

The Influence of Individual Characteristic and Organization Climate on Job Satisfaction and Its Impact on Employee Performance

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Abstract

The purpose of this study is to identify and analyse the influence of the individual characteristics and organization climate on job satisfaction and its impact on employee performance of PT. PLN (Persero) Region-S2JB Branch Lahat. This study takes 107 people as a sampling that conducted by census. Data analysis was performed with the Structural Equation Model (SEM) using Lisrel software. There are positives and significant effect in partially and simultaneously of individual characteristics variable and organization climate on job satisfaction and its impact on employee performance. Individual characteristics have dominant influence on job satisfaction and its impact to employee performance. The implications of managerial suggests, to increase employee performance is with increase in individual characteristics, organizational climate, and job satisfaction of employee. Individual characteristics can be enhanced by providing interpersonal skill training and placement employee according their skills. Besides, organizational climate can be increased with repairing work tools. Finally, to increase job satisfaction, training leadership for chairman can be provided.

Keywords: Individual characteristics; organization climate; job satisfaction; and employee performance

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1.0 INTRODUCTION

Human Resources (HR) is an important factor in any organizations. Competent and qualified HR are needed to increase productivity and activity in achieving maximum objectives. As the determinant of success of the company, HR has a different individual characteristic from each other. The individual characteristics are specific characteristics, psychological characteristics, morals or manners of a person that distinguishes it from others (Ronald, Cichy & Kim 2009). In addition to individual characteristics, organizational climate is also an important factor in the company. Organizational climate is the internal environment or psychological organization that includes the work environment, relationships with employers and co-workers within the organization (Percin 2010). Characteristics of a good individual and conducive organizational climate make employees more open to improve and develop themselves (learn new things) thereby increasing the satisfaction in working. High levels of job satisfaction will affect employees in completing their work at a maximum level. Thus, this increases their job performance and ultimately achieving the company's objectives effectively. According Hasibuan (2001: 94) "job performance is a result of work achieved in executing the tasks given to one based on the skills, experience, dedication, and time."

2.0 THEORETICAL FOUNDATION OF THE STUDY

The individual characteristic is the specific features, psychological traits, morals or manners of a person that distinguishes one from others (Hwang 2014; Wood 2009). Individual Characteristic's indicators encompasses of human ability, values, attitudes and interests. Robbins (2008: 57) states that "the ability is the capacity of an individual to perform a variety of tasks in a job." In other words, the ability is a function of knowledge and skills. Value is a collection of feelings and mindset about something based on ethical, moral and a character. Value can be used as a way of organizing a number of attitudes. The values are also important to understand the behavior of an effective manager. Attitude refers to evaluative statements whether favorable or unfavorable-concerning objects, people, or events. In this research, it will be focused on how one feels on the job, working groups, supervisors and organization. Interest is the attitude that makes people happy to an object of a situation or particular idea (Arabaci 2010; Kumar & Giri 2007; Onikoyi & Awolusi 2015)). This is followed by feelings of pleasure and inclination to find objects that endeared it.

2.1 Organizational Climate

The climate of the organization as a collection and the environment can trigger motivation and focuses on perceptions that make sense or can be assessed until having a direct influence on the achievement of the organization's members (Sagie 2002). Three dimensions of organizational climate are psychological dimension includes variables like workload, lack of autonomy, lack of fulfillment of their own (self-fulfillment clerishif), and lack of innovation. From the structural dimension, physical variables and the level of compatibility between job requirements and the existing physical structure are vital elements. This means that the work environment in the vicinity of workers

that affects the implementation of the work assigned to an individual either directly or indirectly. Social dimension includes aspects of interaction with clients (in terms of quantity and characteristics of the problem), peers (the level of support and cooperation), and supervisors (support and benefits). Finally, bureaucratic dimension includes laws and regulations of the organization (Onikoyi & Awolusi 2014).

2.2 Job Satisfaction

According to Robbins (2008: 99) "Job satisfaction is a positive feeling about one's work based on the result of an evaluation of one's characteristics." According to Mangkunga (2007: 117) "Job satisfaction is a feeling of support / not support to oneself associated with work and with her condition. Job Satisfaction indicators include interpersonal relationships, the jobs, and the responsibility. The perceived degree of conformity in their interaction with other workers would determine satisfaction. Job satisfaction will increase if the leader is friendly, give praise to the good performance, listen to the opinions of employees, etc (Fisher 2005; James & Jones 1974; Awolusi 2012). The working environment that is comfortable for all parts of the company. Indicators of job performance are as follows:

- i. Quality of work: The quality of the work which is based on established standards. Usually measured by accuracy, thoroughness, skills and success at work.
- ii. Quantity of work: The amount of works according to the time available. It is not the results of routine but how fast work can be completed.
- iii. Punctuality: Punctuality is related to the appropriateness of time to finish the job with a pre-set time. Standard setting time is usually based on previous experience.

