

The Impact of Working Climate and Motivation towards Job Satisfaction That Implies the Employee Performance in PT Indonesia Power Generation Business Unit of Suralaya Banten

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Abstract- A company prominence relies heavily on the quality of its employees, thus every company always takes certain efforts to shape their Human Resources (HR) to be in its best quality and performance. Working climate can affect work motivation when a company is conducive and it can be a means of sustainable learning for employees. When the needs are fulfilled, there will be reduction of tension, thus working satisfaction is achieved and leads to the improvement of employee performance. The objectives of this study are: (1) to analyze the influence of the working climate towards job satisfaction and its implications towards employee performance; (2) to analyze the influence of motivation towards job satisfaction and its implications towards employee performance; (3) to analyze the influence of job satisfaction towards employee performance. This research employed quantitative approach and involved 117 enforcement officials as respondents. Data analysis was conducted by employing SEM with LISREL (Linear Structural Relationship) version 8.3 program software. The results of this research show that the dimensions of working climate share a positive significant influence towards employees work motivation. The dimensions of working climate share a positive influence towards job satisfaction. The dimensions of motivation share a positive influence towards job satisfaction. The dimensions of job satisfaction share a positive influence towards employee performance. The statistic of data analysis results shows that there is indirect significant impact between working climate towards employee performance through job satisfaction and there is indirect significant impact between motivation towards employee performance through job satisfaction.

Index Terms- employee performance, job satisfaction, motivation, working climate

I. INTRODUCTION

The company will always captivate, develop and sustain employees who possess innovative skills and high performance. When the employee performance in a company is regarded as good, it is necessary to develop a conducive working environment so that employees quality is improved and thus they remain loyal to give contribution to the company. One of the aspects that plays significant role in developing a conducive

working environment is working climate. Working climate shares a crucial role in improving employee performance in a company. The working climate is an aspect in an organization that is perceived by the people within this organization. This perceived aspect could affect their behavior and will ultimately determine the level of productivity of their work. Employees productivity is highly related to the structure within the organization, i.e., the jobs divisions, employees responsibilities towards their works, both in private, group, as well as in organisation; communication conducted by superiors towards their subordinates; an appreciation for the human resources (HR); rewards and sanctions that are applied (Luthans, 2005). Working climate can affect work motivation. If a company has a conducive working climate which fits to become a means of sustainable learning for employees, then the employees will be encouraged and motivated to produce the best for his company (Ismiyarto et.al., 2015). On the other hand, motivation also plays a significant role as an important factor in encouraging an employee to do the work. Motivation is the willingness of individuals to issue high efforts to achieve the goals of the organization. There are three key elements in motivation, namely effort, objectives of the organization, and necessity. Effort is a measure of the intensity. When a person is motivated, they will strive mightily to achieve the goals, though a high effort does not guarantee a person to produce high-performance. Therefore, it is necessary to support this effort with intensity and quality and focusing this effort to achieve the goal of the organization. Necessity is the internal conditions that rising the encouragement. When the necessity is not successfully fulfilled, it will cause tension that stimulates urge within individuals. This urge will then raise the behavior to find certain goal. If the necessity is fulfilled, then there will be reduction of tension, thus job satisfaction will be achieved, which will lead to the improvement of employees performance. The problem that is frequently encountered by companies related to HR is sustaining potential resources so that they keep their performance up. A company who has been developing good reputation on their working performance can potentially lose their performance quality to be damaged due to, directly or indirectly, the level of employees job satisfaction.

In accordance with the above description, PT Indonesia Power which is the biggest electricity power generation company

in Indonesia with 8,996 MW installed capacity and one of the subsidiary company of PT PLN (Persero), has now become an independent business-oriented power generation company. PT Indonesia Power declared an integrated vision and mission with a new plan to become a public company and expand it into a world-class plant. To support this vision, PT Indonesia Power and all of its business units continue to make betterment within their company. The largest business unit that produces approximately 57% of the total production of Indonesia Power is Generation Business Unit (GBU) Suralaya, located at the western end of Java. This unit manages seven Steam Power Plants (PLTU) which use coal as its main fuel. As the largest unit, GBU Suralaya should build competent and certified employees who have high attachment to advance the company through HR and organization readiness, so that the goal on creating work environment that supports the achievement of the performance of healthy competition, open communication, and a conducive working climate, is achieved.

