

**DETERMINANT OF ORGANIZATIONAL PERFORMANCE MEDIATED BY JOB SATISFACTION: STUDY IN DEPARTMENT OF PUBLIC WORKS AND SPATIAL PLANNING OF ACEH PROVINCE**

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**ABSTRACT**

The performance of the Department of Public Works and Spatial Planning of Aceh Province during the period of 2015-2017 showed a significant decline indicated through the budget realization managed by the agency where in 2015 the realization of the budget was 96.33%, while in 2017 it dropped to 86.31%. This study aims to determine the effect of individual characteristic, work environment, and workload on job satisfaction and its impact on organizational performance. The population is all employees of the Department of Public Works Agency and Spatial Planning of Aceh Province, which is 457 people and the sample is 214 people. The data is analyzed using structural equation modeling (SEM) with the Amos Assistant Program. The result shows individual characteristic effects job satisfaction significantly, work environment effects job satisfaction significantly, workload does not have a significant effect on job satisfaction, job satisfaction effects organizational performance significantly, Individual characteristic effects organizational performance significantly, work environment does not have a significant effect on organizational performance, workload effects organizational performance significantly, job satisfaction mediates the effect of individual characteristic on organizational performance, job satisfaction mediates the influence of the work environment on organizational performance, job satisfaction does not mediate the effect of workload on organizational performance in the Department of Public Works and Spatial Planning of Aceh Province. This model prove the causality theories from the previous ones, and can be a reference for the next research. This findings also contribute to the practical managers especially the leaders in in the Department of Public Works and Spatial Planning of Aceh Province, in formulating, implementing, and evaluating their policies and strategies. The originality resides in the integration of causality models from the previous theories, with the new object. The limitation lies in the amount of variables and the object that is only one.

**Keyword:** Individual Characteristic, Work Environment, Workload, Job Satisfaction, Organizational Performance.

**1. INTRODUCTION**

Aceh Department of Public Work and Spatial Planingis the agency which is responsible for development of infrastructure in Aceh Province. The performances of Aceh Department of

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Public Work and Spatial Planning from 2015 to 2017 experienced a significant decline indicated through the achievement of budget realization managed by the department, where in 2015 the budget realization was 96.33%, whereas in 2017 it fell to 86.31%.

This low budget absorption at the Department of Public Work and Spatial Planning of Aceh Province will have an impact on society. For example, road construction plans are not optimal due to the low absorption. As a result, weak coordination between planning and budget execution will create a potential lower absorption rate. Some of the internal problems that mostly occur in the Aceh Department of Public Works and Spatial Planning are lack of understanding of disbursement of fund mechanisms, prudential factors in budget management, and fixed price units that often do not meet the needs (Adam, 2013).

A government agency's success is influenced by the performance of its employees. Work achievement or performance is the result of work achieved by someone in carrying out tasks in accordance with the responsibilities given to them. The decline in the performance of Aceh Department of Public Works and Spatial Planning is inseparable from the poor performance of its employees.

Employee performance is influenced by factors of satisfaction related to agency. Employees who are not satisfied with the institution will tend to give mediocre performance. Job satisfaction is influenced by some factors, namely workload, work environment, and employees' characters. Individual characteristics are the behaviors or characters that exist in an employee either positive or negative. These characteristics are very diverse, in which each company can certainly choose an employee who has good criteria, and these characteristics must also be in accordance with what the company needs. In addition, every individual in this life has a certain interests and goals in a specific purpose that differ from one to another. Individual employee characteristics can be identified through the attendance list.

The percentage of the attendance of the employee at the Department of Public Works and Spatial Planning of Aceh Province is very poor, which does not even reach 50%. This poor attendance rate indicates bad individual characteristics of the employees at Aceh Department of Public Works and Spatial Planning that will have an impact on employees' performance. The poor attendance rate is due to, in the Department of Public Works and Spatial Planning of Aceh province, there are several PPTKs (Acting Technical Implementation Officer) and few employees who are not assigned to supervise the works so that employees who do not get supervisory duties are not interested to come to the office.

