Analysis on the Effects of Organizational Communication Climate and Career Development toward Employee Performance with Job Satisfaction As an Intervening Variable (Study on HRD and General Division of PT Pusri Palembang)

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Abstract - The purpose of this research is to analyze direct and indirect effects of organizational communication climate and career development toward employee performance, where the job satisfaction as an intervening variable toward the organizational communication climate and career development of employee performance at Human Resource Department and General Division of PT Pusri Palembang. This research was explanatory research approach and used 120 respondents. The primary data were questionnaires. Data analysis method was Structural Equation Model (SEM). Research findings showed that organizational communication climate had no significant effect on employee performance while career development had a significant effect on employee performance. In addition, the study also found that job satisfaction as the full mediation influenced the organizational communication climate toward employee performance while job satisfaction as the partial mediation influenced the career development toward employee performance at Human Resources Department and General Division of PT Pusri Palembang.

Index Terms - Communication Climate, Career Development, Job Satisfaction, Employee Performance

I. INTRODUCTION

Human resource is an object as well as a subject to realize the successes of goal and as a main power resource in shaping corporate management practices. All company expects high performance from their employees, even under uncertain conditions of change to their employees. Therefore, management needs more attention and be able to develop the role of human resource in a company, so they can produce not only individual performance but also optimize company performance (Pushpakumari, 2008). Employee performance must be supported by the company's environmental factors such as clear job descriptions, adequate work facilities, respectful and dynamic work climate, career opportunities and effective communication.

Communication activities within organization become one of the indicators of organizational growth. Ali and Haider (2012) suggest that communication as the key to bring people in the organization together to work toward a specific goal. The results of Bikson and Gutek's research in Verma (2013) states that failure in companies, 90% caused by failure in the communication process. In addition, according to Sanusi (2012) communication will be functioning properly if there are healthy communication climates; the existence of mutual trust, mutual supporting and strengthening, mutual unity, understanding, openness and honesty. Falcione et al. in Sanusi (2012) defines communication climate as a subjective quality of experience that arises from employee perceptions of characteristics within the organization. The organizational communication climate plays an important role in creating an effective organization (Redding in Pace and Faules, 2002).

Performance can also be influenced by employee career development. Individuals join the organization for a rewarding of job experience opportunity as well as a career rewarding. Career prospect in a company provides motivation for employees to improve their work effort in achieving job satisfaction, as the result, they can provide optimal results. According Odembo (2013) career is an activity undertaken for a significant period of individual life with opportunities for progress. Sunyoto (2012) argues that career development is a personal enhancement activity in the self-development efforts pursued by a person to realize a career plan. According to Nugroho and Kunartinah (2012), the development of a prospect career in a company will increase employees’ work motivation, thus creating a sense of satisfaction in carrying out their work.

Ivancevich et al. (2007) defines job satisfaction as an attitude that workers have as a result of their perception toward job as a whole
whether or not it can facilitate the achievement value of work considered important for them. Rofiq (2014), Ahmad et al. (2010) and Pushpakumari (2008) argue that job satisfaction is an important consideration for company because workers with high levels of satisfaction tend to be willing to defend themselves on job, being motivated to exist in organization and working best towards performance, and tend to improve overall performance organization. Job satisfaction is one of the performance measurement tools (Robbins, 2005).

Several findings based on direct observation and interviews conducted by the writer from some workers of PT Pusri were obtained, as follows:

1. The legal entity change of PT Pusri Palembang (Pusri) into a private company as a subsidiary company seems to have an impact on the changing of communication climate within the company. As expressed by Pace and Faules (2002) that changes in a work system can affect the perception of organizational communication climate.

2. Some records of the results of the survey on job satisfaction in 2016 conducted by PT Pusri Palembang:
   a. There was an indication of lack of superior and subordinate communication, due to the lack of information received by employees about their performance. It can be seen from the employee's down attitude and immediately resigned when the counseling work unit conducts summons and counseling for employees whose achievements are rated below the average (under).
   b. 22.09% of the workers complained about the issue of "employee placement" (filling position, rotation / mutation, recruitment). Rotation policies are less acceptable to employees and cause less satisfaction.
   c. Employees age of 25 - 30 years, achieving the lowest level of satisfaction. According to Bagus (2010) age between 25 - 34 years old are the age that can cause feelings not satisfied with their job. There was 24.95% of employees of PT Pusri Palembang were within those ages.