The employees work in a dynamic work environment with high working interactions with superiors, colleagues, subordinates, as well as with external parties, and frequently experience frictions that can cause conflict, which affect on the climate of the workplace. PT Indonesia Power GBU Suralaya, as the largest energy supply company, is always required to increase the electricity production exceeding other generation business units. There are also reformations processes conducted along with the addition of the numbers of generation units in GBU Suralaya. This reformation process causes the increasing volume of works, thereby employees are demanded to deal with excessive workload that in most cases, are not the part of their main duties. Instead, they work based on the orders that have been specified by the supervisor which have not been fixed, thus a lot of employees complain about the presence of the tension due to excessive work load and the company's demands that are perceived as too high. In addition, there are some employees performance issues, which can be seen from the way the employees take a leave on working hour for personal matter, the employees low level of discipline which is seen from the way the employees come late to office and leave earlier, the decreasing of employees desire to achieve working performance, less attendance levels, lack of timeliness in work completion; does not obey the rules well enough, so that the target of work program is not well achieved. The decreasing level of employee

performance can be caused by the lack of employees motivation, giving rise to a sense of boredom in completing the given works. In achieving the company's goal, the role of all employees is very influential, thus it takes a good coordination between the divisions/departments in conducting any activities of the company. The incidence of such problems can affect to the drop of job satisfaction level and decrease of overall performance. Based on this background, a research of the impact of working climate and motivation towards job satisfaction and its implications on the performance of employees of PT Indonesia Power Generation Business Unit Suralaya Banten is conducted.

II. RESEARCH METHODOLOGY

The sample in this research was enforcement officials of PT Indonesia Power GBU Suralaya with the number of 117 people. The number of samples that were used is referring the guidelines of the sample size in SEM (Structural Equation Modelling) methods, i.e. the number of samples is the number of indicator(s) times 5-10, e.g. when there are 20 indicators, then the magnitude of samples are ranging around 100-200. This research used 20 indicators, thus the minimum samples being used were 100 samples (Ghozali, 2007).

The employed measurement scale was Semantic Differential. Semantic Differential is used to find out a person's views against an object or concept, whether the same or different. Data obtained through measurements using semantic differential scale is interval data to measure the perception of the respondents. Respondents can choose answers, with a range of positive to negative (Sekaran, 2006). Data analysis in this study employed SEM with LISREL (Linear Structural Relationship) Version 8.3 program software. SEM is a statistical method used to solve graded model simultaneously that cannot be solved by a linear regression equation, or considered as a combination of regression analysis and factor analysis.

III. RESULTS AND DISCUSSIONS

Data Analysis Results

Data processing analysis with SEM was undertaken by conducting suitability test and statistical test. The data processing result of SEM model analysis is described in Figure 1.