The next job satisfaction factor is working environment. The work environment can be interpreted as forces that affect both directly and indirectly on the performance of an organization or company. If the working environment is as expected by the employees, the employees will feel happy and satisfied in working so that their performance will improve. A good working environment condition will make employees feel comfortable at work. On the other hand, problems that occur in the Department of Public Works and Spatial Planning of Aceh Province is a less supportive of working environment characterized by a less neat workspace which gives the impression of a rather narrow and crowded space. Besides, several office facilities that support the work of employees such as desks and ceilings are time to be renewed and renovated. (Baron & Kenny, 1986).

The next job satisfaction factor is workload. Employees who feel burdened with their work will feel dissatisfied with the agency, so they tend to give mediocre performance.

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A research conducted by Khasifah, (2016) showed that the working environment has a positive and significant effect on performance. Workload has a positive effect, however, it is not significant on performance. While research conducted by (Indrawati, 2013) purposed that job satisfaction has a positive effect on employees' performance, workload has a positive effect on employees' performance, and job satisfaction together with workload simultaneously have a positive effect on employees' performance.

Individual characteristic, workload, and working environment simultaneously showed a positive impact on the performance of Regional Inspectorate of Central Sulawesi Province: individual characteristic has a positive and significant effect on performance; workload has a negative and significant effect on performance; and work environment has a positive and significant effect on improving employees' performance (Iskandar, 2017).

(Raziq & Maulabakhsh, 2015) conducted a research in Pakistan and found that there is an influence between work environment and job satisfaction. Furthermore, it is crucial for an organization to be able to motivate its employees to work hard to achieve the organization's goals and objectives. According to (Fachreza, Musnadi, & Shabri, 2018), workload has a positive effect on depression, symptoms of anger, and interpersonal sensitivity which of course will have an impact on job satisfaction and employees' performance in a company or organization.

## **2. LITERATURE REVIEW**

### **Organizational Performance**

Organizational performance is a level of achievement and reflects the success of an organization, and it is the result achieved from the behavior of organizational members. Performance is also explained as a result (output) of a particular process carried out by all components of the organization against certain used sources (input). Furthermore, performance also is a result of series of process activities carried out to achieve certain organizational goals.

### **Job satisfaction**

According to (Yo & Surya, 2015), the term "job satisfaction" refers to an individual's general attitude towards the work they do. Someone with a high job satisfaction shows a positive attitude towards their job; someone who is dissatisfied with their job shows a negative attitude towards the job. Because in general when people talk about employee attitudes more often they mean job satisfaction.

### **Individual Characteristic**

According to (Fachreza et al., 2018), individual characteristics are characteristics that indicate a person's differences about motivation, initiative, the ability to remain rigid in facing the task until completion or solve problems or how to adjust changes that are closely related to the environment that affect the performance of individual organizations.

### **Work Environment**

According to (Adam, 2013), working environment is something around the workers and can affect themselves in carrying out tasks that are charged. Working environment is one of the considerations for someone in having a job, but if the working environment is not pleasant to the employees, he will think twice to accept or reject the job because maybe the environment where

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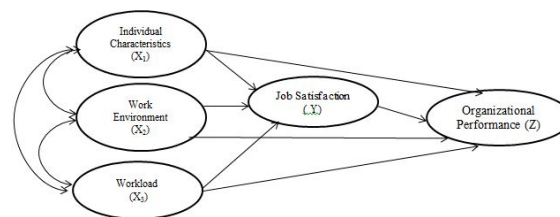
employees are placed will hinder their working performance .

### Workload

According to (Baron & Kenny, 1986), the positive and negative of workload is a matter of perception. Perception is figured as a process by which individuals organize and interpret their impressions of senses to give meaning to their environment. Perception of workload is related to the attribute factors of character and work. This is because the perception of workload is closely related to a work where individuals provide an assessment of a number of task demands or activities that require mental and physical activities that must be completed within a certain time, whether it has a positive or negative impact on their work. According to the regulations of Minister of Internal Affairs of Indonesia Number 12/2008, workload is the amount of work that must be carried out by a position or organizational unit and is the product of work volume and time norms.

