



**THE COMBINATION OF KAIZEN AND JAVA INTO
ORGANIZATIONAL CULTURE “HASIL” TO JOB SATISFACTION AND
AFFECTIVE COMMITMENT ON EMPLOYEE WORK PERFORMANCE
AT PT. MEGA ANDALAN KOMPONEN LOGAM**

MediPrasetyo*¹,

Universitas Muhammadiyah Yogyakarta

ArisSuparman²,

Universitas Muhammadiyah Yogyakarta

Fauziah³,

Universitas Muhammadiyah Yogyakarta

ABSTRACT

This study is to analyze the influence of organizational culture "HASIL", job satisfaction, and organizational affective commitment on employee performance. The research object in this study is PT. Mega Andalan Komponen Logam, Yogyakarta. Data are collected from 126 respondents with questionnaire completed with census method. The result of the model tested through Structural Equation Modeling (SEM) shows that the Goodness-of-Fit test of full model is in the range of expected values. The findings of this study prove and conclude: (1) organizational culture "HASIL" has positive and significant effect on performance employee, (2) job satisfaction has positive and significant effect on performance employee, (3) organizational culture "HASIL" has positive and significant effect on organizational commitment affective, (4) job satisfaction has positive and significant effect on organizational commitment affective, and (5) organizational commitment affective has positive and significant effect on employee performance.

Key Words: organizational culture "HASIL", job satisfaction, organizational commitment, and employee performance

INTRODUCTION

A company is an organization of two people or more that are bound in a cooperation to reach a shared purpose. Employee is crucial element in a company in executing the activities to reach certain purposes. Therefore, employee is humane asset needed to run the organization. Good employee performance becomes one of organizational policy targets to sustain the performance. Employee performance is employee achievement in performing his job. Based on

Fiedler and Gracia (1987), there are two factors influencing employee performance that are internal and external factor. Internal factor derives from the employee himself such as values, perception, motivation and purpose he wants to reach. The external factor derives from outside such as leadership, coworker, workspace, work security and safety, politic, economic, salary, social and organizational culture. Organizational culture which serves as a system of values is translated into a set of key characters in an organization to differentiate one organization to the other ones (Robbins, 2008). Organizational culture “HASIL” is the combination of the cultural values of kaizen with the noble culture of Java. Employee attitude is shaped through the implementation of the organizational culture attached to each employee. It is therefore expected to improve employee’s performance.

Besides organizational culture, job satisfaction also influences employee performance. Job satisfaction based on Robbins (2008) is defined as positive emotion to one’s job in working. Employee with high job satisfaction tends to have better physical health, work faster, improve performance, and reduce employee replacement and absence.

Other variable to influence employee performance is affective commitment. Staff with high affective aspect will join the organization because of his own willingness to be the member of the organization. Active commitment, based on Allen and Meyer (1990), means that the employee feel to be part of and crucial to be inseparable from the organization. Affective commitment may also serve as an important factor for loyalty in dedicating the body and soul to the organization.

All variables influencing employee performance have theoretical relation supported by empirical research finding that organizational culture, job satisfaction and affective commitment positively influential and significant to employee performance such as in research by Teman Koesmono(2005), Kalkavanand Kastrinli (2014), Amir Ali Chughtai & SohailZafar (2006), Aftab Hiraand Waqas Idrees (2012), Herry Harijanto (2009). There are other empirical research, however, which proved that organizational culture, job satisfaction and affective commitment do not significantly influential as researched by Yunus Handoko, Margono Setiawan, Surachman and Djumahir (2012).

PT. Mega Andalan Komponen Logam is a business unit of MAK Group, the biggest medical devices producer in Indonesia. It is located in Berbah Street, Kalasan, Sleman, Yogyakarta. To realize its vision “Becoming world-class company by serving as Indonesia industry chain driver”, PT. Mega Andalan Komponen Logam is determined to prioritize in producing Metal Component. Therefore, PT. Mega Andalan Komponen Logam requires its employee to have skill and competence in the field. Organizational culture “HASIL”, job satisfaction and affective commitment will create optimum employee performance.

THEORETICAL BASIS

Employee Performance

Performance in management science is an important factor to reach the target. It is certain that an employee will expect appreciation to his work and equal rewards. Performance assessment needs to be done as objective as possible. According to Gaol (2014), the target of

performance assessment is employee's skill to accomplish his job or responsibility that is evaluated through certain standard objectively and regularly.

