee job satisfaction holds great significance and can significantly impact a company's branding. Unsatisfied employees are more likely to exhibit negative attitudes towards their work. A survey conducted by JobStreet.com with 17,623 respondents regarding job satisfaction revealed its pivotal role in influencing company success. Job satisfaction is influenced by organizational culture and work environment. Therefore,

companies should cultivate a positive and comfortable organizational culture and work environment to enhance employee performance. This is supported by research conducted by Richard and Edward in New York, identifying three factors that increase employee job satisfaction: autonomy, competence, and relatedness.

The influence of organizational culture on performance and job satisfaction is undeniable. Developing a strong organizational culture takes time, and once established, it becomes resistant to change. In the rapidly developing corporate world, competition has intensified, necessitating companies to harness their strengths in the market. Within this context, human resources play a pivotal role in planning, executing, and achieving organizational objectives. The phenomenon of weak organizational culture is often linked to employees' lack of understanding of the company's core values and teamwork. Employees often focus solely on individual tasks rather than collaborative group efforts.

Amidst the advancing tide of information and technology, companies need to adapt to changing work environments and effectively manage organizational changes to achieve their goals. The work environment encompasses both physical and non-physical aspects. The physical work environment includes workspace, facilities, lighting, and air quality, while the non-physical environment covers interactions between superiors, subordinates, and colleagues. According to Sedarmayanti (cited in Angelina Doko et al., 2022), the non-physical work environment encompasses interactions, connections with superiors and subordinates, and camaraderie among colleagues. These two factors, organizational culture and work environment, are interrelated and play pivotal roles in enhancing employee satisfaction and, consequently, performance.

Research by Surya (2022) emphasizes the significant influence of organizational culture on employee performance at PT. BCA Main Branch Office Magelang. The dynamic nature of organizational culture and its function as a

regulator of behavior and attitudes among employees are highlighted. Positive influences of organizational culture on employee satisfaction are also evidenced by research at Hypermart Central Plaza Lampung (Desi Derina Yusda, Pebriyanti, Mohammad Renaldi Ekatama, 2022). The research underscores the importance of adhering to regulations set by superiors to foster a conducive organizational culture.

The impact of the work environment on employee performance is evident in research by Annisa Putri Marpaung and Arif Darmawan (2022), who highlight its significance at PT. Image of Buana Initiative. A favorable work environment fosters physical well-being and energy among employees, leading to higher engagement and reduced fatigue. Similar findings are presented by Irma and Yusuf (2020), suggesting the influence of the work environment on employee satisfaction in the District Cooperative and MSME Office employees Bima. This notion is reinforced by Hasanah and Harisantoso (2020), who suggest that employee satisfaction and performance are closely linked.

Based on the aforementioned background, the variable of job satisfaction can be perceived as an intervening variable between organizational culture, non-physical work environment, and employee performance. Hence, the central theme of this study is "The Influence of Organizational Culture and Non-Physical Work Environment on Employee Performance Through Job Satisfaction as an Intervening Variable (A Case Study at PT. BUMJIN ELECTRONIC INDONESIA)." This theme leads to the formulation of the following hypotheses:

1. Hypothesis 1 (H1): Organizational culture has a positive influence on employee performance in the company.
2. Hypothesis 2 (H2): The non-physical work environment has a positive influence on employee performance in the company.
3. Hypothesis 3 (H3): Organizational.

2. LITERATURE REVIEW

2.1 Theory Employee performance

Employee performance is the result of work carried out by an employee to fulfill assigned tasks in accordance with their competence, experience, time, and integrity. Work performance is a combination of three factors: individual interests, the acceptance of delegated tasks, and employee motivation levels (Auliya & Clara Pertiwi, 2017).

2.2 Theory Job satisfaction

According to Rast and Tourani in (Asy et al., 2021), it is revealed that employee job satisfaction is the emotional state of workers that can influence their work behavior. Social connections and psychological factors are the

main reasons for job satisfaction and productivity among employees.

2.3 Organizational Culture Theory

According to Luthans as cited in (Jufrizen, 2020), organizational culture consists of guiding norms and values that shape the behavior of every member of the organization. Each member will behave in accordance with the prevailing culture within the company to ensure their acceptance within the environment.