### Research Paradigm and Hypothesis

In this research, the influence of exogenous variables is measured, namely Individual Characteristic (X1), Work Environment (X2), Workload (X3), and Job Satisfaction as intervening variable (Y) to endogenous variable, and Organizational Performance (Z). The authors formulated the research paradigm and hypothesis as follows.



**Figure 1.** Research Paradigm

- H1 : individual characteristic affects job satisfaction significantly
- H2 : work environment affects job satisfaction significantly
- H3 : workload affects job satisfaction significantly
- H4 : individual characteristic affects organizational performance significantly
- H5 : work environment affects organizational performance significantly
- H6 : workload affects organizational performance significantly
- H7 : job satisfaction affects organizational performance significantly
- H8 : individual characteristic affects organizational performance through job satisfaction significantly
- H9 : job satisfaction mediates the effect of work environment on organizational performance
- H10 : job satisfaction mediates the effect of workload on organizational performance

### 3. METHOD

The research is conducted in the Department of Public Works and Spatial Planning of Aceh Province. The population is all its employees amounted 457 people. The variables are

individual characteristic, work environment, workload, job satisfaction, and organizational performance.. The sample is selected through random sampling using the Slovin formula. The sources of data are primary data, a collection of data using questionnaires or direct interviews with respondents (field research), and secondary data, a method for obtaining data and theories needed and with regard to the study of literature decisions, journals, internet, Central Statistics Agency, and other information media (library research). Likert Scale is used through data collection in the form of a questionnaire or series of questions to respondents, where the subject chooses five alternative responses for each question given a number symbol of 1, 2, 3, 4, 5. To prove the hypothesis, structural equation modeling (SEM) is employed with the help of the Amos program.

#### 4. RESULT

##### Confirmatory Factor Analysis

Confirmatory factor analysis (CFA) is the measurement stage for the indicators that form latent variables in the research model. The latent or construct variables used in this research model consist of 3 exogenous variables and 2 endogenous variables with a total of 21 indicators. As with ordinary factor analysis, the CFA purpose is to examine the unidimensionality of the indicators that form each latent variable. The result of CFA of each model is discussed below:

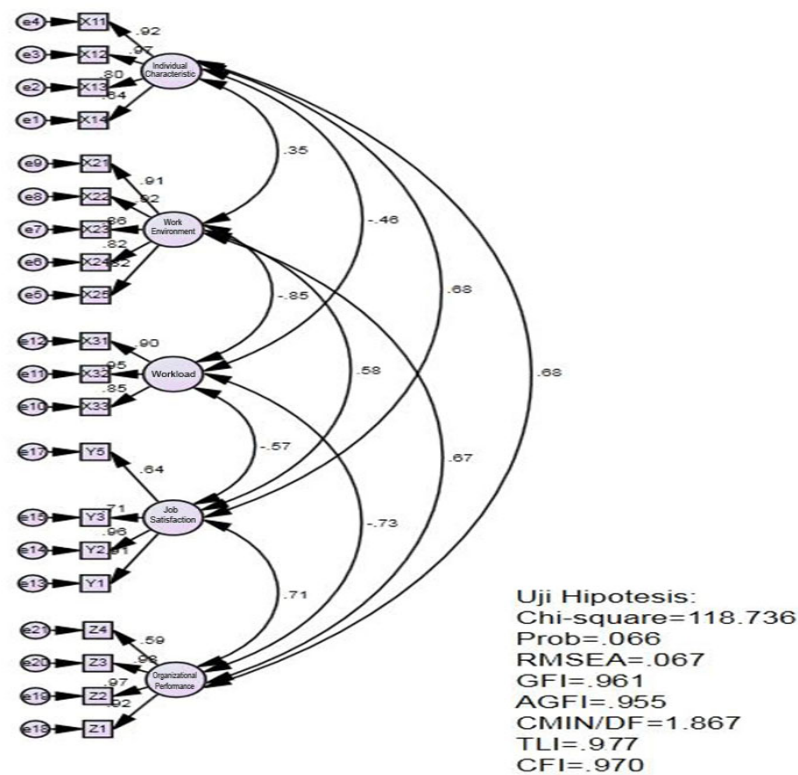


Figure 2. Confirmatory Factor Analysis

From the results of the measurement model analysis, the chi-square value = 118.736 at probability = 0.066 is good. While  $\chi^2 / df = 1,867$ ; RMSEA = 0.067; GFI = 0.961; TLI = 0.977; AGFI = 0.955; and CFI = 0.970 meet the criteria and the value indicates fit.