Individual performance means job achievement obtained by the employee in the process to reach the organizational purpose. This performance indicates the level of the assessed employee's job performance. The higher performance score an employee has, the more influential it is to the general organizational performance. Based on Hasibuan (2009), performance has four indicators that are 1) quality, 2) efficiency, 3) capability, 4) creativity.

Organizational Culture "HASIL"

Organizational culture "HASIL" is an individual perception of the employee to the organization itself. Based on Robbins (2008), organizational culture serves as a system of values that is translated into a set of key characters in an organization to differentiate one organization to the other ones. According to Samrat, the Corporate Secretary of MAK Group, organizational culture "HASIL" is the combination of two cultures that are kaizen and Javanese culture. The implementation of kaizen values are continuously implemented to create improvements to the company process and innovation. Kaizen's values cover *Quality* that is the commitment to produce high quality products, *Cost* that is the control to the operational and production cost, *Delivery* that is the commitment to deliver the goods on time to the customer, *Safety* that is the commitment to implement work security and safety programs, *Mentality* that is having the attitude or courage to do the job, and *Productivity* that is the comparison on the achieved outcome from all sources that are used. Meanwhile, the Javanese values are represented by the philosophy of the human's five fingers. The thumb represents respect and appreciation, the index finger represents obedience and devotion, middle finger represents enthusiasm to reach achievement, ring finger represents responsibility and the little finger represents loyalty and togetherness.

Therefore, it is formulated that the Organizational Culture "HASIL" is an acronym for *Harmonis* (harmonious), *Amanah* (trust/trustworthy), *Semangat* (enthusiasm), *Integritas* (integrity) and *Loyalitas* (loyalty). Harmony is the value of synchronization and suitability in working. The values in organizational culture "HASIL" have similarities with the characteristic indicators proposed by Robbins (2008) that are: (1) Innovation and Risk Taking, (2) Attention to detail, (3) Outcome Orientation, (4) People Orientation, (5) Team Orientation, (6) Aggressiveness and (7) Stability.

Job Satisfaction

Job satisfaction is an emotion felt by an employee in working towards the result received by the employee. This emotion is inseparable from the internal and external factor of the employee. In the work environment, the employee interact with co-workers and subordinates, adhere to organizational rules and policies, and fulfill job standard, work condition and others. Employee assessment on their satisfaction toward the job is a complex assessment taken from various factors both internal and external factors from the employee. Luthans (2006) mentions that there are five dimensions influencing job satisfaction, that are: the job itself, salary, promotional opportunity, supervisory and coworker.

Affective Commitment

Organizational commitment represents the degree to which organizational members want to continue to actively contribute to organizational activities. In the world of work, the commitment of employees to the organization is very important. According to Allen and Meyer (1990), organizational commitment has three components, namely: affective commitment, continuance commitment, and normative commitment. A common feature of these three components of commitment is to see commitment as a psychological condition that: (1) describes an individual's relationship with the organization, and (2) has implications in the decision to continue the membership or not in the organization. An employee who has a high affective aspect will join the organization because of the desire to remain as the member of the organization. This affective commitment is one of the types of commitments according to Allen and Meyer (1990), employees feel as an integral part and importance of the organization.

Research Model and Problem Formulation

The model in this study is as follows:

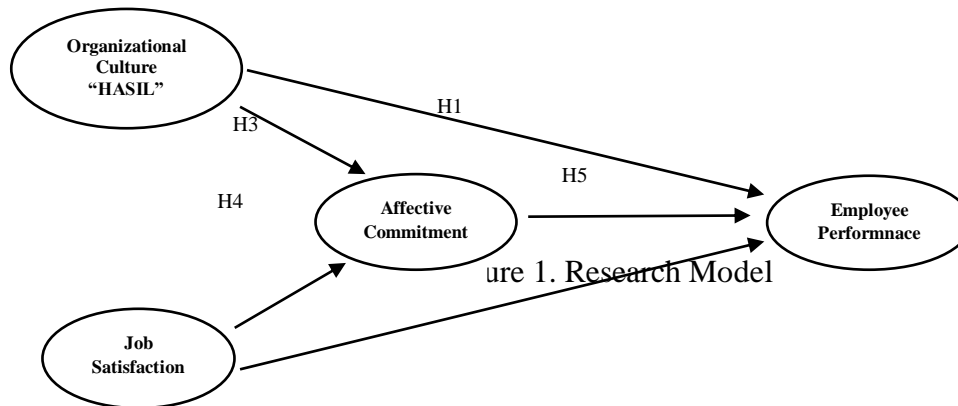


Figure 1. Research Model

Source:

- H1 :TemanKoesmono (2015), Charina Melina TaurisadanIntanRatnawati (2012), HerryHarijanto (2009)
- H2 :AftabHiradanWaqasIdrees (2012), GamageDinokaNimaliPerera, Ali hatibi, NimalNavaratnadanKaruthan China (2014)
- H3 :Lee Huey YiingdanKamarulZaman Bin Ahmad (2008), YunusHandokoMargonoSetiawan, SurachmandanDjumahir (2012)
- H4 : Indi Djastuti, RetnoHidayatdanDewitaHeriyanti (2007)
- H5 :MichaelAsiedu, Jacob OwusuSarfodan Daniel Adjei (2014), Aamir Ali ChunghtaidanSohailZafar (2006)

The formulation of hypotheses that researcher proposes are as follows:

H1: Organizational culture "HASIL" has a positive and significant effect on employee performance

H2: Job satisfaction has a positive and significant impact on employee performance

H3: Organizational culture “HASIL” has a positive and significant effect on organizational commitment

H4: Job satisfaction has a positive and significant effect on organizational commitment

H5: Organizational commitment has a positive and significant effect on performance

RESEARCH METHODS

The method of this research is by using questionnaires distributed to respondents by census. The data obtained is then processed using SEM (Structural Equation Modeling).

Object and Subject Research

The object of this research is PT. Mega AndalanKomponenLogam located at Kalasan, Sleman, Yogyakarta. The subject of this research is permanent employees at PT. Mega AndalanKomponenLogam. The decision on the number of samples in this study refers to the opinion of Hair et al. (1995). The minimum sample size is as much as 5-10 times the estimated number of parameters where the number of indicators 25 x 5 is 125.

Method of Data Collection

This research uses survey method by using questionnaire which is a way of taking data by giving a list of questions that contains aspects to be measured and must be answered by the research respondents. Data collection techniques are done by giving a set of written questions to respondents to answer (Sugiyono, 2010). The interval scale used for data measurement is the rating from Likert, where the answer with the following criteria: 1 = Strongly Agree; 2 = Agree; 3 = Less Agree; 4 = Disagree; 5 = Strongly Disagree.

Profile of Respondents

Respondents in this study are permanent employees of PT. PT. Mega Andalan Komponen Logam with a total sample of 130 employees. Of the 130 questionnaires distributed, there are 126 returned questionnaires and 4 unreturned questionnaires. Therefore, the data processed in this research is 126.

Measurement

Variabel	Indicator
Organization Culture“HASIL”	Innovation and Take Risks, Attention to detail, Outcome Orientation, People Orientation, Team Orientation, Aggressiveness, Stability.
Job Satisfaction	Promotion , Salary, Co-worker, Employment itself, Supervisor
Affective Commitment	Working Until retirement, Talking about organizational positives, Having emotional ties, Organizational problems become member problems too, Being part of the

	organization, Organization has significance for members
Employee Performance	Quality, Efficiency, Ability, Creativity

Table 1. Variabel and Indikator

Description	Category	Frekuensi	%
Education	SLTA	105	83
	Diploma 3	16	13
	D-4/S-1	5	4
Age	20-30	76	60
	31-40	36	29
	41-50	14	11
Gender	Male	120	95
	Female	6	5
Position	Admin	7	6
	Operator	105	83
	Supervisor	11	9
	Manager	3	2
Work Period	1-5 th	15	12
	6-10 th	84	67
	11-20 th	27	21
Marital Status	Marrige	78	62
	Single	48	38

