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**ANALYSIS OF ORGANIZATIONAL CULTURE, COMPETENCE AND WORK  
MOTIVATION: THE EFFECT ON SATISFACTION AND PERFORMANCE  
OF GOVERNMENT EMPLOYEES OF PAREPARE**

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**ABSTRACT**

The purpose of this study is to analyze: the effect of organizational culture, competence, and motivation towards the satisfaction of local government employees of Parepare; the effect of organizational culture, competence, and motivation towards the performance of local government employees of Parepare; the effect of job satisfaction towards the performance of local government employees of Parepare. The population of this study is all local government employees of Parepare. The samples are 343 respondents which are based on Slovin formula. The method used to analyze data is Structural Equation Model using AMOS 18. It is found that organizational culture and competence significantly give positive effect on the employees' job satisfaction.

**KEY WORDS**

Organizational culture, competence, motivation, satisfaction, employee's performance.

Human resource is one of the important elements in an organization if it is compared to other elements, such as modal, devices, and technology because human controls other sources within the organization. For example, human is the one who chooses what technology to use, decides what machines and devices to use, and the one who operates and maintains them. Besides, human can be of the competitive advantage sources. Therefore, its management in an organization is very important.

Based on a phenomenon occur in Regional Work Unites and based on the observation of the researcher supported by the result of employees' performance evaluation show that, in doing main duties and function, the government employees of Parepare have not fulfilled the expectation although the target of the performance tends to increase every year. In fact, the result obtained has not been maximally achieved yet. In this case, the phenomenon relates to the organizational culture. However, the reality shows that some of the employees seem to lack of innovation in accomplishing every job given to them and lack of attention on working carefully and in detail so that some mistakes relating to the accomplished work occur.

According to Robbins (2007), the strong culture has stronger impact on the values in an organization because organizational culture has internal climate, and with high intensity, it can construct behavior in the organization which can affect someone's creativity. The organizational culture is an attitude and work behavior based on the employees' characteristic with some indicators i.e. innovation, attention to any details, team-oriented, and aggressiveness.

Another phenomenon found is that there are a lot of employees who know little about main duties and function to do, lack of skills and experience in accomplishing their work, and have low work control attitude in handling certain job which becomes their main duties and function. It is likely to happen because some of the employees have low competence in doing activities so that the result cannot be achieved optimally.

In fact, human resources who work in an organization should have good competence quality which can support their works. The competence of human sources is reflected through the window theory proposed by Donald (2007) who states that someone's competence can be seen from four sides of window frames i.e. knowledge, skills, experience, and attitude. Thus, the more competence human resources have the higher satisfaction and performance is.

The next phenomenon is that there are a lot of employees who complain the lack of career opportunity and other opportunities for self-development. In fact, those aspects are very important to make the employees feel no stagnation towards their position and duties. Besides, they complain the lack of reward for their achievement; thus it seems that there is no difference between those who obtain good achievement and those who do not. Moreover, it is found that the employees frequently delay their works and have no initiative to increase their work productivity and creativity.

The low motivation of the employees may occur because of unfulfilled demands and hopes which can encourage them to be excited and passionate to do the work. An organization should consider the work motivation for their employees or staffs because it is one of the alternatives to encourage the quality of human resources; therefore, human resources with high motivation are expected to be able to be involved in increasing their performance.

As it is stated by Richard (2006), motivation can cause any behavior reflecting high performance in an organization. Employees who have high motivation tend to increase their skills in accomplishing their duties. Therefore, based on the explanation and to answer some questions, it is necessary to conduct a study about the Effect of Organizational Culture, Competence, and Work Motivation towards Satisfaction and Performance of the Government Employees of Parepare.

In this case, various definitions of organizational culture are proposed by experts, such as Robbins (2007). He states that organizational culture is a system of the same perspective believed by its members which distinguishes one organization from others. According to Robbins (2007), strong culture has stronger impact on the values within the organization because organizational culture has internal climate. Besides, with the high intensity, it can construct behavior within the organization which can affect someone's creativity. On the other hand, the power distance is a degree which members of a society agree that the power in an institution or organization does not distributed equally. As a result, it affects behavior of society members who have less in power and those who have power. In this case, those who have great power distance accept the hierarchy in which every person owns a position which does not necessarily need justification anymore. On the other side, those who have little power distance in society eager on equality and demand for justification for the different power.