3. Minimum number of prioritized employees to be promoted as rising grade because priority is for employees who have high performance while most of them are performing normally.

4. At each period of employee assessment high group is a group that is prioritized for up grade. Meanwhile, most of the assessment results of employees are in the normal group. So that there are few number of employees prioritized to raise their grade.

Regarding to previous research on the relationship of communication climate and performance conducted by Yoanne (2013), Ahsanul (2013), and Nordin et al. (2014) find that the communication climate has an influence on company performance and effectiveness. However, it is not in line with a research conducted by Brahmasari and Suprayetno (2008) which shows a significant negative influence between bottom-up communication on job satisfaction. Bianca & Sushieno's (2012) research also shows that organizational climate has a negative effect on job satisfaction. While Kamasak & Bulutlar (2008) which examine the role of the communication climate as mediation between job satisfaction and PEP concluded that the communication climate does not have a moderate effect.

II. LITERATUR REVIEW

Organizational Communication Climate. Communication Climate is a subjective quality of experience arising from employees’ perceptions of characteristics within an organization (Falcione et al., In Sanusi, 2012). The communication climate is perceptions of messages and events related to what happens within the company (Pace & Faules, 2002). The ideal organizational communication climate is very important in an organization, because it can affect the performance of the organization through its influence on employees’ work motivation (Noordin et al., 2010 and Verma, 2013).

Career development. Career development is a process of increasing individual work abilities achieved in order to achieve the desired career (Handoko, 2008). Career development is expected by every worker, because they will get better rights than before both material and non-material. Although the primary responsibility for career planning lies in individuals, organizational career planning must be in accordance with individual career planning if the organization wants to retain the best employees (Moody in Rande et al., 2014). Through career development programs, companies can improve employee performance and productivity, lower labor turnover, and increase employee promotion opportunities.

Job satisfaction. Job satisfaction is an attitude that workers have as a result of their perception of jobs as a whole whether or not it can facilitate the achievement of the important job value for them (Ivancevich et al., 2007). Companies are expected to meet employee job satisfaction because companies with more satisfied employees tend to have higher productivity than companies with less satisfied employees (Rofiq, 2014). Job satisfaction is one of the performance measurement tools (Robbins, 2005).

Performance. Performance is defined as what an individual or an employee has produced, and is influenced by organizational performance (Cash and Fischer in Thoyib, 2005). Every company expects high performance to be generated by every employee, even under uncertain conditions of change to employees. A company still requires employees to survive and perform high to maintain sustainable values.

Previous Research. There are several researches that have been conducted by academics in studying the relationship organizational communication climate and career development toward employee performance. For example, researches conducted by Suryanata and Laksemana (2016), Istitomah and Suhartini (2015) and Pangumpia (2013) their researched found that organizational communication climate has a significant positive effect on improving employee performance. Furthermore, researches by Sopi (2017), Sofyan et al (2016), Jusuf et al (2016), Rande et al (2014), and Adekola (2011), showed that career development has a direct influence on job
satisfaction and performance. However, there are differences in the findings of research conducted by Mabruroh et al (2017) which conclude that career development has no significant effect on job satisfaction. The findings of this research were also supported by Tobing (2016) and Kaya and Ceylan (2014) which found that there was no significant influence between career development on job satisfaction. Furthermore, researches by Bianca & Susihono's (2012), Brahmasari and Suprayetno (2008) which found that organizational climate has a negative effect on job satisfaction.

In addition, some researchers have previously conducted research on the influence job satisfaction on employee performance. For example, a study conducted by Pushpakumari (2008) found that job satisfaction had a significant influence on employee performance. Meanwhile, research conducted by Taurisa and Ratnawati (2012) obtained the findings that the satisfaction of co-workers as a dominant indicator of job satisfaction in influencing employee performance.

