Effect of Organizational Culture and Justice on Employee Performance with Job Satisfaction as Mediator Variable (*A Study in Condong Catur Hospital of Yogyakarta*)

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Abstract: This research is aimed to examine the effect of organizational culture and justice on employee performance through job satisfaction. Research sample are 58 nurses who work in Condong Catur Hospital of Yogyakarta. Analysis uses regression and Sobel test. Based on regression analysis, organizational culture and justice have positive and significant effect on job satisfaction. On the other hand, organizational culture and justice do not have significant effect on employee performance. Job satisfaction has positive and significant effect on employee performance. Based on Sobel test, job satisfaction has mediator role between the effect of organizational culture and justice on employee performance. This research is expected to have contribution to help Condong Catur Hospital management to fix nurses' performance problems.

Index Terms - **organizational culture, organizational justice, job satisfaction, employee performance.**

I. INTRODUCTION

Employee performance is important aspect of organization. Performance describes a result of functions or working units (Wirawan, 2009; Robbins and Judge, 2013) in certain period (Bernardin and Russel, 1993). Performance evaluation is important as well in order to determine training and development program (G. H. Hofstede and Hofstede, 2005), compensation, and carrier position (Mathis and Jackson, 2007).

Performance problems are critical in any organization, include in Condong Catur Hospital of Yogyakarta. On the field, there is performance gap between nurses. Based on interview on employee staff in Condong Catur Hospital:

> "*Some nurses work slowly, impolitely, and ineffectively in medicine management to the patients. There are so many patients per day, about 500 to 800 patients, which cannot be handled well only by 70 nurses. It leads to overload of working. It is not worthy for the compensation (Anonym, interview, 4 December 2019)*."

Performance problem of Condong Catur Hospital nurses is serious problem. It leads to bad impacts for the patients.

Satisfaction is one of factors that can improve performance. Dissatisfaction leads to unproductive, ineffective, higher turnover (Luthans, 2010; Robbins and Judge, 2013), and lower healthy and wealthy of employees (Colquitt et al., 2017). Organizational culture also can improve performance. The stronger organizational culture, the more effective organization will be (Schein, 2004). Effective organization can control performance well (G. Hofstede et al., 2010). Organizational justice has effect on employee performance as well. Injustice can leads to dissatisfaction, lower performance, regulation breaking, and negative minds (Greenberg, 2011).

Employee satisfaction is expected to be a mediator to improve the effect of organizational culture and justice on performance. Injustice reduces both employee satisfaction and performance (Schein, 2004). Advantage of well organizational culture is generates positive climate to make higher employee satisfaction, commitment, motivation, and involvement (Robbins and Judge, 2013).

II. LITERATURE REVIEW

2.1 Organizational Culture

Organizational culture is a certain pattern used by a group as a base of internal and external integrated problem solving, and it will be taught to new group members (Schein, 2004). Organizational culture is important to understand the organizational norms and values (Luthans, 2010). Schein (2004) explains the elements of organizational culture, which are: 1) external adaptation (system is adapted to external changes); 2) internal integration (development management of impacts between organizational members; 3) basic underlying assumptions (result of repeated implementation on certain beliefs and values.

2.2 Organizational Justice

Organizational justice is an individual perception on justice in an organization (Greenberg, 2011). Organizational justice dimensions are: 1) distributive justice (a justice that concern on personal perception that employee gets reasonable compensation for their work result); 2) procedural justice (personal perception on justice in procedure of compensation); 3) interpersonal justice (personal perception on how employee is treated); 4) informational justice (personal perception of justice on information usage in decision making) (Greenberg, 2011). Injustice on employee can be reduced by 1) justice evaluation between employee and organization; 2) gives responses on justice and injustice events; 3) gives responses on the feedback; 4) keeps the justice image of organization; 5) managers should make a move to the identified problems of justice; 6) awareness of unfair decision making (Cropanzano, 2010).

2.3 Satisfaction

Satisfaction describes an attitude which reflects what people fell on any aspects of their job (Smith et al., 1969; Spector, 2011). Job satisfaction theory explains some dimensions, which are: 1) the work itself, 2) payment, 3) promotion opportunity, 4) supervision, and 5) coworkers (Smith et al., 1969; Spector, 2011). Some known well instruments for job satisfaction are Job Description Index (JDI) (Smith et al., 1969), Minnesota Satisfaction Questionnaire (MSQ) (Weiss et al., 1966), and Job Satisfaction Survey (JSS) by (Spector, 2011). Effect of job satisfaction and dissatisfaction are (Robbins and Judge, 2013): (1) Exit, refers to employee's behavior to leaves organization and find new place; (2) Voice, refers to an effort of employee to gives input and discussion of problems; (3) Loyalty, refers to passive but optimism behavior to waits the condition to be better; (4) Neglect, refers to working absence, late, less effort, and more mistakes.