Theory of competence is universal to increase the achievement of organization goals. Mangkunegara (2007) states that human resource competence is the most important thing to be considered to be able to achieve the organization goals. This theoretical basis is used as a framework of systematic knowledge including any rules, principles, and concepts which tend to be true in every managerial condition in analyzing human resource competence.

Moreover, Follet (2004) states that human resource competence is a developing model of human potential quality. It means that to achieve the individual or organizational goals, human resources should always do their duties based on beneficial value and advantage of activities they do. Then, from this statement, Follet theory about potential competence of human resources was born. In addition, theory proposed by Donald (2007) states that basically, the self-development access is basically an introduction of human resource competence which introduces Window Theory stating that each self-development owned by human can be observed through four perspectives which is like a window i.e. knowledge, skills, experience, and attitude.

Robbins (2007) identifies that motivation is as a process which also defines the intensity, direction and individual persistence to achieve a target. Intensity relates to how much effort someone does. High intensity may not produce expected performance if it is not directed to the way which can benefit the organization. The way which is directed to the target and consistent to the target of the organization is the one which should be concerned because it will be long last. Therefore, the motivated employees can stay working for a long time to achieve the target. Besides, Rivai et al. (2008) state that motivation is a series of attitude and values which affect each individual to achieve specific thing based on his or her

goals. The attitude and values are invisible things which empower individual to behave in achieving the goals.

In terms of job satisfaction, according to Wexley and Yulk (1977), it is the way employee feels about his or her job. Besides, Blum and Naylor (1988) also state that job satisfaction is a general attitude which is the result of particular attitudes towards a job, adaptation, and individual social relationship outside the work. Job satisfaction is an emotional situation whether it is pleasant or not in which each employee thinks about their job. In other words, job satisfaction reflects pleasure feeling about the job which can be seen through the positive attitude of employees and in everything faced in the surroundings.

Dessler (2005) states that performance is work achievement which is a comparison between the real result of the work and work standard set. Besides, according to Gibson et al. (2003), job performance is the result of the work relating to the organization goals, efficiency and the effectiveness of other performances. Moreover, Ilyas (1999) says that performance is the appearance of the result of personnel's work in an organization. The performance of the masterpiece is not only limited to those who have functional and structural position, but it is also for all personnel in the organization.

In this case, Bermadin and Ruseel (1993) states that there are six criteria to measure employee's performance individually: (1) Quality is the result of the works which is done by employee's best effort so that the result is nearly perfect or near to the goals expected; (2) Quantity is the number of the result or the number of accomplished works done by an employee; (3) Timeliness is the time spent by an employee to accomplish every job given to his or her based on the target which has been set; (4) Cost effectiveness is how far an employee can use organization resources (human, technology, finance, and materials) optimally so that maximum result is obtained; (5) Need for supervision is how well an employee can do the works without being supervised by his or her leader and without being dependent on other people; (6) Interpersonal Impact is how far an employee can keep his or her self-regard, reputation, and group work among colleagues.

### CONCEPTUAL FRAMEWORK

The framework about the effect of organizational culture, competence, and motivation towards the employee's satisfaction and performance can be depicted in Figure 1.

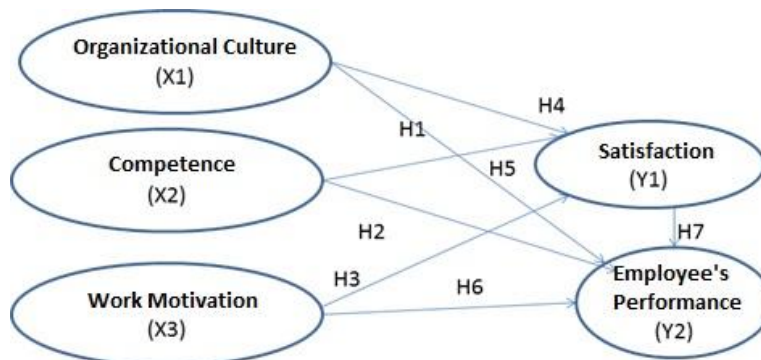


Figure 1 – Research framework

### METHODS OF RESEARCH

The population of this study is all local government employees of Parepare involving 34 Regional Work Unites having 2.419 employees. The samples are 343 employees which were chosen using Multi stage stratified Random Sampling and Solvin's formula (1960). Through the method, it can be seen that this research is an evaluation on the implementation of organizational culture concepts, competence and motivation in relation to the employee's satisfaction and performance. Moreover, from its level of explanation, two approaches are used i.e. descriptive and explanatory. From the kind of data and its analysis, it uses

quantitative, qualitative, and the combination of the three. The research instrument test is administered using validity and reliability test. In addition, the technique of data analysis uses descriptive statistics analysis, structural model test using SEM and AMOS 20. Then, the hypothesis test uses t-test and comparing critical ratio (c.r).

