

THE INFLUENCE OF WORK CULTURE ON JOB SATISFACTION AND ITS IMPACT ON EMPLOYEE PERFORMANCE OF CONSTRUCTION SERVICES COMPANIES IN BANDUNG

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Abstract

Based on research entitled The Influence of Work Culture on Job Satisfaction and Its Impact on Employee Performance of Construction Services Companies in Bandung, the research method used is a quantitative method using the help of Smart PLS 3.0 which was collected from the results of distributing questionnaires to Employees of Construction Services Companies in Bandung City as 368 respondents. The analytical method used in this research is to use instrument tests, namely validity and reliability tests. Measurement model (outer model), namely validity test, reliability test, then structural model (inner model) including: coefficient of determination/r-square (r^2), goodness of fit model and hypothesis testing with t-statistic test and indirect influence test). The results of Smart PLS 3.0 in this research are: work culture influences job satisfaction, work culture influences employee performance, job satisfaction influences employee performance, job satisfaction can mediate the relationship between work culture and employee performance.

Keywords: Work Culture, Job Satisfaction, Employee Performance.

INTRODUCTION

In the era of globalization and increasingly fierce business competition, construction service companies in Bandung City, like in many other big cities, are under pressure to maintain and improve service quality and achieve competitive advantage. One of the most important assets in achieving this goal is the performance of the company's employees. Employee performance is at the core of the success of a construction services company because the quality of work produced is very dependent on employee skills, motivation and productivity. It is in this context that the concept of "work culture" emerges as an important factor that can influence employee performance. Work culture includes the dominant values, beliefs, norms and behaviors within an organization.

A positive work culture can encourage employees to work enthusiastically, carry out their duties well, and achieve a high level of job satisfaction. Conversely, a work culture that is negative or not in line with company goals can have the opposite effect, namely reducing employee performance and affecting their satisfaction with their work. Job satisfaction is an important factor in the context of employee performance. Job satisfaction refers to the positive feelings or happiness felt by employees towards their work. Employees who are satisfied with their jobs tend to be more motivated and high performing. They are more likely to stay with the company and contribute more effectively to company goals. Therefore, this research aims to investigate the influence of work culture on the job satisfaction of employees of construction service companies in Bandung City, as well as how this job satisfaction impacts employee performance. This study is expected to

provide deeper insight into the relationship between work culture, job satisfaction and employee performance in the context of the construction industry in the city of Bandung.

LITERATURE REVIEW

Human Resource Management

As stated by (Hasibuan, 2020), human resource management is the systematic process of overseeing and harnessing the assets possessed by individuals, namely employees, within the framework of their work. The primary objective of human resource management is to attain both organizational objectives and the personal growth and advancement of employees by making the most effective use of these resources. (Mangkunegara, 2017) further expounds on the concept by delineating human resource management as a comprehensive undertaking encompassing a range of activities such as planning, organization, coordination, execution, and supervision. These activities are all interconnected and pertain to the acquisition, development, remuneration, integration, and separation of the workforce, all with the ultimate aim of realizing the goals set by the organization.

Performance

Performance holds a significant role within an organization, particularly employee performance, which plays a pivotal role in steering the company towards the attainment of its envisioned objectives. According to (Stephen, 2015), performance embodies the ultimate outcome of an undertaking. This interpretation underscores that performance represents the culmination of an activity. (Smith, 2014) articulates that "performance is the output resulting from processes, which are human in nature," elucidating that performance materializes as a consequence of processes executed by individuals. Meanwhile, (Wibowo, 2014) advances the notion that performance encompasses both actions and the outcomes of those actions, originating from the performer. This conceptualization transforms performance from an abstract concept into a tangible manifestation of actions, signifying that it is not merely a means to an end, but that behavior and its results are inherently interconnected. Performance emanates from both the cognitive and physical efforts exerted in carrying out tasks and can be assessed based on the outcomes achieved.

Job Satisfaction

In accordance with (Afandi., 2016), job satisfaction can be defined as a positive disposition exhibited by employees, encompassing their emotional sentiments and behaviors towards their work. It is the result of an assessment made by an individual regarding their work, where they perceive a sense of appreciation for the intrinsic value of the tasks they perform. Job satisfaction is essentially a reflection of how an employee views their work as being a significant and fulfilling component of their life. On a similar note, (Dadang., 2013), portrays job satisfaction as an emotional state experienced by individuals concerning their work. It encapsulates the spectrum of emotions that individuals may undergo, ranging from contentment to discontentment, in response to

their job. In essence, job satisfaction mirrors an individual's emotional connection and sentiments related to their work, highlighting the psychological dimension of their employment experience. Furthermore, as elucidated by (Nuraini, 2013), job satisfaction extends beyond just emotional states and includes the aspects of work that contribute to this satisfaction. It encompasses elements such as receiving recognition, the outcomes of one's efforts, job placement, the way one is treated, the tools and resources provided, and the overall work environment. When employees find themselves experiencing job satisfaction, they tend to place a premium on their work experience, valuing it even more than mere financial compensation, despite the undeniable importance of monetary remuneration. In this view, job satisfaction is associated with a holistic sense of well-being derived from both the intrinsic and extrinsic aspects of one's work environment.