**SEM Analysis**

The SEM analysis in full model is conducted after an analysis of the level of unidimensionality of the indicators, that forms latent variables tested with confirmatory factor analysis. The result is carried out by conducting the suitability test and statistical test. The results of data processing for the full SEM model analysis are shown in the following Figure.

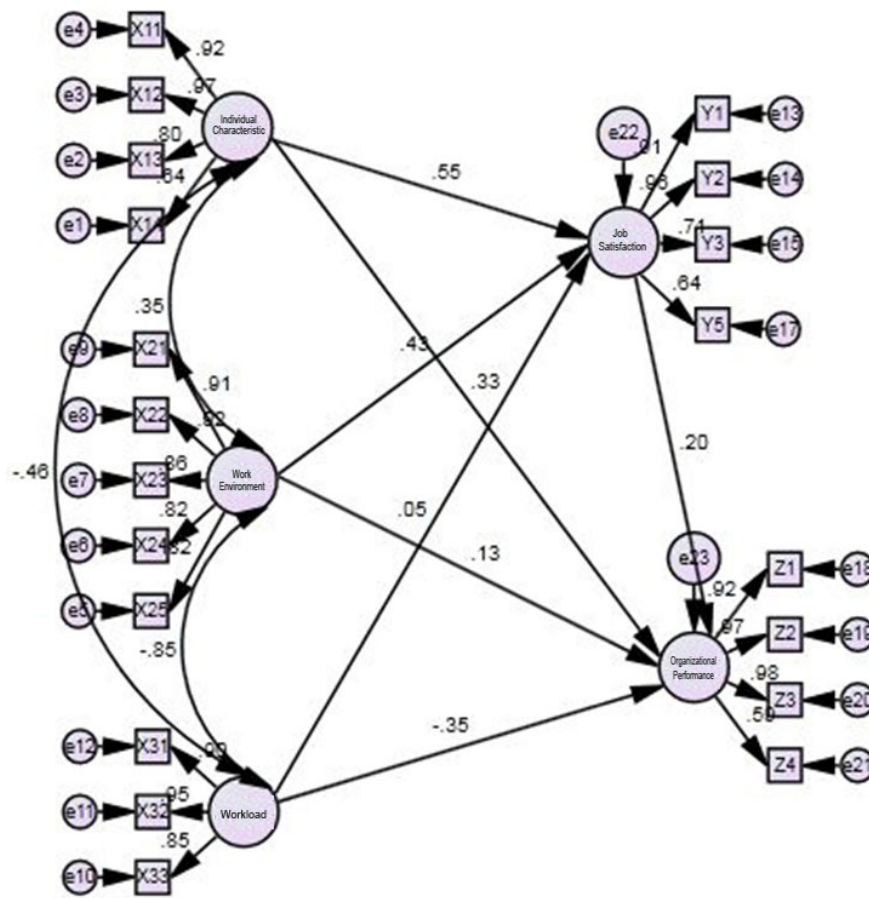


Figure 3. SEM Test Result

The picture above shows that the influence of each variable, which are individual characteristic, work environment, work load on job satisfaction, and also the occurrence of indirect have effects on employees’ organizational performance through job satisfaction. The most direct effect on job satisfaction is the individual characteristic variable that is equal to 0.55, work environment with an influence of 0.43, and workload which is 0.05. While the most

indirect effect on organizational performance is workload(-0.35), then individual characteristic(0.33), job satisfaction(0.20), and work environment (0.13).

**Hypothesis Test**

The testing of 10 hypotheses of this study is carried out based on the Critical Ratio (CR) value of a causal relationship from the results of SEM processing as in the following Table.