2.4 Performance

Performance is specific result of employee in specific job and spesic period of time (Bernardin and Russel, 1993). Performance evaluation can be divided into performance management (set of activities to ensure organization gets expected result) and performance appraisal (process to determine how good employee works) (Mathis and Jackson, 2007). Dimensions of satisfaction are quality, quantity, timeliness, cost effectiveness, need for supervision, and interpersonal impact (Bernardin and Russel, 1993).

2.5 Hypotheses

Schein (2004) explains that less integration between levels of hierarchy will disturb employee satisfaction. Hofstede et al. (2010) find that in France, employee is satisfied if their leader can be persuasive and paternalistic, while in Germany and England, employee is satisfied if their leader can be consultative and democratic. Different culture leads to different result. Organizational culture can determine job satisfaction, commitment, motivation, and involvement (Robbins and Judge, 2013). Previous studies (Lund, 2003; Park and Kim, 2009; Bellou, 2010; Syauta et al., 2012; Hutabarat, 2015; Pawirosumarto et al., 2017; Sapada et al., 2017) show that organizational culture has positive effect on satisfaction.

H1: There is positive and significant effect of organizational culture on job satisfaction.

Injustice in organization leads to dissatisfaction, lower performance, value loss, regulation breaking, and negative thinking (Greenberg, 2011). Organizational justice is strong predictor of satisfaction and performance monitoring (Colquitt et al., 2017), commitment (Luthans, 2010), and trust (Robbins and Judge, 2013). Previous studies (Suliman, 2007; Whisenant and Smucker, 2009; Dundar and Tabancali, 2012; Mashi, 2017; Nurak and Riana, 2017; Haryono et al., 2019) show that organizational justice has positive effect on satisfaction.

H2: There is positive and significant effect of organizational justice on job satisfaction.

Schein (2004) explains that the better organizational culture leads to more effective organization. Positive climate of organizational culture makes employees are more likely to do more better job and more teamwork (Robbins and Judge, 2013). Previous studies (Hutabarat, 2015; Sapada et al., 2017; Pawirosumarto et al., 2017; Sihombing et al., 2018; Maamari and Saheb, 2018) show that organizational culture has positive effect on performance.

H3: There is positive and significant effect of organizational culture on employee performance.

Organizational justice leads to higher performance (Greenberg, 2011; Colquitt et al., 2017) and commitment (Luthans, 2010). Previous studies (Suliman, 2007; Wang et al., 2010; Khuong and Quoc, 2016; Mashi, 2017; Swalhi et al., 2017) show that organizational justice has positive effect on performance.

H4: There is positive and significant effect of organizational justice on employee performance.

If employee is satisfied on their job, then they will work harder than other employees (Spector, 2011). Positive feeling on the job leads to improvement on effectiveness, creativeness, problem solving, and efficiency (Colquitt et al., 2017). Luthans (2010) explains that higher satisfaction leads to higher performance and lower turnover of employees. Previous studies (Khuong and Quoc, 2016; Sapada et al., 2017; Mashi, 2017; Nurak and Riana, 2017) show that satisfaction has positive effect on performance.

H5: There is positive and significant effect of job satisfaction on employee performance.

Since organizational culture create positive climate to make higher job satisfaction (Schein, 2004), and satisfied employee will do more hard work to achieve higher performance (Spector, 2011), then job satisfaction has mediator role between organizational culture on performance. Previous studies (Park and Kim, 2009; Syauta et al., 2012; Hutabarat, 2015; Sapada et al., 2017) show that job satisfaction mediates the effect of organizational culture on employee performance.

H6: There is positive and significant effect of organizational culture on employee performance through job satisfaction.

Since fair job condition make employee feels satisfied on their job (Colquitt et al., 2017) and satisfied employee will do more hard work to achieve higher performance (Spector, 2011), then job satisfaction has mediator role between organizational justice on performance. Previous studies (Suliman, 2007; Khuong and Quoc, 2016; Mashi, 2017; Haryono et al., 2019) show that job satisfaction mediates the effect of organizational justice on employee performance.

H7: There is positive and significant effect of organizational justice on employee performance through job satisfaction.