Work Culture

Work culture is a combination of values, associations, beliefs, communication and simplification of behavior whose guidelines are given to the community (Sutrisno, 2017). (Riani, 2013) revealed that work culture is generally a necessity which binds employees because it is formally contained in the rules or regulations within an organization. Therefore, work culture can influence employees' attitudes and ways of behaving. According to (Suparyadi, 2015) work culture is a way of thinking that is based on a way of viewing life as values, habits and incentives that are cultivated in a group and are manifested in attitudes into behavior, ideals, opinions and views at work.

METHOD

The research methodology used in this research is quantitative research. Quantitative research is characterized by a systematic and well-structured approach from the initial design of the research to its implementation. It follows a planned process for collecting and analyzing data. As explained by (Sugiyono, 2015)(Sugiyono, 2015), quantitative research is in line with positivist philosophy and is used to investigate certain populations or samples. It involves using research instruments for data collection and using quantitative and statistical methods to analyze data, especially for the purpose of testing pre-established hypotheses. In this research, the population of construction service companies in the city of Bandung was 220 companies in the form of limited liability companies as recorded in BPS data with a total of 9,248 employees. So the number of samples in this study was 368 people based on the Krejcie and Morgan table with a sampling technique, proportionate cluster sampling so that each company had a different sample based on the number of employees in each company. To collect data for this research, researchers used a questionnaire. A questionnaire is a data collection method that involves presenting a series of questions or written statements to respondents for them to respond to. In assessing the variables examined, each response gets a score using an ordinal scale which is usually called a Likert scale.

RESULTS

Based on the results of data processing carried out by researchers, the following results were obtained:

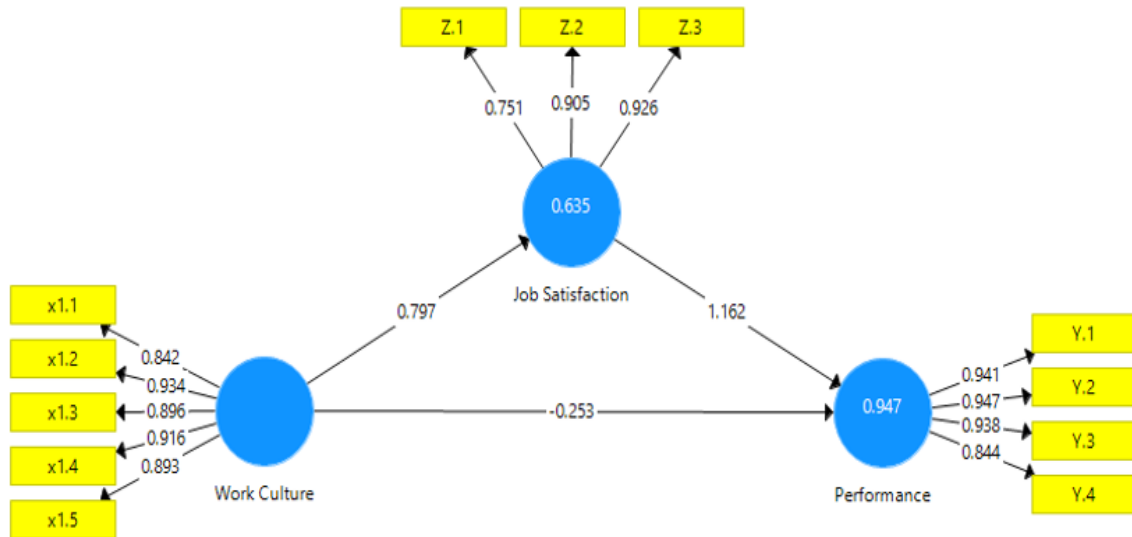


Figure 1: Outer Model

In Figure 1 it shows that the results of the outer model used in this study are validity tests, reliability tests show results that are feasible for further research where the validity test obtains a value of more than 0.7 in each variable statement and the reliability test obtains a greater Cronbach's Alpha value. Of 0.6 so that the model used in this research is suitable for use. Next, evaluate the structural model (inner model) which can show the following research results:

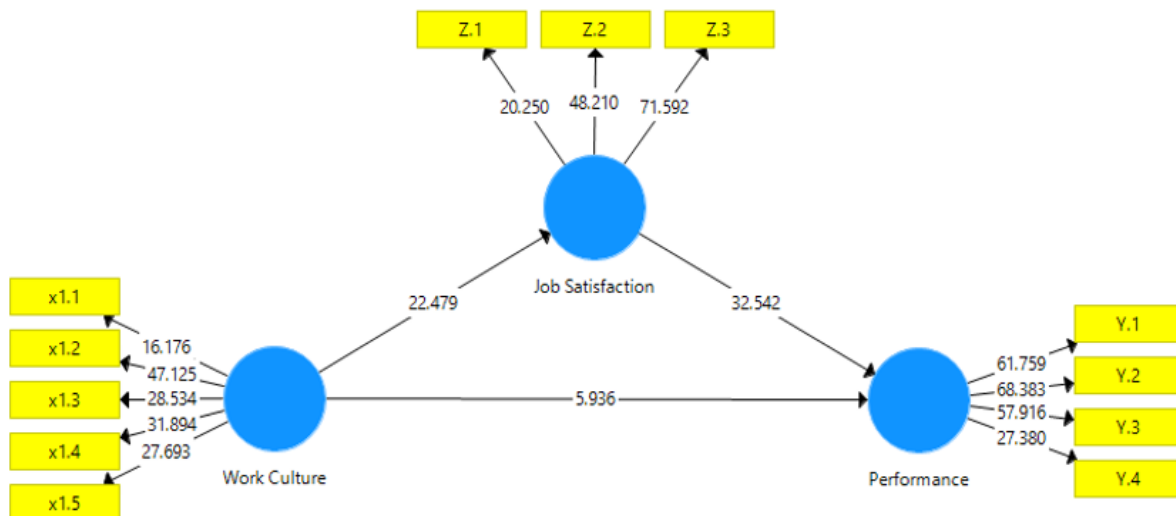


Figure 2: Inner Model

	Original Sampl...	Sample Mean (...)	Standard Devia...	T Statistics (O/...	P Values
Job Satisfaction -> Performance	1.162	1.159	0.036	32.542	0.000
Work Culture -> Job Satisfaction	0.797	0.801	0.035	22.479	0.000
Work Culture -> Performance	-0.253	-0.247	0.043	5.936	0.000

Figure 3: Path Coefficient

Specific Indirect Effects

	Original Sampl...	Sample Mean (...)	Standard Devia...	T Statistics (O/...	P Values
Work Culture -> Job Satisfaction -> Performance	0.926	0.929	0.054	17.109	0.000

Figure 4: Specific Indirect Effects

With t-statistic criteria ≥ 1.96 and sig value. \leq Significance level ($\alpha = 5\%$) then the hypothesis can be declared accepted. Figures 2 to 4 show that work culture influences job satisfaction, work culture influences employee performance, job satisfaction influences employee performance, job satisfaction can mediate the relationship between work culture and employee performance.

DISCUSSION

Work Culture Influences Job Satisfaction in Construction Services Companies in Bandung City:

The work culture that exists in an organization can have a significant impact on the level of employee job satisfaction. When a company has a positive work culture, where the norms, values, and behaviors supported by the organization are in line with employee needs and expectations, this can create an environment that spurs job satisfaction. Employees feel recognized, supported, and have the opportunity to thrive in this environment. On the other hand, a work culture that is negative or not in line with employee values can cause dissatisfaction.

Work Culture Influences the Performance of Construction Services Company Employees in Bandung City:

Work culture not only influences job satisfaction, but also employee performance. A work culture that motivates, supports and encourages employees to achieve their best results can directly improve performance. Employees who feel involved in a positive work culture will be more motivated to make maximum contributions. On the other hand, a work culture that does not support or even hinders employee performance can cause a decrease in productivity and effectiveness.

Job Satisfaction Influences the Performance of Construction Service Company Employees in Bandung City:

Job satisfaction and employee performance are closely related. Employees who are satisfied with their work tend to be more motivated to do a good job. A high level of satisfaction can create a positive attitude that influences productivity, work quality and employee engagement levels. In the context of construction service companies in Bandung City, superior performance is something that is highly expected to achieve quality work results and win tenders.

Job Satisfaction Can Mediate the Relationship between Work Culture and the Performance of Construction Services Company Employees in Bandung City:

Mediation involves a mechanism in which a middle variable explains part of the relationship between two other variables. In this case, job satisfaction can act as a link between work culture and employee performance. When work culture creates job satisfaction, job satisfaction then motivates employees to achieve better performance. It illustrates how a positive work culture influences employee performance through increased job satisfaction. Thus, job satisfaction can be considered as a mediator factor in the relationship between work culture and employee performance in construction services companies in Bandung City.

CONCLUSION

Test results to The Influence of Work Culture on Job Satisfaction and Its Impact on Employee Performance of Construction Services Companies in Bandung using the following path analysis results:

- 1) Work culture influences job satisfaction in Construction Services Companies in Bandung City,
- 2) Work culture influences the performance of employees of Construction Services Companies in Bandung City,
- 3) Job satisfaction influences the performance of employees of Construction Services Companies in Bandung City
- 4) Job satisfaction can mediate the relationship between work culture and the performance of employees of Construction Services Companies in Bandung City

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