**Table 1. Regression Weight**

			Estimate	S.E.	C.R.	P
Job satisfaction	<---	Individual characteristics	0.55	0.106	7.449	0.000
Job satisfaction	<---	Work environment	0.43	0.111	3.988	0.000
Job satisfaction	<---	Workload	0.05	0.103	0.410	0.682
Organizational Performance	<---	Individual characteristics	0.33	0.081	4.980	0.000
Organizational Performance	<---	Work environment	0.13	0.081	1.428	0.153
Organizational Performance	<---	Workload	-0.35	0.073	-3.756	0.000
Organizational Performance	<---	Job satisfaction	0.20	0.057	2.955	0.003

Based on the SEM analysis results in Table 1 and statistical equations (1) and (2), the following results can be formulated:

$$\text{Job satisfaction} = 0.55 \text{ Individual characteristic} + 0.43 \text{ Work environment} + 0.05 \text{ Workload}$$

$$\text{Organizational performance} = 0.33 \text{ Individual characteristic} + 0.13 \text{ Workenvironment} - 0.35 \text{ Workload} + 0.20 \text{ Job satisfaction}$$

**H1 (Accepted) : The Effect of Individual Characteristic on Job Satisfaction**

The effect of individual characteristic on job satisfaction is 7.449 with a significance level of 0.000. Therefore, it concludes that individual characteristic affects the increase of job satisfaction. The amount of the effect of individual characteristic on job satisfaction is 0.55 or 55%. This indicates that the better the individual characteristic, it will positively increase the job satisfaction.

**H2 (Accepted) : The Effect of Work Environment on Job Satisfaction**

The influence of work environment on job satisfaction is 3.988 with a significance level of 0.000. Thus, it explains that the work environment has an effect in increasing the job satisfaction. The amount of influence of the work environment on job satisfaction is 0.43 or 43%. This indicates that the higher level of work environment will further increase job satisfaction.

**H3 (Rejected) : The Effect of Workload on Job Satisfaction**

The effect of workload on job satisfaction is 0.410 with a significance level of 0.682. Thus, it figures that workload does not affect employee’s job satisfaction.

**H4 (Accepted) : The Effect of Job Satisfaction on Organizational Performance**

The effect of job satisfaction on organizational performance is 2.955 with a significance level of 0.003. Thus, it explains that job satisfaction has an effect in increasing the organizational performance. The amount of influence of job satisfaction on organizational performance is 0.20 or 20%. This indicates that the higher job satisfaction will directly influence the improvement of organizational performance.

**H5 (Accepted) : The Effect of Individual Characteristic on Organizational Performance**

The effect of individual characteristic on organizational performance is 4.980 with a significance level of 0.000. Therefore, it figures that individual characteristic affect organizational performance. The amount of the influence of individual characteristic on organizational performance is 0.33 or 33%. This indicates that the higher the individual characteristic will have a direct effect on improving organizational performance.

**H6 (Rejected) : The Effect of Work Environment on Organizational Performance**

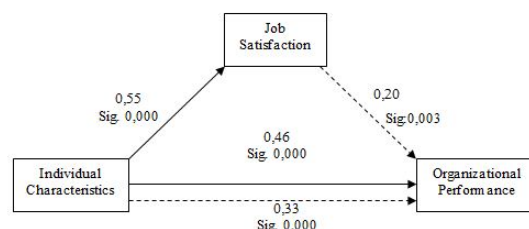
The influence of the work environment on organizational performance is 1.428 with a significance level of 0.153. Therefore, it shows that the work environment has no effect on improving organizational performance.

**H7 (Accepted) : The Effect of Workload on Organizational Performance**

The influence of workload on organizational performance is -3.756 with a significance level of 0.000. Hence, it can be concluded that workload has an influence on organizational performance. The amount of the effect of workload on organizational performance is -0.35 or -35%. This indicates that the higher workload will directly influence the decline in organizational performance.