Source: Primary data processed, 2017

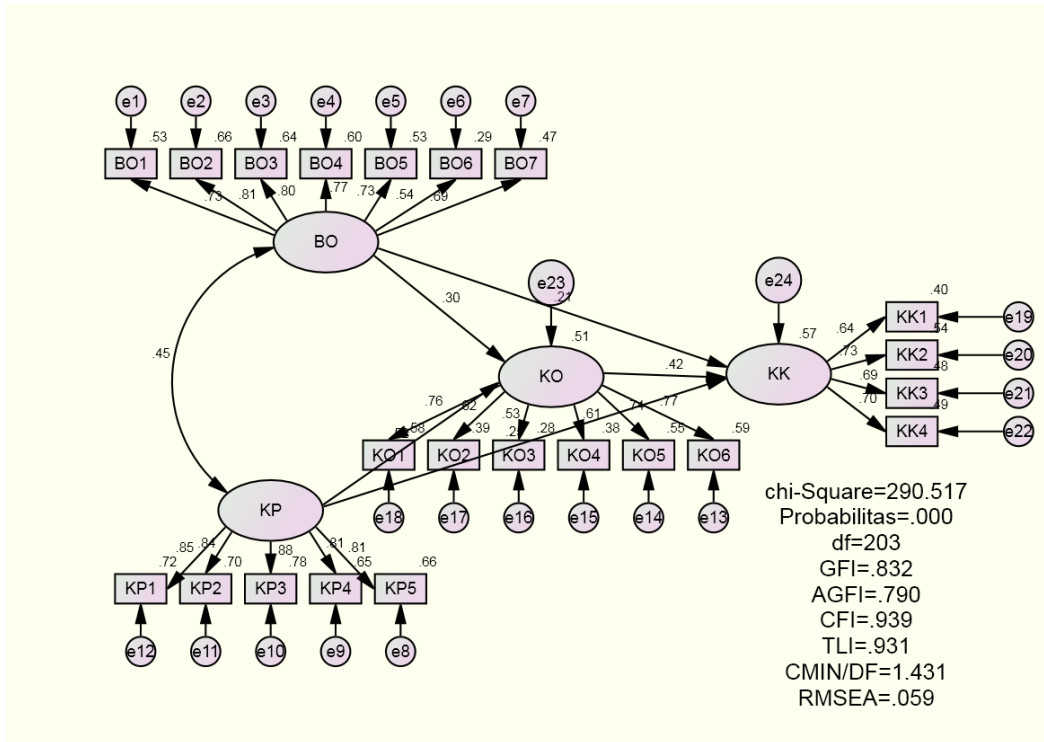
Table 2. Responden Profile

The results of the analysis in table 2 show the majority of respondents have high school education and the minority have D-4/S-1 education. For ages, the majority are 20-30 years old and the minority is aged 41-50. The sex of the majority is male of 120 people. While the position the majority is operator of 105 people and the minority is manager position of 3 people. In the category of working period, the majority has worked for 6-10 years as many as 84 people and the minority for 1-5 years of 15 people. For the married status, 78 people are married and of 48% is unmarried.

RESULT ANALYSIS AND DISCUSSION

The result on matrix input and model estimation on Outliers identification with the value of CHIINV 42.351. This shows from total all respondents there is no data indicated as outlier. For the multivariate normality test, the data meet the normal assumption because the value of -

1,114 is within the range of ± 2.58 . Thus it can be concluded that, based on the normality test, the data is normally distributed. Multicollinearity test can be seen on the determinant of covariance matrix. The AMOS output gives the Determinant of sample covariance matrix = 0,000. Based on these results there is multicollinearity and singularity in this research data, but still acceptable because the value of correlation coefficient shows the value of $0.449 < 0.900$ which means that there is multicollinearity and singularity but the relationship is weak.



Source: Primary data processed, 2017

Picture 2. Full Model Structural Equation Modelling

Goodness of fit index	Cut-off value	Model Penelitian	Model
Significant probability	≥ 0.05	0,000	Poor Fit
RMSEA	≤ 0.08	0,059	Good Fit
GFI	≥ 0.90	0,832	Marginal Fit
AGFI	≥ 0.80	0,790	Marginal Fit
CMIN/DF	≤ 2.0	1,431	Good Fit
TLI	≥ 0.90	0,931	Good Fit
CFI	≥ 0.90	0,939	Good Fit

Source: Primary data processed, 2017

Table 3. *Goodness of Fit*

			Estimate	S.E.	C.R.	P	Ket
Affective Commitment	<---	Organization Culture HASIL	.334	.106	3.164	.002	Sig
Affective Commitment	<---	KepuasanBekerja	.422	.083	5.058	***	Sig
KinerjaKaryawan	<---	Affective Commitment	.387	.137	2.829	.005	Sig
KinerjaKaryawan	<---	Organization Culture HASIL	.216	.109	1.973	.048	Sig
KinerjaKaryawan	<---	KepuasanBekerja	.187	.092	2.024	.043	Sig

Source: Primary data processed, 2017

Table 4. Result The Hypothesis Variable

Based on the test results on the suitability of the goodness of fit test model in the study shown in table 3, it can be seen that the probability value are on the value that has not fit the criteria. Meanwhile, the marginal GFI and AGFI, RMSEA, CMIN/DF, TLI, CFI already meet the expected conditions. According to Arbucke (1999), the modification index of 4.0 or more can indicate that if the coefficient is estimated, then there will be significant reduction of Chi-Square value.