2.4 Non-Physical Work Environment Theory

According to Sedarmayanti in (Muhraweni, 2017) state that environment non-physical work covers all related conditions _ with connection work , fine connection with superior nor connection with subordinate or connection with fellow colleague Work.

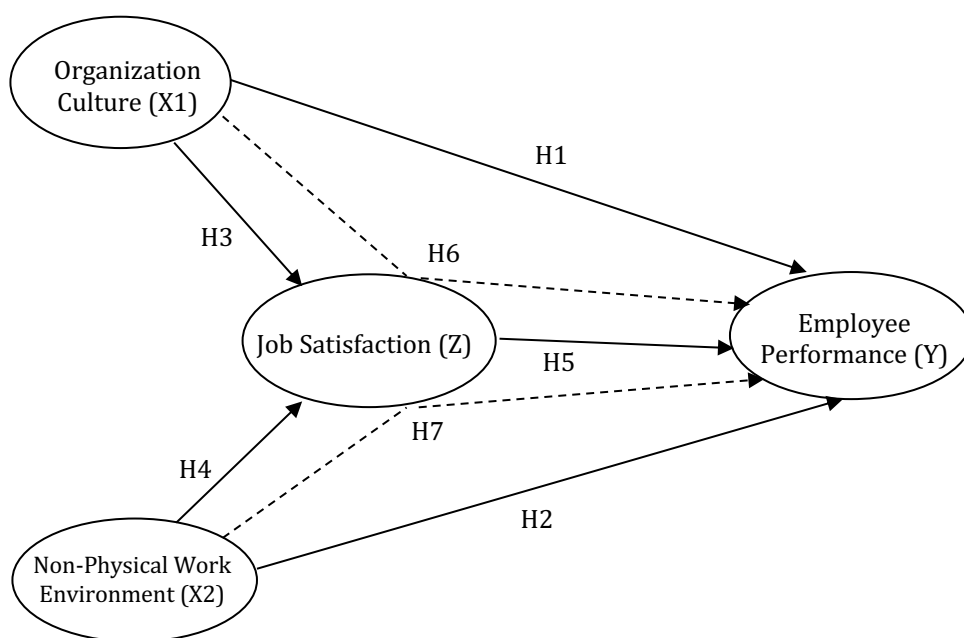


Figure 1. Research Concept

3. RESEARCH METHODS

The research method used in this study is quantitative. This study utilizes data collected from respondents' answers using numerical scales (quantitative). This approach allows for the detailed explanation and description of each variable, as well as the exploration of relationships and connections between variables through the use of numerical data or mathematical models. In this study, the

research focuses on the employees of PT Bumjin Electronic Indonesia, totaling 80 individuals. As a result, a simple random sampling technique is employed to determine the research sample. Data analysis is conducted using partial least squares with the assistance of SmartPLS 4 software for testing the outer model, inner model, and hypotheses.

4. RESULTS AND DISCUSSION

PT Bumjin Electronics Indonesia is a medium-sized company that is rapidly developing, operating in the field of manufacturing speaker systems and plastic injection molding. The results of the Structural Equation Modeling (SEM) analysis and data processing using partial least squares in this study can be summarized as follows:

4.1 Outer Model Testing

The analysis of the outer model aims to understand the relationship between latent variables and their corresponding indicators. In other words, the outer model helps define how each indicator is related to a latent variable. Three measurement criteria are employed in this analysis, using the data analysis technique through the SmartPLS application to evaluate the model. These criteria are Convergent

Validity, Reliability, and Discriminant Validity. An indicator is considered valid when its loading factor (extracted from the original sample) is greater than 0.50, and the corresponding p-value is greater than 0.50 (Dailangi et al., 2020).

a. Validity Test

Convergent validity is assessed by examining the loading factors, which should ideally be above 0.7 for confirmatory research purposes. A range of 0.6 to 0.7 can still be acceptable for exploratory research, and in the initial stages of a study, loading factors between 0.5 and 0.6 can be considered adequate. Additionally, the Average Variance Extracted (AVE) should be greater than 0.5. Here is the output of the measurement model, or outer model, using Partial Least Squares (PLS):