### RESULTS AND DISCUSSION

The data analysis of the last stage of SEM model is done using goodness of fit test and statistic test. The result of the data analysis for the last stage of SEM model analysis is depicted in Figure 2.

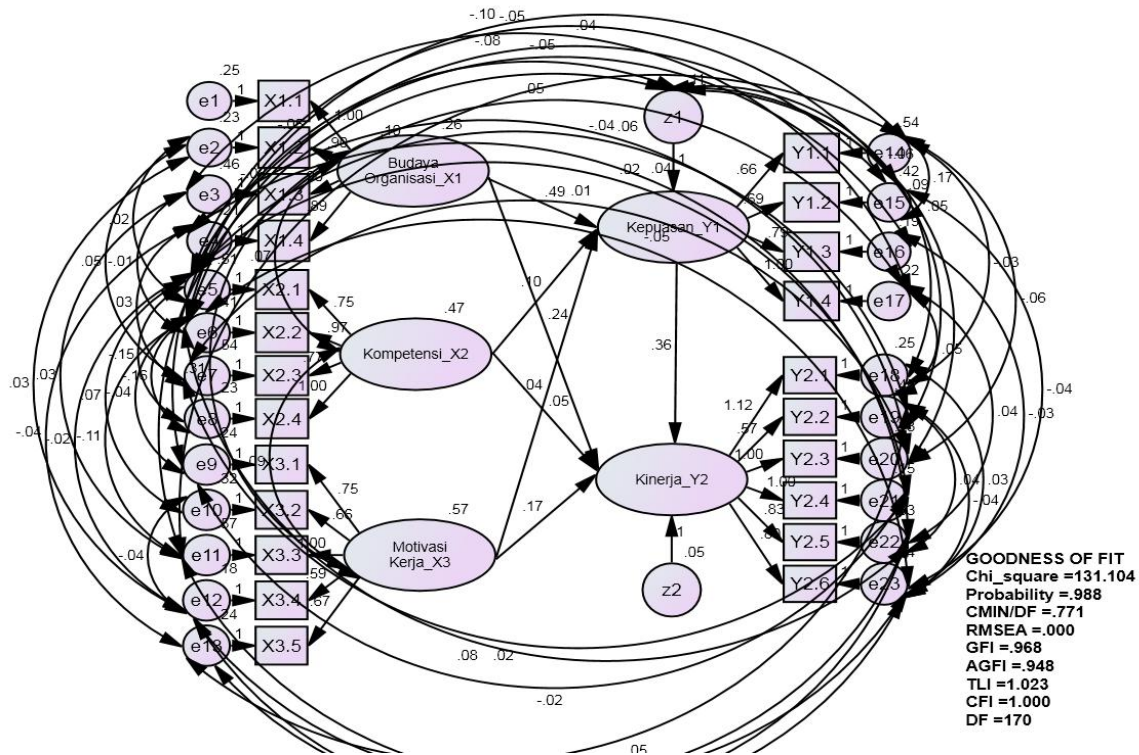


Figure 2 – The result of the second stage test of causal relationship model between organizational culture, competence and motivation variable towards job satisfaction and employee’s performance

The test of SEM model is administered to see the goodness of fit of the model. The result can be seen in Table 1.

Table 1 – The computation criteria of Goodness of Fit Indices (GFI) of complete model

Goodness of fit index	Cut-off Value	Result of the Model*	Description
Chi_Square	Expected having low value	131.104 (0.05:170=201.423)	Good
Probability	≥ 0.05	0.988	Good
CMIN/DF	≤ 2.00	0.771	Good
RMSEA	≤ 0.08	0.000	Good
GFI	≥ 0.90	0.968	Good
AGFI	≥ 0.90	0.948	Good
TLI	≥ 0.94	1.023	Good
CFI	≥ 0.94	1.000	Good

Based on the analysis, the value of Chi-Square is 201.423 with df=170 and the probability is .988. The result of Chi-Square shows that the null hypothesis stating that the model and the empirical data obtained is the same meaning that the model is fit. The hypothesis test in this research model uses t-test and the comparison of the value of critical ratio (t calculation) with 5% of level of alpha significance ( $\alpha$  .05).