**H8 (Accepted) : The Effect of Individual Characteristic on Organizational Performance through Job Satisfaction**

Testing the effect of mediating individual characteristic variables on organizational performance is explained as follows:



**Figure 4.** The Effect of Individual Characteristic on Organizational Performance through Job

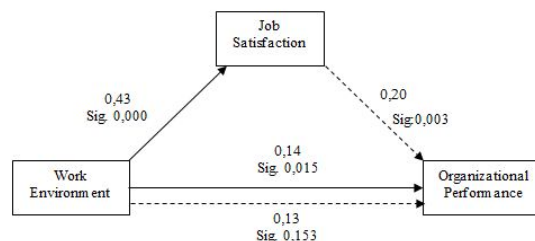


Satisfaction

Based on the picture above, it is found that the path coefficient between individual characteristic and job satisfaction is 0.55, while the path coefficient from job satisfaction to organizational performance is 0.20. The path coefficient between individual characteristic and organizational performance is 0.33. Because the direct influence between individual characteristic and organizational performance is significant at 5%, the effect of individual characteristic on job satisfaction is significant at 5%, and the effect of job satisfaction on organizational performance is also significant at 5%. This shows that job satisfaction variable has a role as a variable mediating the relationship between individual characteristic and organizational performance. The role of mediation played by job satisfaction is a partially mediation.

**H9 (Accepted) : The Effect of Work Environment on Organizational Performance through Job Satisfaction.**

The mediating effect of work environment variables on job satisfaction is explained as follows:

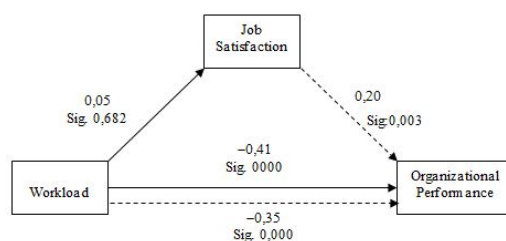


**Figure 5.** The Effect of Work Environment on Organizational Performance through Job Satisfaction

From the figure above, it is found that the path coefficient between the work environment and job satisfaction is 0.43, while the path coefficient from job satisfaction to organizational performance is 0.20. Moreover, the path coefficient of the work environment to organizational performance is 0.13. Because the direct influence between the work environment and organizational performance is not significant at 5%, the effect of the work environment on job satisfaction is significant at 5%, and the effect of job satisfaction on organizational performance is also significant at 5%. It figures that job satisfaction variable has a role as a variable mediating the relationship between work environment and organizational performance. The mediation role played by job satisfaction is a full mediation.

**H10 (Rejected) : The Effect of Workload on Organizational Performance through Job Satisfaction**

The mediating effect of workload variables on job satisfaction is explained as follows



**Figure 6.** The Effect of Workload on Organizational Performance through Job Satisfaction

Based on the figure above, it is found that the path coefficient between workload and job satisfaction is 0.05, while the path coefficient of job satisfaction on organizational performance is 0.20. The path coefficient between the work environment and organizational performance is -0.35. Because the direct influence between workload and organizational performance is not significant at 5%, the influence of workload on job satisfaction is not significant at 5%, and the influence of job satisfaction on organizational performance is also significant at 5%. It explains that the job satisfaction variable does not act as a variable mediating the relationship between workload and organizational performance.

## 5. CONCLUSION

Based on the findings show individual characteristic effects job satisfaction significantly, work environment effects job satisfaction significantly, workload does not have a significant effect on job satisfaction, job satisfaction effects organizational performance significantly, Individual characteristic effects organizational performance significantly, work environment does not have a significant effect on organizational performance, workload effects organizational performance significantly, job satisfaction mediates the effect of individual characteristic on organizational performance, job satisfaction mediates the influence of the work environment on organizational performance, job satisfaction does not mediate the effect of workload on organizational performance in the Department of Public Works and Spatial Planning of Aceh Province. This model prove the causality theories from the previous ones, and can be a reference for the next research. This findings also contribute to the practical managers especially the leaders in the Department of Public Works and Spatial Planning of Aceh Province, in formulating, implementing, and evaluating their policies and strategies. The originality resides in the integration of causality models from the previous theories, with the new object. The limitation lies in the amount of variables and the object that is only one.

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