Table 1. Convergent Validity Test (X1)

variable	Indicator	Factor Loading	P- Value	Information
Culture Organization (X1)	BUD1	0.820	0.000	Valid
	BUD2	0.866	0.000	Valid
	BUD3	0.797	0.000	Valid
	BUD4	0.859	0.000	Valid
	BUD5	0.767	0.000	Valid

Table 2. Convergent Validity Test (X2)

variable	Indicator	Factor Loading	P- Value	Information
Environment Work Non physical (X2)	LING1	0.724	0.000	Valid
	LING2	0.805	0.000	Valid
	LING3	0.859	0.000	Valid
	LING4	0.824	0.000	Valid

Table 3. Convergent Validity Test (Y)

variable	Indicator	Factor Loading	P- Value	Information
Performance Employee (Y)	KIN1	0.883	0.000	Valid
	KIN2	0.889	0.000	Valid
	KIN3	0.867	0.000	Valid
	KIN4	0.849	0.000	Valid
	KIN5	0.805	0.000	Valid
	KIN6	0.861	0.000	Valid

Table 4. Convergent Validity Test (Z)

variable	Indicator	Factor Loading	P- Value	Information
Satisfaction Employee (Z)	KEP1	0.844	0.000	Valid
	KEP2	0.904	0.000	Valid
	KEP3	0.858	0.000	Valid
	KEP4	0.884	0.000	Valid
	KEP5	0.870	0.000	Valid

b. Reliability Test

To define composites reliability, if mark compositere liability ≥ 0.8 can said that contract own high reliability _ or reliable and ≥ 0.6 said

quite reliable. As for the results of the reliability test with composite reliability is as following :

Table. 5 Reliability Test

Variable	Cronbach's Alpha	Composite Reliability	N of Items
Organizational Culture (X1)	0.880	0.884	20
Non-Physical Work Environment (X2)	0.921	0.923	20
Employee Performance (Y)	0.929	0.932	20
Job Satisfaction (Z)	0.818	0.828	20

Based on the table above, it is evident that variable X1 exhibits a Cronbach's alpha value of 0.880 and a Composite Reliability value of 0.884. This signifies that the questions utilized for variable X1 are highly reliable. Similarly, variable X2 demonstrates a Cronbach's alpha value of 0.921 and a Composite Reliability value of 0.923, indicating the high reliability of the questions used for variable X2. Variable Y shows a Cronbach's alpha value of 0.929 and a Composite Reliability value of 0.932, which suggests the high reliability of the questions employed for variable Y. Lastly, variable Z displays a Cronbach's alpha value of 0.818 and a Composite Reliability value of 0.828, affirming the high reliability of the questions used for variable Z.

4.2 Inner Model Testing

a. SEMS with Partial Least Square

In this study, a Goodness of Fit (GOF) test will be conducted on the statistical model to assess how well the built model aligns with the series of observations made. The GOF test will generate various metrics, including the Average Path Coefficient (APC), Average R-squared (ARs), Average adjusted R-squared (AARs), Average block VIF, Average full collinearity VIF, Tenenhaus GoF, Sympon's paradox ratio, R-squared contribution ratio, statistical suppression ratio, and nonlinear bivariate causality direction ratio. The results of the Goodness of Fit model test will be presented in the table as follows:

Table. 6 Goodness Test of Fit

Fit and quality models indices	fit criteria	Results	Ket
Average path coefficient (APC)	$P < 0.05$	0.302 P=0.001	Good
Average R-squared (ARS)	$P < 0.05$	0.838 P<0.001	Good
Average adjusted R-squared (AARS)	$P < 0.05$	0.834 P<0.001	Good
Average block VIF (AVIF)	Accepted ≤ 5 Appropriate ≤ 3.3	6024	Rejected
Average full collinearity VIF (AFVIF)	Accepted ≤ 5 Appropriate ≤ 3.3	9.9	Rejected
Tenenhaus GoF (GoF)	Small ≥ 0.1 Moderate ≥ 0.25 Large ≥ 0.36	0821	Big
Sympson's paradox ratio (SPR)	Accepted ≥ 0.7 Corresponding = 1	1,000	Accepted
R-squared contribution ratio (RSCR)	Accepted ≥ 0.9 Appropriate = 1	1,000	Accepted
Statistical suppression ratio (SSR)	Accepted ≥ 0.7	1,000	Accepted
N online ar bivariate causality direction ratio (NLBCDR)	Accepted ≥ 0.7	0.714	Accepted