Framework of thinking is a conceptual model of how theory relates to several factors that have been identified as an important issue." The thinking framework is the thinking based on synthesized rationale of facts, observations and literature. Theoretical framework was based on the results of the literature review and some previous research journals, variables associated with satisfaction and job performance is affected by the independent variable; individual characteristics and organizational climate. The framework of this study can be described as follows:

3.0 CONCEPTUAL FRAMEWORK

The conceptual framework in (Figure 1) of the present study was developed to measure the relationship between the individual characteristic and job satisfaction; as well as to examine the link between organizational climate and job performances.

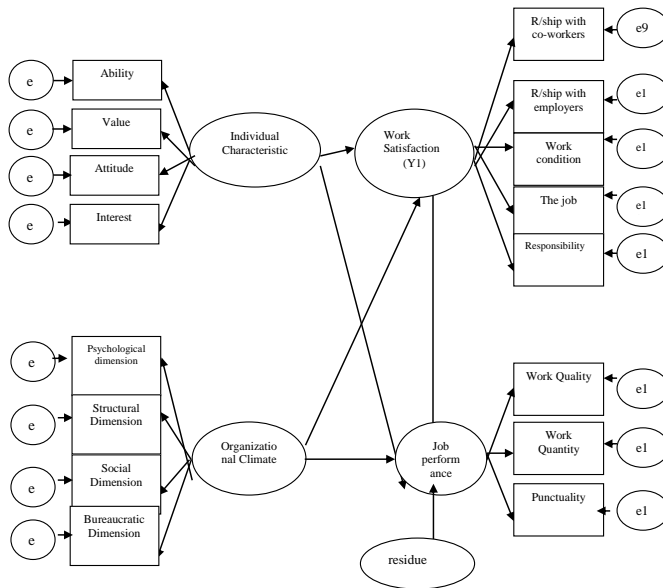


Figure 1 Conceptual Framework of the Present Study

■4.0 METHODOLOGY

4.1 Research Objectives

This study aimed to identify the influence of individual characteristics and organization climate towards work satisfaction and its implications on employee performance. It is also aimed to identify the influence of individual characteristics' variables and organizational climate simultaneously to job satisfaction and its implications on employee performance. In addition, this study will investigated the dominant influence of job satisfaction and its implications on employee performance.

4.2 Research Design

This study examined the relationship between individual characteristics and organizational climate towards job satisfaction as well as its implications on employee performance. The location of this study is PT. PLN (Persero) Regional Branch-S2JB Lahat Indonesia. There were two types of data that were used in this study, namely quantitative data and qualitative data. Data in this study was obtained directly from questionnaires filled by employers and employees of PT PLN (Persero) Regional Branch-S2JB Lahat.

4.3 Research Instrument and Participants

The population in this study was the employees of PT PLN-S2JB Regional Branch Lahat of 107 employees. In this study, the researcher used all of the population as respondents (sample) or known as census method. This was because of limited respondent in the population. Detailed about questionnaires:

Table 1 Questionnaire Structure

| Variable | Dimension | Indicator | Scale | Questionnaires |
|--|---------------------------------|--|---------|----------------|
| Individual Characteristics (X ₁) Individual characteristics are the ability, values, attitudes, and interests that are different from one person to another | X1 Ability | 1. Understanding the tasks 2. Solving all the Jobs | | 1-2 |
| | X2 Value | 1. Honest in working 2. Responsible in working | Ordinal | 3-4 |
| | X3 Attitude | 1. Friendly with everybody 2. Positive when given tasks | | 5-6 |
| | X4 Interest | Interest towards the task and the job | | 7-8 |
| Organizational Climate (X ₂) The quality of the organization's internal environment relatively continues, sustained by the members of the organization, influencing their behavior. | X5 Psychological Dimension | 1. Job suitable with descriptions 2. Freedom | | 9-10 |
| | X6 Structural Dimension | 1. Work condition 2. Availability of working equipments | Ordinal | 11 |
| | X7 Social Dimension | 1. Relationship with employers 2. Relationship with co-workers | | 12-13 |
| | X8 Beureucratic Dimension | Working rules in organization | | 14 |
| Job Satisfaction (X ₃) A feeling of support / not support of employees dealing with work and with condition | Y1 Relationship with co-workers | 1. Communication with co-workers 2. Co-workers attention | | 15-16 |
| | Y2 Relationship with employers | Good relationship between employers and employees | | 117-18 |
| | Y3 Work condition | Good working environment | Ordinal | 19-20 |
| | Y4 The job | Tasks' difficulties | | 21-22 |
| | Y5 Responsibility | 1. Completing the task until the end 2. Obeying the rules | | 23-24 |
| | Y6 Work quality | 1. Results according standards 2. Good result without complaint | | 25-26 |
| Job performance (Z) Results of the work achieved by an individual, in carrying out the work that has been given to him. | Y7 Work quality | 1. Completeness of the work 2. Results according targets | Ordinal | 27-28 |
| | Y8 Time discipline | 1. Punctuality in completing the tasks. 2. Punctual | | 29-30 |

4.4 Data Analysis

Validity Test was performed on 30 samples. Validity of each item was tested using item analysis, which correlates to score each item with the total score, which is the sum of each score point. Usually the minimum requirements validity of a questionnaire is if value of r is 0.3 minimal. Reliability Test was carried out using Cronbach's alpha statistic. The instrument is reliable as the value obtained was $\alpha > 0.60$. The actual data was analysed using the Structural Equation Modelling (SEM). According to Grace & Pugesek (in Ferdinand, 2005: 54):

"Method of Structural Equation Modelling (SEM) is a multivariant techniques, which can be used to describe the simultaneous linear relationship of variables observation, involving latent variable that cannot be measured directly. SEM is a powerful approach for analyzing complex multivariant relations". There were two types of analysis used in this study: (a) the confirmatory factor analysis on the SEM, which was used to confirm the variable between individual characteristics, organizational climate and job satisfaction, is the most important variable to variable performance; and (b) Regression Weight of SEM, which was used to examine the extent to which variables individual characteristics, organizational climate and job satisfaction variables affecting job performance (Awang 2014).

5.0 RESULTS AND DISCUSSION

5.1 Validity Test for Individual Characteristics Variables

In order to test the validity, 30 respondents was randomly selected. According to Giri (2008: 3): "The validity test performed by correlating each item score and total score." Analysis can be done by reading the corrected item- total correlation (CITC). If the coefficient of CITC ≥ 0.3 , then it will be a valid research instrument, while for the CITC below 0.3, it should be retested using the basic concepts of decision-making, the count $r > r$ table.

Table 2 Validity test of individual characteristics variables

| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Cronbach's Alpha if Item Deleted |
|----|----------------------------|--------------------------------|----------------------------------|----------------------------------|
| X1 | 121.33 | 96.732 | 0.532 | 0.956 |
| X2 | 120.70 | 94.532 | 0.660 | 0.955 |
| X3 | 121.69 | 92.725 | 0.766 | 0.954 |
| X4 | 120.81 | 94.248 | 0.560 | 0.956 |
| X5 | 121.71 | 94.057 | 0.711 | 0.954 |
| X6 | 121.93 | 93.665 | 0.863 | 0.954 |
| X7 | 121.79 | 94.736 | 0.650 | 0.955 |
| X8 | 121.08 | 97.059 | 0.652 | 0.955 |

Table 2 shows that the test of the validity Corrected Item-Total Correlation > 0.3 in all the questions (items) on the characteristics of individual variable is valid, so the resulting data can be analyzed further.

5.2 Validity Test for Organizational Climate Variable

Table 3 Validity test for organizational climate variable

| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Cronbach's Alpha if Item Deleted |
|-----|----------------------------|--------------------------------|----------------------------------|----------------------------------|
| X9 | 120.89 | 93.044 | 0.891 | 0.953 |
| X10 | 120.92 | 93.927 | 0.662 | 0.955 |
| X11 | 121.32 | 98.162 | 0.418 | 0.957 |
| X12 | 121.07 | 94.024 | 0.789 | 0.954 |
| X13 | 121.07 | 95.183 | 0.667 | 0.955 |
| X14 | 121.20 | 96.329 | 0.412 | 0.957 |