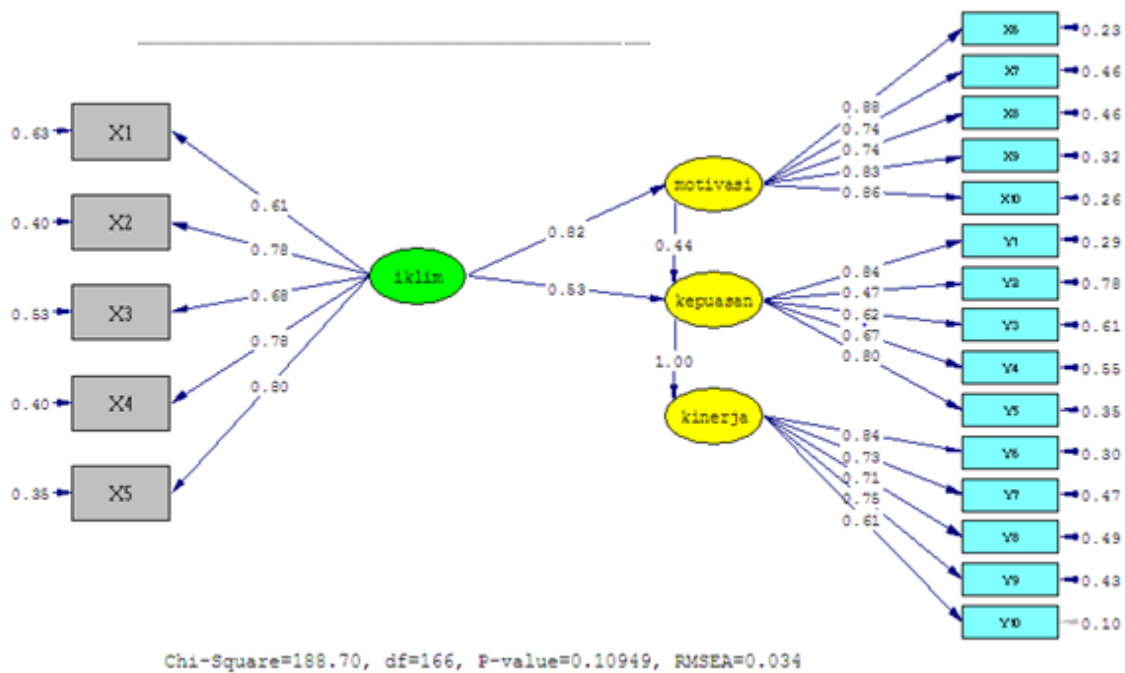


Figure 1: SEM-Model data processing result

SEM model feasibility test was conducted by using RMR (Root Mean Square Residual), RMSEA (Root Mean Square Error of Approximation), AGFI (Adjusted Goodness of Fit

Index), NFI (Normed Fit Index), and CFI (Comparative Fit Index), where the test results are within the expected value range (Good Fit) as contained in Table 1.

Table 1: SEM-Model feasibility test results

Goodness-of-Fit	Cutt-off-Value	Result	Description
RMR (Root Mean Square Residual)	$\leq 0,05$ atau $\leq 0,1$	0.09	Good Fit
RMSEA (Root Mean square Error of Approximation)	$\leq 0,08$	0.034	
AGFI (Adjusted Goodness of Fit Index)	$\geq 0,90$	0.97	
NFI (Normed Fit Index)	$\geq 0,95$	0.97	
CFI (Comparative Fit Index)	$\geq 0,90$	1.00	

Based on Table 1, the test results show an acceptable model with good structural equation. Index measurement RMR (Root Mean Square Residual), RMSEA (Root Mean Square Error of Approximation), AGFI (Adjusted Goodness of Fit Index), NFI (Normed Fit Index), and CFI (Comparative Fit Index) are in range of good value.

statistics of causality relationship of the SEM processing results as presented in Table 2.

Hypothesis Testing

Once all the assumptions met the criteria, hypothesis testing was undertaken. Hypothesis testing was conducted based on the t-

Table 2: Hypothesis testing results

Hypotheses	T-statistics	Decision	Description
Working climate ->Motivation	19.46	Accept H ₁	Working climate shares a tangible and positive impact towards motivation
Working climate -> Job Satisfaction	4.73	Accept H ₁	Working climate shares a tangible and positive impact towards job satisfaction

Motivation -> Job Satisfaction	3.35	Accept H ₁	Motivation shares a tangible and positive impact towards job satisfaction
Job Satisfaction -> Employees Performance	16.73	Accept H ₁	Job satisfaction shares a tangible and positive impact towards employee performance

Accept H₁: Working climate shares a tangible and positive impact towards employee motivation

Estimation parameter used to test the impact of working climate towards motivation shows 19.46 t-statistics value. This t-statistics value met the acceptance criteria of hypothesis 1, i.e. the value of t-statistics is greater than 1.96. It can be concluded that the dimensions of working climate share a tangible and positive impact towards employee working motivation. The standard parameter estimation of the relationship between working climate with motivation indicates a positive sign. This suggests that the dimensions of the organization climate, such as: recognition, teamwork, job suitability, work divisions, and organizational policy in the organization are well managed and provide a good working climate conditions, thus such condition will directly provide improvement towards employees motivation, both extrinsic or intrinsic motivation.