Table 4 presents the results of the tests on the five hypotheses proposed in this study. First, based on the results of analysis, it is evident that organizational culture of "HASIL" has a positive and significant impact on performance. This shows that the stronger the organization culture of "HASIL", the better the performance of employees is. Second, the second hypothesis testing proves that there is a positive and significant influence between job satisfaction and employee performance. This shows that the better employee job satisfaction, the more excellent employee performance is. Third, the third hypothesis testing proves that there is a positive and significant influence of organizational culture of "HASIL" to affective commitment. This shows that the stronger the organization culture of "HASIL", the stronger the affective commitment is. Fourth, the hypothesis testing performed prove that job satisfaction has a positive and significant effect on affective commitment. This shows that the higher job satisfaction perceived by employees, the more commitment in the employees is. Fifth, the hypothesis testing performed prove that there is a positive and significant effect between affective commitments to employees' performance. This shows that the higher the commitment of affective organizations, the higher the performance of employees is.

The analysis results show that the value of standardized direct effects are greater than the value of standardized indirect effects. This shows that the mediation variable has no indirect effect in the relationship between the two variables. Organizational culture and job satisfaction on the performance can be seen in the value of standardized direct effects (0,214), job satisfaction (0,252) with standardized indirect effects organizational culture (0,128), and job satisfaction (0,220). These data can be used to see the influence between organizational cultures, job satisfaction on employee performance with affective commitment as mediation has no effect.

CONCLUSION

Based on the analysis of research data and discussion in the previous chapter, it can be concluded as follows:

1. There is a positive and significant influence of organizational culture "HASIL" between employee performance; Thus supporting Hypothesis 1.
2. There is a positive influence and significant work satisfaction between employee performance; Thereby supporting Hypothesis 2.
3. There is a positive and significant influence of organizational culture "HASIL" between affective commitment; Thereby supporting Hypothesis 3.
4. There is a positive and significant influence on job satisfaction between affective commitment; Thereby supporting Hypothesis 4
5. There is a positive and significant influence of affective commitment between employee performance; Thus supporting Hypothesis 5.
6. There is an indirect effect of organizational culture "HASIL" on employee performance with affective commitment as mediation.
7. There is an indirect effect of job satisfaction on employee performance with affective commitment as mediation.

SUGGESTION

Based on the results of research on the variables of organizational culture, job satisfaction, commitment and employee performance, the implications of the policy that researcher suggest are:

1. Organizational Culture Variables of "HASIL" affects the affective commitment and employee performance. Based on these conditions, it needs to take strategic steps to strengthen organizational culture of "HASIL" in order to improve employee performance, among others by:
 - a. Conducting internalization programs of values that are conceptualized and evaluated with approaches such as company regulations
 - b. Forming a separate committee for the improvement of organizational culture either voluntarily or structured
 - c. Engaging employees in the company's activities to establish good cooperation and mutual respect such as family gathering or outbound activities
2. Variable Job satisfaction in this study affects the affective commitment and employee performance. It is necessary to carry out strategic steps, among others by:
 - a. Creating a special commission on compensation and career policies
 - b. Providing supporting facilities for employees such as complete APD (*Alat Pelindung Diri*/Personal Protective Equipment) to make them to work conveniently
3. Affective commitment variable in this study affects the performance of employees. It is necessary to carry out strategic steps, among others by:
 - a. Providing support or mentoring conducted by supervisor in the form of guidance and work motivation

- b. Providing opportunities for employees to improve their skills by providing training for potential employees.

Limitations of Research

This study is only conducted on permanent employees at PT. Mega AndalanKomponenLogam so that it only gives less overall picture of condition at PT. Mega AndalanKomponenLogam, Educational background and understanding of respondents can cause differences in perception in understanding questions in the instrument. Research data from question items are based on perception of respondents. There is possibility that there may be differences with the actual situation in the object of research.

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