5.3 Validity Test for Job Satisfaction Variable

Table 4 Validity test for job satisfaction variable

| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Cronbach's Alpha if Item Deleted |
|-----|----------------------------|--------------------------------|----------------------------------|----------------------------------|
| Y1 | 120.93 | 92.070 | 0.853 | 0.953 |
| Y2 | 121.65 | 94.021 | 0.690 | 0.955 |
| Y3 | 121.36 | 97.382 | 0.478 | 0.956 |
| Y4 | 121.02 | 91.358 | 0.662 | 0.955 |
| Y5 | 120.70 | 94.532 | 0.660 | 0.955 |
| Y6 | 121.08 | 97.059 | 0.652 | 0.955 |
| Y7 | 120.70 | 94.532 | 0.660 | 0.955 |
| Y8 | 121.93 | 93.665 | 0.863 | 0.954 |
| Y9 | 121.04 | 94.753 | 0.482 | 0.957 |
| Y10 | 121.03 | 95.594 | 0.748 | 0.955 |

Table 4 shows that the value of Corrected Item-Total Correlation > 0.3 in all the questions (items) in the discipline variable is valid, so the resulting data can be analyzed further.

5.4 Measurement Model for Employability Skills

Table 5 Validity test for organizational climate variable

| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Cronbach's Alpha if Item Deleted |
|-----|----------------------------|--------------------------------|----------------------------------|----------------------------------|
| Y1 | 120.93 | 92.070 | 0.853 | 0.953 |
| Y2 | 121.65 | 94.021 | 0.690 | 0.955 |
| Y3 | 121.36 | 97.382 | 0.478 | 0.956 |
| Y4 | 121.02 | 91.358 | 0.662 | 0.955 |
| Y5 | 120.70 | 94.532 | 0.660 | 0.955 |
| Y6 | 121.08 | 97.059 | 0.652 | 0.955 |
| Y7 | 120.70 | 94.532 | 0.660 | 0.955 |
| Y8 | 121.93 | 93.665 | 0.863 | 0.954 |
| Y9 | 121.04 | 94.753 | 0.482 | 0.957 |
| Y10 | 121.03 | 95.594 | 0.748 | 0.955 |

Table 5 shows that the value of Corrected Item-Total Correlation > 0.3 in all the questions (items) in the discipline variable is valid, so the resulting data can be analyzed further.

5.5 Validity Test for Job performance Variable

Table 6 Validity test for job performance variable

| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Cronbach's Alpha if Item Deleted |
|-----|----------------------------|--------------------------------|----------------------------------|----------------------------------|
| Y11 | 121.04 | 97.602 | 0.482 | 0.956 |
| Y12 | 121.06 | 97.544 | 0.448 | 0.956 |
| Y13 | 121.02 | 95.603 | 0.405 | 0.958 |
| Y14 | 120.98 | 95.981 | 0.405 | 0.957 |
| Y15 | 120.88 | 93.108 | 0.876 | 0.953 |
| Y16 | 121.08 | 97.059 | 0.652 | 0.955 |

Table 6 shows that the value of Corrected Item-Total Correlation > 0.3 in all the questions (items) in the discipline variable is valid, so the resulting data can be analyzed further.

5.6 Reliability Test

Reliability test for data of Exogen and Endogen variables:

Table 7 Reliability statistics variable

| Variable | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Cronbach's Alpha if Item Deleted |
|---------------------------|----------------------------|--------------------------------|----------------------------------|----------------------------------|
| Individual characteristic | 99.1682 | 60.387 | 0.915 | 0.925 |
| Organizational climate | 96.3925 | 59.090 | 0.,912 | 0.926 |
| Job satisfaction | 89.2804 | 52.298 | 0.961 | 0.915 |
| Job performance | 104.2336 | 76.218 | 0.812 | 0.966 |

Cronbach's alpha values in Table 7 shows that the variables of individual characteristics ($\alpha = 0.925$), Organizational Climate ($\alpha = 0.926$), job satisfaction ($\alpha = 0.915$) and Performance ($\alpha = 0.966$). All variables has a Cronbach's alpha value greater than 0.60 ($\alpha > 0.60$), the research instrument can be regarded reliable.