The obtained results indicate that the P-Value of APC, ARS, and AARS in this research is < 0.001 . This suggests that the independent variables used in this research are effective and suitable for predicting the dependent variable. The average R-squared value of 0.838 implies that the utilized independent variables account for approximately 83% of the variability in predicting the dependent variable. The remaining variation is influenced by other external factors not included in the research. Both AVIF and AFVIF values are greater than 5, indicating that the model formed in this research is not yet optimal. The GoF index result has a value of 0.821, indicating that the formed model is robust in explaining the tested latent variables. The SPR index result is 1.000, indicating that the model is free from Simpson's paradox and is acceptable. The RSCR index result is 1.000, signifying that the positive R-squared contribution to the research model amounts to 100% of the total absolute R-squared contributions, and it is accepted. The SSR index result is 1.000, indicating that all paths in the research model are free from statistical emphasis. The NLBCDR index result is

0.714, suggesting that 71% of the paths in the model can provide support for the hypothesized weak inverse model direction. This result is considered acceptable. Based on the outcomes of the goodness of fit test, it is evident that the constructed model in this study effectively explains the phenomenon under investigation and can be used to conduct hypothesis testing..

b. Hypothesis testing

Table . 7 Hypothesis Test Results

	Original sample (O)	Sample Means (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
X1 → Y	0.030	0.030	0.137	0.218	0.827
X2 → Y	0.504	0.487	0.140	3,603	0.000
X1 → Z	0.105	0.098	0.113	0931	0.352
X2 → Z	0.738	0.744	0.086	8,601	0.000
Y → Z	0.380	0.391	0.143	2,669	0.008
X1 → Z → Y	0.040	0.043	0.051	0.781	0.435
X2 → Z → Y	0.281	0.289	0.108	2,602	0.009

Based on results testing hypothesis and data processing as already _ done on the description above , then can translated as following :

1) Hypothesis Test (H1)

The obtained t-statistic value for organizational culture's impact on the performance of employees at PT. Bumjin Electronic Indonesia is 0.218, with a corresponding p-value of 0.827. This p-value is greater than 0.05 ($0.827 > 0.05$), indicating that the stated hypothesis regarding the influence of organizational culture on performance is rejected.

2) Second Hypothesis Test (H2)

The obtained t-statistic value for the non-physical work environment's impact on the performance of employees at PT. Bumjin Electronic Indonesia is 3.603, with a corresponding p-value of 0.000. This p-value is smaller than 0.05 ($0.000 < 0.05$), indicating that the stated hypothesis regarding the influence of the non-physical work environment on performance is accepted.

3) Hypothesis Test (H3)

The obtained t-statistic value for the impact of organizational culture on job satisfaction at PT. Bumjin Electronic Indonesia is 0.931, with a corresponding p-value of 0.352. This p-value is greater than 0.05 ($0.352 > 0.05$), indicating that the stated hypothesis regarding the influence of organizational culture on job satisfaction is rejected.

4) Fourth Hypothesis Test (H4)

Acquired t- statistic value non-physical work environment on the performance of employees of PT. Bumjin Electronic Indonesia is of 8,601 with mark p- value of 0.000 or more smaller than 0.05 ($0.000 < 0.05$), p This show that stated hypothesis _ exists the influence of the non-physical work environment on **job satisfaction received** .

5) Fifth Hypothesis Test (H5)

The obtained t-statistic value for the effect of job satisfaction on employee performance at PT. Bumjin Electronic Indonesia is 2.669, with a corresponding p-value of 0.008. This p-value is smaller than 0.05 ($0.008 < 0.05$), indicating that the stated hypothesis regarding the effect of job satisfaction on employee performance is accepted.