2.6 Research Framework

This research use organizational culture (X1) and organizational justice (X2) as independent variables, employee performance (Y2) as dependent variable, and job satisfaction (Y1) as moderating variable. The framework can be seen in figure 1.
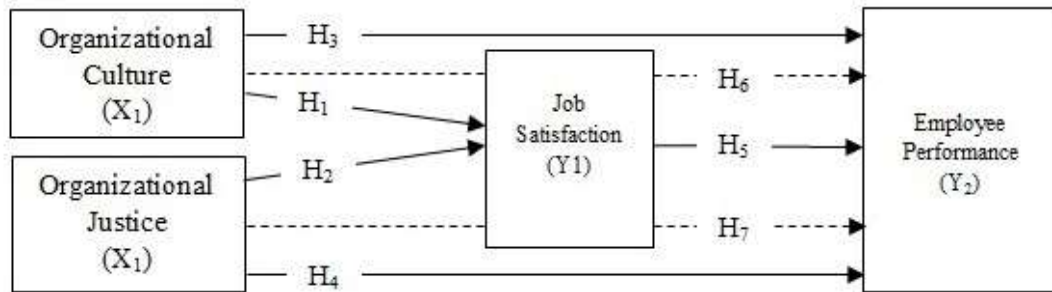
Figure 1. Research Framework

III. METHODS

3.1 Sample

Research sample are nurses who works at least a year in Condong Catur Hospital of Yogyakarta. Total numbers of sample are 58 nurses.

3.2 Variables

For All research variables are measured by questionnaires with 5 likert scale of answers. Independent variables are organizational culture and organizational justice. Organizational culture is measured by 6 indicators, which are (Schein (2004): (1) Culture for achieve the goal, (2) Culture for working group evaluation, (3) Culture of daily language usage, (4) Culture for limit the working group, (5) Culture of timeliness, (6) Culture of working together. Organizational justice is measured by 8 indicators, which are (Colquitt et al., 2017): (1) Result equality, (2) Needs fulfillment, (3) Voting right in procedure, (4) Consistency of procedure, (5) Treatment of respect, (6) Level of politeness, (7) Information completeness of procedure, (8) Information truthiness of procedure. Dependent variable is employee performance. Employee performance is measured by 6 indicators, which are (Pawirosumarto et al., 2017): (1) Job quality, (2) Job Quantity, (3) Work efficiency, (4) Resource efficiency, (5) Working ability without supervising, (6) Working ability as a team. Mediator variable is job satisfaction. Job satisfaction is measured by 10 indicators, which are (Stanton et al., 2002): (1) Satisfaction on the job, (2) Satisfaction on the task challenge, (3) Satisfaction on the compensation, (4) Satisfaction on result sharing, (5) Satisfaction on carrier path, (6) Satisfaction on promotion chance, (7) Satisfaction on supervising policy, (8) Satisfaction on supervising ability, (9) Satisfaction on working partner contribution, (10) Satisfaction on working partner responsibility

3.3 Data Analysis

Data analysis is performed by regression analysis and *Sobel* test with alpha 0.05. Regression analysis is used to examine H1 untill H5, while *Sobel* test is used to examine H6 and H7. As preliminary test, this research uses validity, reliability, normality, heteroscedasticity, and multicollinearty tests. Regression model that is used is as follow.

$$Y1 = a1 + b1X1 + b2X2 + e \qquad (1)$$
$$Y2 = a2 + b3X1 + b4X2 + b5Y1 + e \qquad (2)$$

Where X1 is organizational culture, X2 is organizational justice, Y1 is job satisfaction, Y2 is employee performance. *Sobel* test is performed by Free Sobel Test Calculator with calculation as follow.

$$Sab = \sqrt{b^2 sa^2 + a^2 sb^2 + sa^2 sb^2} \qquad (3)$$

Where *Sab* is indirect effect, *a* is coefficient of X on Y1, *b* is coefficient of Y1 on Y2, *sa* is standard of errors of coefficient *a*, *sb* is standard of errors of coefficient *b*.

IV. RESULTS AND DISCUSSION

4.1 Validity and Reliability

Table 1. Validity and Reliability

Variable	Question	Sig of Pearson Correlation	Cronbach's Alpha
Organizational Culture	1	0.000	0.818
	2	0.000	
	3	0.000	
	4	0.000	
	5	0.000	
	6	0.000	
Organizational Justice	1	0.000	0.783
	2	0.000	
	3	0.000	
	4	0.000	
	5	0.000	
	6	0.000	
	7	0.000	
	8	0.000	
Job Satisfaction	1	0.000	0.863
	2	0.000	
	3	0.000	
	4	0.000	
	5	0.000	
	6	0.000	
	7	0.000	
	8	0.000	
	9	0.000	
	10	0.000	
Employee Performance	1	0.000	0.900
	2	0.000	
	3	0.000	
	4	0.000	
	5	0.000	
	6	0.000	

Source: proceed data (2019)

Table 1 show that significance value of pearson correlation for all questions is below 0.005. It indicates that questioner is valid. Value of cronbach's alpha for all variable is above 0.6.   It indicates that questioner is reliable.