Table 2 – The result of hypothesis testing

Hypothesis	Independent Variable	Intervening Variable	Dependent Variable	P-value	CR	Direct	Indirect	Total	Description
1	Organizational culture (X1)	-	Satisfaction (Y1)	0.000	3.491	0.552	-	0.552	Significant
2	Competence (X2)	-	Satisfaction (Y1)	0.017	2.398	0.157	-	0.157	Significant
3	Work Motivation (X3)	-	Satisfaction (Y1)	0.632	0.478	0.072	-	0.072	Significant
4	Organizational culture (X1)	Satisfaction (Y1)	Employees' Performance (Y2)	0.031	2.161	0.281	0.210	0.491	Significant
5	Competence (X2)	Satisfaction (Y1)	Employees' Performance (Y2)	0.130	1.516	0.073	0.060	0.133	Significant
6	Work Motivation (X3)	Satisfaction (Y1)	Employees' Performance (Y2)	0.005	2.822	0.304	0.027	0.331	Significant
7	Satisfaction (Y1)	-	Employees' Performance (Y2)	0.000	4.408	0.380	-	0.380	Significant

*The Effect of Organizational Culture towards Job Satisfaction.* The result of complete model SEM test shows that organizational culture gives significant effect towards employee's job satisfaction. The value of critical ratio (c.r) obtained is 3.491 which is greater than 1.96. Moreover, the value of probability (P-value) is .000 which is lower than  $\alpha$  .05 as it is set. It means that the organizational culture have direct relationship with employee's job satisfaction. Therefore, it indicates that the better organizational culture is the higher job satisfaction of the local government employees of Parepare is.

Regarding to the result, in running organization activities, the government of Parepare should always be based on the role of culture to be able to increase employee's job satisfaction. The organizational culture implemented is as a habit actualization having value and norm to be obeyed by every organization member, especially the employees within it. The implementation of organizational culture cannot be separated from innovation value in doing and accomplishing tasks and responsibility, paying much attention to any details, doing team-oriented work, and being aggressive in doing organization activities to reach its goals.

The result of this study supports the satisfaction integration theory by DeShields et. al., (2005) stating that organizational culture is the fundamental value integration and philosophy in realizing job satisfaction of each member of the organization. It means that philosophically, every activity or action done has complete relationship and inseparable based on the values believed by organization founders to realize job satisfaction.

*The Effect of Competence towards Job Satisfaction.* The result of SEM model test shows that competence with knowledge, skills, experience, and behavior indicator has significant and positive effect towards job satisfaction. It can be seen through the value of critical ratio showing  $2.398 > 1.96$  and the probability value is  $.017 < .05$  as it is set. It means that competence and job satisfaction has positive and significant causal relationship. Therefore, the better competence owned by employees the higher job satisfaction they get.

The empirical evidence relating to competence and job satisfaction show that the consistency result of this study can be found in Brocklesby (1995) and Boutler (1999) stating that competence contributes to the affectivity of good work and gives someone's job satisfaction.

*The Effect of Motivation towards Employee's Job satisfaction.* The discussion of the effect of motivation towards employee's job satisfaction using complete SEM model test result shows that work motivation does not significantly give positive effect towards employee's job satisfaction. The value of critical ratio (c.r.) is .478 which is lower than 1.96 and the probability value (P-value) is .632 which is greater than  $\alpha$  .05 as it is set. In other words, work motivation does not have direct relationship to employee's job satisfaction.

Therefore, it indicates that the work motivation of government employees of Parepare will not directly increase employee's job satisfaction.

Regarding to the result, the employees as human being, in working, need an opportunity to increase career, recognition, rewarding, work responsibility, and better opportunity for self-development because every employee, in facing their work dynamic, needs motivation to fulfill job satisfaction. The motivation needed cannot be separated from the need fulfillment of self-actualization and rewarding and better career. However, those types of motivation cannot be obtained by every employee in an organization.

*The Effect of Organizational Culture towards Employee's Performance.* The discussion of the effect of organizational culture towards employee's performance using complete SEM model test result shows that organizational culture significantly gives positive effect to employee's performance. The value of critical ratio (c.r.) is 2.161 which is higher than 1.96 and the probability value (P-value) is .031 which is lower than  $\alpha$  .05 as it is set. In other words, organizational culture has direct relationship with employee's performance. Therefore, it indicates that the better the organizational culture in the environment of government employees of Parepare is the higher employee's performance will be.