Accept H₁: Organizational climate shares a tangible and positive impact towards job satisfaction

Estimation parameter used to test the impact of working climate towards job satisfaction shows 19.46 t-statistics value. This tangible and positive t-statistics value has met the acceptance criteria of hypothesis 2, i.e. the value of t-statistics is greater than 1.96. It can be concluded that the dimensions of organization climate share a positive impact towards job satisfaction. The standard parameter of the relationship between working climate with motivation indicates a positive sign. This suggests that the dimensions of the organization climate, such as: recognition, teamwork, job suitability, work divisions, and organizational policy within the organization are perceived good by the employees, thus it gives a direct impact towards the improvement of employees job satisfaction in which in this case is measured according to employees satisfaction in relation to job, salary, promotion, supervision, and co-workers.

Accept H₁: Motivation shares a tangible and positive impact towards job satisfaction

Estimation parameter used to test the impact of motivation towards employee performance shows 3.35 t-statistics value. This tangible and positive t-statistics value has met the acceptance criteria of hypothesis 2, i.e. the value of t-statistics is greater than 1.96. It can be concluded that the dimensions of motivation share a positive impact towards job satisfaction. The standard parameter of the relationship between motivation and job satisfaction indicates a positive sign. This suggests that the dimensions of motivation, in the form of intrinsic and extrinsic motivation, that are improved and live within individuals of the the employees are able to give impact on the improvement on employees job satisfaction. This is mesured by employees satisfaction towards job that they have been dealing with, satisfaction towards salary, promotion, supervision, and co-workers.

Accept H₁: Job satisfaction shares a tangible and positive impact towards employee performance

Estimation parameter used to test the impact of job satisfaction towards employee performance shows 16.73 t-statistics value. This tangible and positive t-statistics value has met the acceptance criteria of hypothesis 4, i.e. the value of t-statistics is greater than 1.96. It can be concluded that the dimensions of job satisfaction share a positive impact towards employee performance. The positive-signed parameter indicates an equal direction, which occurs when one of the variables increased. Job satisfaction level together all its various forms will work hand in hand with the improvement of employee performance. This condition can be valued as a reciprocal effort between the satisfaction experienced by the employees and employee productivity, on how they improve their performance to give maximum contributions to the company.

Impact Analysis

Impact analysis is intended to examine how powerful the impact of one to another variable, directly and indirectly. This interpretation has a significant role in the effort of achieving a precise strategy. In accordance with the previous theoretical study and the hypothesis testing results, motivation and organizational climate will share direct and/or indirect impact towards employee performance. The indirect impact from both variables gained by passing the job satisfaction that subsequently gave impact towards employee performance.

The Impact of Working Climate towards Motivation

The results of the statistical analysis proved that there is tangible impact of working climate towards motivation which is shown by the calculated 19.46 t-statistics value. This research reveals a direct tangible impact of working climate towards employee working motivation. This suggests that the better the working climate is, the higher the working motivation of employees of PT Indonesia Power GBU Suralaya will be. This is in accordance with the theory presented by Stoner and Wankel (1989) which states that the organization climate, especially the attitudes and actions of colleagues and superiors, as well as the climate created within the organization, can affect the working motivation. Organizational climate is the characteristics or traits that are perceived to be exist within the organization or emerged due to conscious or unconscious activities conducted within the organization (Malik et.al., 2010). Climate is defined as a perception and is descriptive. Perception is a sensation or a realization that is experienced by an individual, while description is what is reported by that individual related to this sensation. Set of perceptions owned by the members of organization regarding the characteristics and quality of the organization are relatively constant. This climate (perception and decription) affects individual’s attitude in thir work.