5.7 Structural Equation Modelling (SEM) Analysis

This analysis is used to test the hypothesis of the research that has been set by using samples of obtained data. The Inferential distribution method used in the data analysis of this research is Structural Equation Modeling (SEM). Data obtained through questionnaires will be analyzed using Structural Equation Modeling (SEM) by 8.70 Lisrel program obtained in the form of path diagram and printed output. Output contained in the path diagram will tell about the standardized slolutiuoun that shows loading factor, which indicates the error variance estimation parameter measurement error, the standard error used to divide up the value of the parameter estimates to obtain t-value, as well as the t-value that indicates significance. The estimated value of the full analysis model based on the t-value SEM is shown in the following figure:

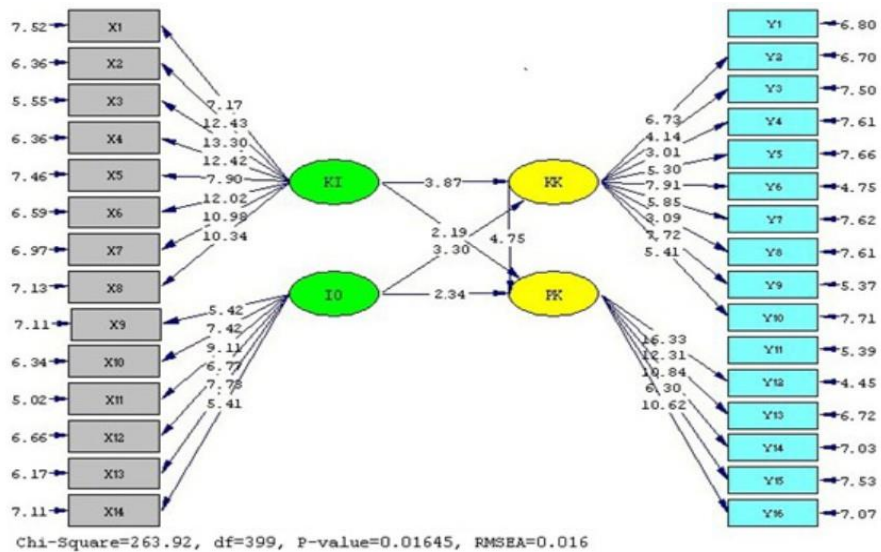


Figure 2 Full model based on T-Values

Based on Figure 2, it can be seen that all the parameters in the full model were all significant (t-test > 1.96). This shows that there is a significant effect of individual characteristics and organizational climate and job satisfaction as well as its implications on the performance of employees of PT PLN (Persero) Regional Branch-S2JB Lahat. The estimated value of the full analysis model based on the Standard Loading SEM as figure 3 below:

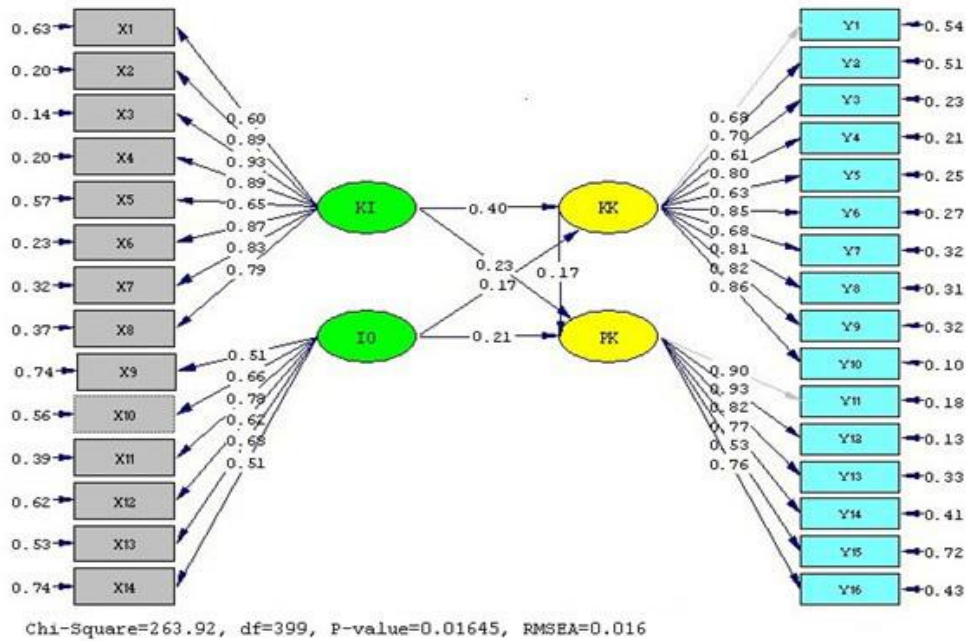


Figure 3 Basic Model Standardized Solution

Explanation:

- KI X1-x8 : Individual characteristic variable
- OI x9-x14 : Organizational climate variable
- KKy1-y10 : Job satisfaction variable
- PKy11-y16 : Job performance variable

Based on the standard loading, the structural equation was obtained:

5.7.1 Sub-Structural Equation :

$$\text{Job Satisfaction} = 0.40 \cdot \text{Individual Characteristic} + 0.17 \cdot \text{Organizational climate}$$

Based on the structural model, job satisfaction can be explained partially influenced by variables individual characteristics and organizational climate. This means that the better the individual characteristics and job satisfaction, the organizational climate and employees at PT. PLN (Persero) Regional Branch Lahat-S2JB will increase. The magnitude of the effect of individual characteristics on job satisfaction of 0.40, while the organizational climate of 0.17. This shows that individual characteristics have a greater impact on job satisfaction of the organizational climate.

5.7.2 Structural Equation

$$\text{Job performance} = 0.17 \cdot \text{Job satisfaction} + 0.23 \cdot \text{Individual Characteristics} + 0.21 \cdot \text{Organizational Organization}$$

Based on the structural model, the achievement was influenced partially by job satisfaction, organizational climate and individual characteristics. All of the variables gave positive and significant impacts on job performance. This means that if job satisfaction, individual characteristics and better job performance improved, the performance of employees of PT. PLN (Persero) Regional Branch Lahat-S2JB will also increase. Statistically, these variables have a significant effect on the level of 95%. The effect of job satisfaction towards the job performance is 0.17, 0.23 for individual characteristics, and 0.21 for organizational climate. This means that individual characteristics have a greater influence on the job performance compared to job satisfaction and organizational climate.

5.8 Compatibility Test Model

The analysis on the data compatibility as a whole or in Lisrel is called Goodness of Fit (GOF). This test evaluates whether the resulting model is fit or not. The printed output is estimated at Lisrel program in Table 8.

Table 8 Goodness of fit index

| Goodness-Of-Fit (GOF) | Analysis Result | Cut Off Value | Model Evaluation |
|-----------------------|---------------------------------|-------------------------------|------------------|
| <i>Chi-square</i> | $\chi^2 = 263,92$ P = 0.0164 | Probabilitas P \geq 0,05 | Good |
| GFI | 0.96 | GFI $>$ 0.90 | Good |
| IFI | 0.97 | IFI \geq 0.90 | Good |
| AGFI | 0.96 | AGFI \geq 0.90 | Good |
| TLI atau NNFI | 0.96 | TLI \geq 0.95 | Good |
| CFI | 0.97 | CFI \geq 0.95 | Good |
| RMSEA | 0.016 | RMSEA \leq 0.08 | Good |

Based on Table 8 and the analysis of Lisrel 8.7, it shows that the model as a whole (Full Model) has a goodness of fit at the level of good. This means the entire structural model produced a fitted model.

6.0 CONCLUSION

The results of this research can be concluded as follows:

- i. Partially and simultaneously, the variables of individual characteristics and organizational climate gave a positive and significant impact on job satisfaction and its implications on the job performance. The variable of individual characteristics influenced job satisfaction at 0.40 and 0.23 for performance. Organizational climate variable have an effect on job satisfaction at the value of 0.17 and 0.21 on job performance. Variable of job satisfaction influence the performance of the employee at 0.17. The most dominant characteristics of individuals affected by the construction of honesty of the employee. Organizational Climate dominant was influenced by the construct of physical conditions and the availability of work equipment. Job satisfaction dominant was influenced by the companies adhere to regulations construct. Performance dominant was influenced by task completion construct
- ii. Variable of individual characteristic has a dominant influence on job satisfaction and its implications on the performance of employees of PT PLN (Persero) branch of W-S2JB.

The results of this research work performance is expected to give positive feedback to: the company's management in order to:

- i. Increase the employees' characteristics mainly based on skills, attitudes, values, and interests with training in interpersonal skills (soft skills), and placing the employee in accordance to their competencies.
- ii. Improve the organizational climate by adding and improving some office equipment that were damaged, along with creating a comfortable working atmosphere;
- iii. Increase the job satisfaction by providing leadership training for management so that they can work better well with the subordinates.

The above conditions are expected to improve the job performance, which in turn can give a maximum contribution to the company. It is hoped that there are other researchers who interested in continuing the study with a variable that has not been included in this research like motivation, organizational culture, leadership, and more.

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