III. RESEARCH METHODS

Research Design. This research is explanatory study with causality research design that is to find out the effects of organizational communication climate, career development, and job satisfaction on employee performance of Human Resources Department and General Division of PT Pusri Palembang. There were four variables in this study, namely organizational communication climate variable (X1) and career development variable (X2) as exogenous variable, job satisfaction variable (Y1) as an intervening variable, and performance variable (Y2) as dependent variable or endogenous variable. The variable organizational communication climate was measured using six aspects: trust, joint decision making, honesty, openness in top-down communication, bottom-up communication, and focusing to high performance goals. Career development variable was measured by five aspects: achievement opportunities, career clarity, predictable career level, career planning, and career management. Job satisfaction variable was measured by four aspects: job interest, job security, high enthusiasm, and cooperative attitude. The numbers of indicators used in this study were 48 indicators. This study used primary data through questionnaires using likert scale measurement 1 to 5 (1 = strongly disagree to 5 = strongly agree).

Population and Sample. The population in this study were employees at Human Resources Department and General Division of PT Pusri Palembang total 126 employees. The questionnaires were distributed to 126 employees, but only 120 questionnaires returned, so the final samples were 120 respondents.

IV. RESULTS AND FINDINGS

The estimation of the SEM model as shown in the following figure:

Based on Figure 1 above, the result of evaluation for the whole SEM model is as follow:

Table 1. The Results of Goodness of Fit Index

<table>
<thead>
<tr>
<th>GOF</th>
<th>Values</th>
<th>Cut off Value</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi-Square</td>
<td>789.63</td>
<td>&lt; α, df</td>
<td>Marginal Fit</td>
</tr>
<tr>
<td>Probability</td>
<td>0.016</td>
<td>&gt; 0.05; 0.01</td>
<td>Marginal Fit</td>
</tr>
<tr>
<td>RMSEA</td>
<td>0.019</td>
<td>≤ 0.08</td>
<td>Good Fit</td>
</tr>
<tr>
<td>TLI atau NNFI</td>
<td>0.96</td>
<td>≥ 0.90</td>
<td>Good Fit</td>
</tr>
<tr>
<td>CFI</td>
<td>0.91</td>
<td>≥ 0.90</td>
<td>Good Fit</td>
</tr>
<tr>
<td>GFI</td>
<td>0.89</td>
<td>≥ 0.90</td>
<td>Marginal Fit</td>
</tr>
<tr>
<td>AGFI</td>
<td>0.96</td>
<td>≥ 0.90</td>
<td>Good Fit</td>
</tr>
</tbody>
</table>

Source: Results of Research Data (2018)

The results of the analysis show that the criteria of Goodness of fit are met. It meant that all structural models are fit model.

Hypothesis Test. Hypothesis test was conducted by looking at the full model estimation based on t-value and loading standard.

Table 2. The coefficient values and t-value with significance level of 5%

<table>
<thead>
<tr>
<th>Coefficient</th>
<th>t-value</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>IK - &gt; Satisfaction</td>
<td>0.68</td>
<td>5.06</td>
</tr>
<tr>
<td>PK - &gt; Satisfaction</td>
<td>-0.56</td>
<td>-4.52</td>
</tr>
<tr>
<td>Satisfaction - &gt; Performance</td>
<td>0.92</td>
<td>8.43</td>
</tr>
<tr>
<td>IK - &gt; Performance</td>
<td>-0.01</td>
<td>-0.12</td>
</tr>
<tr>
<td>PK - &gt; Performance</td>
<td>0.20</td>
<td>2.57</td>
</tr>
</tbody>
</table>

Source: Results of Research Data (2018)

Based on the table above, the equation was obtained as follows:

1. Sub-Structural Equation:
   SATISFACTION = 0.68 * IK - 0.56 * PK
2. Structural Equation:

Figure 1. SEM Results Estimated
The Effects of Organizational Communication Climate on Job Satisfaction. The results show that the t-value of the Organizational Communication Climate variable on job Satisfaction is = 5.06 at a significant level of 0.05%, meaning that there is a positive influence between the organizational communication climate and employees’ job satisfaction at HRD and General Division of PT Pusri Palembang (H1 Hypothesis, accepted). The results of this study indicate that the better communication climate in the company so the employees’ job satisfaction is increasing. These results support the opinion of Kamasak & Bulutar (2008: 141) that "the communication climate is an important predictor of job satisfaction." In line with the results of the research conducted by Ali & Haider (2012: 43) find a significant positive influence on internal organizational communication consisting of communication climate, formal communication and informal communication on employees’ job satisfaction.