The Impact of Working Climate towards Job Satisfaction

The results of the statistical analysis proved that there is direct and tangible impact of working climate towards job satisfaction which is shown by the t-statistics value of 23.47. This research reveals that there is a direct and tangible impact of working climate towards employee job satisfaction. This suggests that the better the working climate is, the higher the job satisfaction of the employees of PT Indonesia Power GBU Suralaya. One of the efforts to take in improving employee job satisfaction is by creating a beneficial work environment or organizational climate. Such condition demands a leader that is able to manage the organization effectively in order to create a good organizational climate. Organizational climate creates either a pleasant or unpleasant work environment for the organization members. A pleasant work environment tends to make workers to adhere in his job longer and to give a significant impact towards job satisfaction. This is in accordance with a theory proposed by Sujak (1990) which states that the climate of the organization serves as a cornerstone factor in teaching-learning process in working conduct, in which there is a positive impact of organization climate towards working performance and job satisfaction. Thus, Sujak (1990) adds, the more appropriate and healthy an organizational climate is, the higher the employee job satisfaction of the organization will be. This supports the previous research by Princess (2011) that states that working climate shares a significant impact towards job satisfaction.

The Impact of Motivation towards Job Satisfaction

The results of the statistical analysis proved that there is a direct and tangible impact of motivation towards job satisfaction which is shown by the value of 19.46 t-statistics. This research reveals a direct and tangible impact of motivation employee towards job satisfaction. This indicates that the better the motivation contributed, the higher employee job satisfaction will be. So instead, when motivation is not awarded, it will cause dissatisfaction among the employees. This supports the statement of Hasibuan (1996) which defines motivation as a rewarded driving power that creates working excitement of individuals that they are willing to be cooperative, work effectively, and integrate all the power in efforts to achieve customer satisfaction. It is stated on *Two Factor* motivation theory of Frederick Herzberg that there are two factors that contribute job satisfaction level, namely dissatisfiers factor (salaries, company policies, status, relation between personal) and satisfiers factor (achievements, awards, promotions, work environment, the the works itself). Job satisfaction level is influenced by several factors, namely: challenging works, appropriate rewards, beneficial working conditions, supportive co-workers, and personal suitability to the job (Springer, 2011). According to Luthan (2005), some of the main factors that affect job satisfaction include the works itself, salary, promotion, and working conditions, in which all of those factors are significantly affected from the way the organization provides motivation. This supports the previous research by Juniantara (2015) and Rahaya (2010) which state that motivation affects significantly to job satisfaction.

The Impact of Job Satisfaction towards Employee Performance

The results of the statistical analysis proved that there is a direct and tangible impact of job satisfaction towards employee

performance which is shown by the calculated 16.73 t-statistics value. This research reveals a direct and tangible impact of job satisfaction towards employee performance. This indicates that the better job satisfaction level is, the higher the performance of the employees of PT Indonesia Power GBU Suralaya will be. Eventhough job satisfaction is only one of many influential factors; it also affects the performance levels of employees. With the job satisfaction gained by the employees, high performance is expected to be achieved. In the absence of job satisfaction, the employee will not able to work as what was expected or desired by the company, which then lead to a poor performance, which finally affect the company's desired accomplishments. From this description, it is revealed that in order to achieve a better performance, it requires more than just employees skill. It also requires work motivation. One step that can be taken by the managers or supervisors to motivate employees is by creating job satisfaction so as to achieve the better performance of employees in the company.