4.2 Normality, Heteroscedasticity, and Multicollinearity Tests

Table 2. Normality, Heteroscedasticity, and Multicollinearity Tests

Test	Model Y1	Model Y2
Kolmogorov-Smirnov	Sig. > 0.05	Sig. > 0.05
Glejser	Sig. > 0.05	Sig. > 0.05
VIF	VIF < 10 tolerance > 0.1	VIF < 10 tolerance > 0.1

Source: proceed data (2019)

Table 2 shows that significance value of Kolmogorov-Smirnov for model Y1 and Y2 is above 0.05, indicates that data is distributed normally. Significance value of Glejser for model Y1 and Y2 is above 0.05, indicates that there is no heteroscedasticity problem. Value of VIF for model Y1 and Y2 is below 10 and value of tolerance for model Y1 and Y2 is above 0.1, indicates that there is no multicollinearity problem.

4.3 Hypotheses Test

Table 3. Hypotheses Test

Independent Variable	Model Y1		Model Y1		Indirect Effect (Sobel)	
	t-statistics	Notes	t-statistics	Notes	z-statistics	Notes
X1	2.883*	H1 accepted	-0.937	H3 rejected	2.037*	H6 accepted
X2	3.297*	H2 accepted	1.199	H4 rejected	2.170*	H7 accepted
Y1			2.876*	H5 accepted		
Dependent Variable	Y1		Y2		Y2	
F-statistics	19.088*		5.870*			
R^2	0.410		0.246			
*significant in 0.05						

Source: proceed data (2019)

Table 3 shows that t-statistics for X1 in model Y1 is 2.883 (significant is 0.05). It shows that there is positive and significant effect of organizational culture on job satisfaction. The result is consistent with previous studies (Lund, 2003; Park and Kim, 2009; Bellou, 2010; Syauta et al., 2012; Hutabarat, 2015; Pawirosumarto et al., 2017; Sapada et al., 2017) that find organizational culture has positive effect on satisfaction.

Value of t-statistics for X2 in model Y1 is 3.927 (significant is 0.05). It shows that there is positive and significant effect of organizational justice on job satisfaction. The result is consistent with previous studies (Suliman, 2007; Whisenant and Smucker, 2009; Dundar and Tabancali, 2012; Mashi, 2017; Nurak and Riana, 2017; Haryono et al., 2019) that find organizational justice has positive effect on satisfaction.

Value of t-statistics for X1 in model Y2 is -0.937 (insignificant). It shows that there is not significant effect of organizational culture on job satisfaction. The result indicates that organizational culture does not have direct effect on job satisfaction but it is more likely has indirect effect through job satisfaction.

Value of t-statistics for X2 in model Y2 is 1.199 (insignificant). It shows that there is not significant effect of organizational justice on job satisfaction. The result indicates that organizational justice does not have direct effect on job satisfaction but it is more likely have indirect effect through job satisfaction.

Value of t-statistics for Y1 in model Y2 is 2.876 (significant is 0.05). It shows that there is positive and significant effect of job satisfaction on employee performance. The result is consistent with previous studies (Khuong and Quoc, 2016; Sapada et al., 2017; Mashi, 2017; Nurak and Riana, 2017) that find satisfaction has positive effect on performance.

Value of z-statistics for X1 in indirect effect (Sobel test) is 2.037 (significant is 0.05). It shows that there is positive and significant effect of organizational culture on employee performance through job satisfaction. The result is consistent with previous studies (Park and Kim, 2009; Syauta et al., 2012; Hutabarat, 2015; Sapada et al., 2017) that find job satisfaction mediates the effect of organizational culture on employee performance.

Value of z-statistics for X1 in indirect effect (Sobel test) is 2.170 (significant is 0.05). It shows that there is positive and significant effect of organizational justice on employee performance through job satisfaction. The result is consistent with previous studies (Suliman, 2007; Khuong and Quoc, 2016; Mashi, 2017; Haryono et al., 2019) that find job satisfaction mediates the effect of organizational justice on employee performance.

V. CONCLUSION

Based on regression analysis, organizational culture and justice have positive and significant effect on job satisfaction. On the other hand, organizational culture and justice do not have significant effect on employee performance. Job satisfaction has positive and significant effect on employee performance. Based on Sobel test, job satisfaction has mediator role between the effect of organizational culture and justice on employee performance. This research is expected to have contribution to help Condong Catur Hospital management to fix nurses' performance problems.

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