Regarding to the result, the organizational culture for Parepare Government is required to develop essential values for every employee in facing their work dynamic. Thus, every employee is required to have a sense of innovation on working, to pay attention to every detail, to work in team-oriented not individual-oriented, and eager on working so that the employees can increase their performance. Through the strong organizational culture, it will give positive and significant effect on increasing performance.

This study of the effect of organizational culture towards employee's performance supports the previous research conducted by Gani (2006), Uddin et al (2012), stating that organizational culture significantly gives positive effect to the performance.

*The Effect of Competence towards Employee's Performance.* The effect of competence towards employee's performance can be seen in the fifth hypothesis (H5) of this study stating that competence affects the performance of government employees of Parepare. Based on the result of SEM analysis after the test was administered, it is found that competence does not significantly affect employee's performance, whether it is directly or indirectly through the intervening variable of job satisfaction. The critical ration (c.r) shows that the value is 1.516 which is lower than 1.96, and the probability value (P-value) is .130 which is higher than  $\alpha$  .05 as it is set. In other words, employee's competence does not directly affect employee's performance. Therefore, it shows that good competence owned by the employees will not directly affect the increasing performance of government employees of Parepare.

*The Effect of Motivation towards Employee's Performance.* Regarding to the result of Structural Equation Modeling (SEM) analysis, work motivation, with career opportunity, recognition, awarding, work responsibility, and opportunity for self-development indicator, significantly gives positive effect on employee's performance. The critical ratio (c.r) is 2.822 which is higher than 1.96 and the probability value (P-value) is .005 which is lower than .05 as it is set. In other words, work motivation has positive and significant causal relationship with the performance. Therefore, the higher work motivation of the government employees of Parepare is the higher employee's performance is.

Regarding to the theory proposed by Hasibuan (1997), employee's work motivation has some goals: to encourage work passion and spirit of the employee, to increase moral and job satisfaction of the employee, to increase employee's productivity, to maintain loyalty and stability of the organization, to create situation and good work relationship, to increase creativity and participation of the employee, to increase responsibility of the employee, and to increase the efficiency of the use of devices and materials.

*The Effect of Job Satisfaction towards Employee's Performance.* The discussion of the effect of job satisfaction towards employee's performance using the result of complete SEM model test shows that job satisfaction gives positive and significant effect to employee's performance. The critical ratio is 4.408 which is higher than 1.96 and the probability value (P-value) is .000 which is lower than .05 as it is set. In other words, job satisfaction of the

employees has positive and significant causal relationship. Positively, the effect of job satisfaction variable towards employee's performance is very affected by four dimensions forming it: salary, work situation, colleagues support, and challenging work.

The study about the effect of job satisfaction towards employee's performance supports the previous study conducted by Ali (2002), Sajib & Thomas (2006), Mutisari Devi (2007) and Nisbat Ali & Muhammad Zia-ur-Rehman (2014) stating that job satisfaction affects employee's performance positively and significantly.

## CONCLUSION

Organizational culture affects employee's job satisfaction positively and significantly. The positive effect affects the employee's satisfaction. Therefore, the better organizational culture is the higher level of job satisfaction of government employees of Parepare is.

Competence affects employee's job satisfaction positively and significantly. The positive effect affects employee's satisfaction. Therefore, the better competence owned by the employee is the higher job satisfaction of government employees of Parepare is.

Motivation does not significantly affect satisfaction. As a result, it affects the job satisfaction. Therefore, high employee's motivation will not directly affect the increase of job satisfaction.

Organizational culture affects employee's performance positively and significantly, whether it directly or indirectly affects through the intervening variable of job satisfaction. The positive effect affects the employee's performance. Therefore, the better organizational culture is the higher performance of government employees of Parepare is.

Competence does not significantly affect employee's performance, whether it affects directly or indirectly through the intervening variable of job satisfaction. The effect which is not significant affects the employee's performance. Therefore, the high competence of the employee will not directly affect the performance of the government employees of Parepare.

Motivation significantly gives positive effect on employee's performance, whether it affects directly or indirectly through the intervening variable of job satisfaction. The positive effect affects the performance of the employee's performance. Therefore, the higher motivation of the employee is the higher performance of the government employees of Parepare is.

Job satisfaction significantly gives positive effect on employee's performance. This positive effect affects the employee's performance. Therefore, the higher employee's level of satisfaction is the higher performance of government employees of Parepare is.

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