6) Sixth Hypothesis Test (H6)

The obtained t-statistic value for the effect of job satisfaction on employee performance at PT. Bumjin Electronic Indonesia is 0.781, with a corresponding p-value of 0.435. This p-value is greater than 0.05 ($0.435 > 0.05$), indicating that the stated hypothesis regarding the influence of organizational culture on employee performance through job satisfaction as an intervening variable is rejected.

7) Seventh Hypothesis Test (H7)

The obtained t-statistic value for the effect of job satisfaction on employee

performance at PT. Bumjin Electronic Indonesia is 2602, with a corresponding p-value of 0.009. This p-value is smaller than 0.05 ($0.009 < 0.05$), indicating that the stated hypothesis regarding

the influence of the non-physical work environment on employee performance through job satisfaction as an intervening variable is accepted.

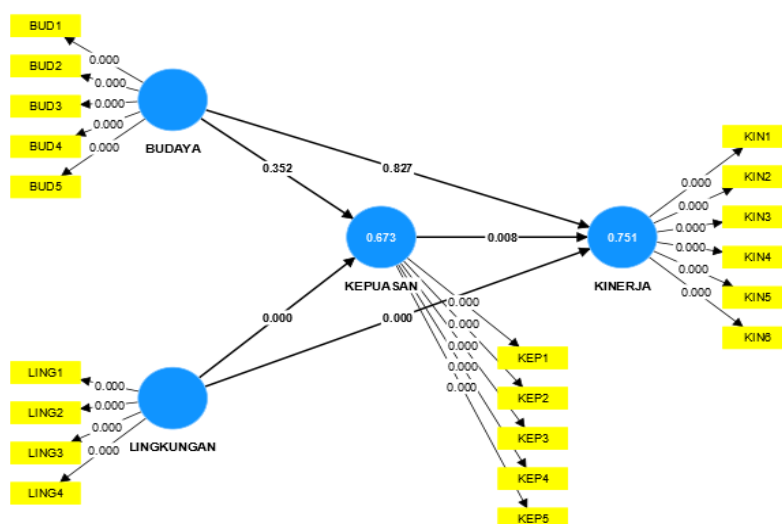


Figure 2. Bootstrap data processing results with software SmartPLS 4

5. CLOSING

5.1 Conclusion

Based on the results of the tests, processing, and analysis of the previous data conducted on the influence of Organizational Culture and Non-Physical Work Environment on Employee Performance through Job Satisfaction as an Intervening Variable (a study case at PT. BUMJIN ELECTRONIC INDONESIA), it can be concluded that the model processing yields the following results:

1. Organizational Culture does not have a direct influence on Employee Performance.
2. Non-Physical Work Environment has a direct influence on Employee Performance.
3. Organizational Culture does not have a direct influence on Job Satisfaction.
4. Non-Physical Work Environment has a direct influence on Job Satisfaction.
5. Organizational Culture does not have a direct influence on Employee Performance, when mediated by Job Satisfaction.
6. Non-Physical Work Environment has an influence on Employee Performance, when mediated by Job Satisfaction.

5.2 Suggestion

Based on the discussion above, the researchers offer the following advice to the company's management:

1. Cultivating Organizational Culture: The company should focus on creating a strong organizational culture. This can be achieved by fostering shared values and ensuring clear communication of expectations. Providing opportunities for employees to engage and participate actively can contribute to a positive culture.
2. Regular Performance Evaluation: Implement regular performance evaluation mechanisms to periodically assess employee performance. This will allow for representative assessments that provide insights into employee development within the organization.
3. Employee Development Programs: Design and implement programs aimed at enhancing employee skills and competencies. These programs could include training, workshops, and opportunities for professional growth to foster continuous improvement.
4. Emphasizing Job Satisfaction: Take proactive steps to enhance job satisfaction among

employees. This can involve providing a conducive work environment, recognizing and rewarding employee achievements, and addressing any concerns or grievances promptly.

5. Communication and Feedback: Foster an environment of open communication where employees feel comfortable expressing their ideas, concerns, and suggestions. Encouraging feedback from employees and taking actionable steps can contribute to a positive work environment.
6. Setting Clear Goals: Establish clear and achievable goals for both employees and the organization as a whole. When employees understand their roles and how their contributions contribute to larger objectives, it can motivate them to perform at their best.

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