The Indirect Impact of Working Climate towards Employees Performance through Job Satisfaction

The statistic analysis results prove that there is an indirect and tangible impact of working climate towards employee performance through job satisfaction which is shown by a calculated 21.2 t-statistics value. This research reveals an indirect and tangible impact of working climate towards employee performance through job satisfaction. The indirect impact is considered as the variable impact of working climate towards employee performance through job satisfaction. It indicates that providing good working climate will provide job satisfaction, thereby increasing the performance of the employees of PT Indonesia Power GBU Suralaya. Organizational climate is a concept which reflects the content and the strength of common values, norms, attitudes, behaviour and feelings of members of a system. The better the organizational climate is, the more opportunities that the organization possess to be able to create a good job satisfaction; and thereby, when organizational climate is not conducive, it will lead to a discomfort working environment and result on a low job satisfaction (Kristin et.al., 2003). Job dissatisfaction perceived by the employees will give a bad impact for the company. Some experts addresses that job dissatisfaction perceived by employees may become the reason for employees to leave work, give complains, show disobedience, steal company's or organization's properties, avoid some of their job responsibilities, and more. Some other experts suggest that employees who are not satisfied in the work will result in the decrease of productivity or performance, the rise of absence behaviour (absentisme) and the act to quit or resign from the organization (turnover).

Inverse to job dissatisfaction, employees who perceive high job satisfaction will result in high level of productivity or performance and organizational commitment, manageable work stress, and a tendency to be giving good response to organizations; in which will lead to a better performance of the organization. It can be concluded that employees who perceive job satisfaction tend to contribute their positive response to the company. On the other hand, employees who do not perceive job satisfaction will tend to give poor response for their works. Thereby, meeting employees job satisfaction is necessarily taken

as the priority to be highly noted by the management in an organization.

Indirect Impact of Motivation towards Employees Performance through Job Satisfaction

The statistic analysis results prove that there is indirect and tangible impact of motivation towards employee performance through job satisfaction which is demonstrated by calculated 3.35 t-statistics value. This research reveals indirect and tangible impact of motivation towards employee performance through job satisfaction. The indirect influence is said as the influence of motivation variable towards employee performance through job satisfaction. It suggests that providing motivation will accommodate employees job satisfaction so as to improve the performance of the employees of PT Indonesia Power GBU Suralaya. Job satisfaction can be raised by providing motivation to employees. Motivation is encouragement owned by individuals to take action as what these individuals have the willing to do. When people are pushed, they will give reaction to the pressure it caused (and Jacob Cherian, 2013). They acted because they felt that they should do so. However, when they are motivated, they held a positive choice to do something, because they know this act has meaning for them. If the employee has had a positive motivation, then it will also have an effect on their performance (Jayaweera, 2015). Therefore, motivation has an important role in achieving job satisfaction on employees and in improving the performance of employees. This is in line with previous research by Juniantara (2015) that motivation shares a tangible effect on performance through job satisfaction.

IV. CONCLUSIONS

1. Working climate shares a tangible and positive impact towards work motivation of employees of PT Indonesia Power GBU Suralaya. It indicates that the dimensions of the working climate, such as: recognition, teamwork, job suitability, jobs divisions, and organizational policy within the organization are well managed and provide a good working climate conditions, which then such condition will directly encourage the improvement of working motivation towards employees performance.
2. Working climate shares a tangible and positive impact towards job satisfaction of employees of PT Indonesia Power GBU Suralaya. This indicates that the dimensions of the working climate such as recognition, teamwork, job suitability, jobs divisions, and organizational policy within the organization are perceived good by the employees, thereby it will lead to a direct impact towards the improvement of employee job satisfaction, in which it measured by employees satisfaction towards the job, salary, promotion, supervision and co-workers.
3. Work motivation shares a tangible and positive impact towards job satisfaction of employees of PT Indonesia Power GBU Suralaya. This indicates that the dimensions of motivation, both intrinsic and extrinsic motivation, live within the individuals of the employees may result in the improvement of other aspects related to employee job satisfaction which is measured by the

satisfaction level towards the works they have been dealing with, satisfaction level towards the salary, promotion, supervision, and also satisfaction level towards co-workers.

4. Job satisfaction shares a tangible and positive impact towards the performance of employees of PT Indonesia Power GBU Suralaya. Such condition is considered to potentially act as reciprocal effort between the satisfaction level perceived by the employees and the productivity that the employees contribute to the organization in the form of performance improvement.

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