The Effect of Career Development on Employee Performance. The results show that the t-value of Career Development variable on Performance is = 2.57 at significance level of 0.05%, which means that there is a positive effect between the career development variable and employee performance at HRD and General Division of PT Pusri Palembang (Hypothesis H4, accepted). According to Handoko (2001) welfare is a complete remuneration that aims to maintain and improve the physical and mental conditions of employees so that their productivity increases. The result of a research conducted by Murti's (2014) concludes that aspects of organizational communication climate which consist of six indicators can improve and reduce employee performance. In her research, the aspects of joint decision making, openness in top-down communication, openness in Bottom-up communication proven to decrease employee performance. Yet based on the theory of organizational communication climate by Pace and Faules (2002) shows that these three aspects have a positive impact on work environment and can improve employee performance. The same opinion based on the results of the research by Suryanata and Laksemana (2016), Istiqomah and Suhartini (2015) and Pangumpia (2013) which show that the organizational communication climate has a significant positive effect on improving employee performance.

The Effect of Job Satisfaction on Employee Performance. The results show that the t-value of Job Satisfaction variable on Performance is = 8.43 at significant level of 5%, it means that there is a significant effect between job satisfaction and employee performance at Human Resources Department and General Division of PT Pusri Palembang. (Hypothesis H5, accepted). This result proves the theory of job satisfaction by Robbins (2005) which states that employees who are satisfied with their work have a greater chance to talk about positive things about their organization, help others, and do their job performance beyond the normal estimate. The results of this study are in line with the research conducted by Inuwa (2016), Indrawati (2013), Taurisa and Ratnawati (2012) which concludes that the presence of good attention from the company towards employee job satisfaction would be able to improve employee performance. This is in

\[
\text{PERFORMANCE} = 0.92 \times \text{SATISFACTION} - 0.01 \times \text{IK} + 0.20 \times \text{PK}
\]

### Table 3. Direct and Indirect Effects

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Dependent variable</th>
<th>Direct Effect</th>
<th>Indirect Effect</th>
<th>Total Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communications Climate</td>
<td>Performance</td>
<td>-0.01</td>
<td>1.60</td>
<td>1.59</td>
</tr>
<tr>
<td>Career development</td>
<td></td>
<td>0.20</td>
<td>0.36</td>
<td>0.56</td>
</tr>
</tbody>
</table>

Sumber: Results of Research Data, 2018
accordance with the result of descriptive statistics of respondents' perceptions on job satisfaction. The aspect of being attracted to their jobs has the highest assessment score, it means that employees who were attracted to their jobs have job satisfaction. According to Spector (1997), job satisfaction will produce perceptions and ultimately will produce the behaviors needed to produce performance, where individuals who are satisfied with their jobs will do good behavior and vice versa. More specifically, according to Herzberg in Hasibuan (2005) states that the characteristics of satisfied behaviors are employees who have high motivation to work, and are willing to do their jobs.

The Effect of Organizational Communication Climate on Employee Performance with Job Satisfaction as Intervening Variable. The results show that the direct effect of communication climate on employee performance (-0.01), indirect effect of (1.60) and total effect of (1.59) (Hypothesis H6, received). Based on results above, in this study obtained the value of path coefficient from independent variables to significant intervening variable is significant, and path coefficient of the independent variable to the dependent variable controlled by the intervening variable is not significant. It can be concluded that the intervening variable of Job Satisfaction fully mediates the organizational communication climate on employee performance and significant path coefficient of the independent variable to the dependent variable is significant. It means that the organizational communication climate must be through mediation of job satisfaction to affect the performance of employees at Human Resource Department and General Division of PT Pusri Palembang (fully mediated). It means that the organizational communication climate must be through mediation of job satisfaction to affect the performance of employees at Human Resource Department and General Division of PT Pusri Palembang.

The Effect of Career Development to Employee Performance with Job Satisfaction as Intervening Variable. The results show that the direct effect of communication climate on employee performance (-0.01), indirect effect of (1.60) and total effect of (1.59) (Hypothesis H6, received). Based on results above, in this study obtained the value of path coefficient from independent variables to significant intervening variable is significant, and path coefficient of the independent variable to the dependent variable controlled by the intervening variable is not significant. It can be concluded that the intervening variable of Job Satisfaction fully mediates the organizational communication climate and employee performance on HRD and General division of PT Pusri Palembang (fully mediated). It means that the organizational communication climate must be through mediation of job satisfaction to affect the performance of employees at Human Resource Department and General Division of PT Pusri Palembang.

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