THE EFFECT OF ORGANIZATION CULTURE, INCENTIVE, AND WORKING ENVIRONMENT ON JOB SATISFACTION OF CONTRACT EMPLOYEES AT HARAPAN MAULINA SEJAHTERA COMPANY

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ABSTRACT

This Research is written to determine the effect of organizational culture, incentive and working environment on job satisfaction of the employees of Harapan Maulina Sejahtera Company with quantitative method. The research variables used areorganizational culture, incentive and working environment as independent variables, and job satisfaction as the dependent variable. The research method used is non-probability sampling with purposive sampling technique. Questionnaire with Likert scale is used as the data collection technique. According to the data analysis, the variables of organizational culture, incentive and work environment have partial positive effects on job satisfaction of employees of Harapan Maulina Sejahtera Company.
Keywords: *Organizational Culture, Incentives, Work Environment, Employee Job Satisfaction*

INTRODUCTION

The importance of human resources in an organization generally relates to aspects including employee's job satisfaction. Handoko (2011) argues that one way to improve employees' achievement, motivation, and job satisfaction is giving incentive. Employee's work spirit may depend on the amount of incentive received.

One of the industry players that exist today is the creative industries of Hijab garments and Muslim clothes as creative industry by HarapanMaulina Sejahtera Company. This company is located in Jombang and has a total of 65 contract employees with an average producing 20 dozens per day.

The researchers are interested to study the organizational culture, incentive and working environment since these three aspects are assumed to have effect on managing the employees in a company, especially in growing job satisfaction of contract employee at HarapanMaulina Sejahtera Company.

RESEARCH METHODS

The research method used in this research was multiple linear regressions. The independent variables in this research were organizational culture, incentive, and working environment. The dependent variable in this research was job satisfaction of contract employees of HarapanMaulina Sejahtera Company. This research aims to explain the effects of organizational culture, incentive, and working environment dimensions on job satisfaction with quantitative approach.

The researchers analyzed the effects of organizational culture, incentive, and working environments on job satisfaction of contract employees of HarapanMaulina Sejahtera Company by using multiple linear regressions as analysis tool. The independent variables of this research were organizational culture (X1) which is norms that are understood and applied as a corporate

characteristic; incentive (X2) as one form of corporate reward for working motivation, and; and working environment (X3) as working facilities and infrastructure for employees. The dependent variable in this research was job satisfaction of the employee (Y1).

Survey was used as a data collection technique, by distributing questionnaire to the employees, consist a set of questions of the variables. Validity test was done by using *Pearson Product Moment* correlation. If the significant value of *Pearson Product Moment* between each statement with total score is less than 0.05 (α=5%), then statement item declared valid (Sugiyono, 2012). The reliability test was performed by one shot or one-time measurement with Cronbach Alpha in SPSS version 20 alpha for its coefficient statistical test symbolized with (α). A construct or variable is stated to be reliable if its *Cronbach Alpha* value is greater than 0.70 (Ghozali, 2011).

The normality test was done by testing it with Kolmogorov Smirnov method. Supriyono, Fathoni, and Hasionaln's research (2016) state that the residual is normally distributed if the significance value is greater than 0.05. A good regression model is normally distributed or close to normal. The multicollinearity test was performed to see the tolerance and variance inflation factor (VIF) value. If the tolerance value is greater than 0.1 and the VIF value is less than 10, then the regression is free from multicollinearity. The heteroscedasticity test was performed by looking at the significance value, so if the significant value is greater than 0.05, there is no heteroscedasticity and vice versa. The autocorrelation test is to find out the correlation between variables so that the estimator is no longer efficient both in small sample model and in large sample (Supriyono, Fathoni, &Hasionaln, 2016). One way to test autocorrelation is by conducting d experiment (Durbin-Watson) with the condition that d>4-dL means there is negative autocorrelation, while if dU<d <4-dU means no autocorrelation occurs. Whereas if dL $\leq$ d $\leq$ dU then the test is not convincing enough. The linearity test was performed with the condition that if the value of linearity significance is less than 0.05, then there is a linear relationship between independent variables and dependent variable.

To determine whether there is a significant influence between independent and dependent variables in this research, a multiple linier regressions analysis was used with the following formula:

$Y' = a + b_1 X_1 + b_2 X_2 + b_3 X_3$

Descriptions:

Y' = Job Satisfaction

a = Constants

b_1 = Coefficient Regression of Variable X_1 (Organizational culture)

b_2 = Coefficient Regression of Variable X_2 (Incentive)

b_3 = Coefficient Regression of Variable X_3 (Working atmosphere)

X_1 = Organizational culture

X_2 = Incentive

X_3 = Working atmosphere

For testing the hypotheses, the researchers used Partial Significance Test (t test), Simultaneous Significance Test (f test) and Determinant Coefficient Test (R^2).The hypotheses of this research are as follows:

Ho: the independent variables (organizational culture, incentive, working environment) have no positive significant effect on the dependent variable (job satisfaction).

Ha: the independent variables (organizational culture, incentive, working environment) have positive significant effect on the dependent variable (job satisfaction).

The hypotheses were tested using the p value of probability significance,so if the probability significance is less than (<) 0.05 then the Ho is rejected and the Ha is accepted. Meanwhile, if the probability significance is greater than (>) 0.05, then the Ho is accepted and the Ha is rejected.

The Correlation Coefficient (R) shows the strength of relationship between independent variables and dependent variable. The R^2 value is between 0 and 1 means that if $R^2 = 1$ then the independent variable is able to 100% explain the dependent variable and the approach model

used is correct. When $R^2 = 0$, means that the independent variables cannot explain about the dependent variable (Sugiyono, 2012).

This research used quantitative method because it tested hypotheses by statistical tests to find out the effects of the variable being tested. In this research, the researchers are determined to prove whether there is an effect and a relationship is created, and to test them based on the theory of the variables being examined.

RESULTS AND DISCUSSIONS

From the results of questionnaire, it is known that the average value of variable X1 (Organizational Culture) was 4.012, means that all respondents agreed with the indicator on Organizational Culture variable. The highest standard deviation value was in the first question (X1.1), which was 0.865. The highest mean score was also in the first question (X1.1), 4.170. The average value data on variable X2 (Incentive) was 3.882 which means that all respondents agreed with indicator on Incentive variable. The highest standard deviation value was in the first question (X2.1), 0.861, while the highest mean score was in the fourth question (X2.4),4.195. Next, the average value on variable X3 (Working Environment) was 3.983, means thatall respondents agreed with the indicators on Working Environment variable. The highest standard deviation value was in the first question (X3.1) with 0.84, while the highest mean score was in the third question (X3.3) with 4.170. The average mean score of variable Y (Job Satisfaction) was 3.951, means thatall respondents agreed with the indicators on Employee Satisfaction variable. The highest standard deviation value was in the fourth question (Y1.4) with 0.787, while the highest mean score was in the sixth question (Y1.6) with 4.048.

The descriptive statistical data analysis on validity test was done by Pearson Product Moment correlation. If the significant value of *Pearson Product Moment* between each statement with total score is less than 0.05 (α=5%), then statement item declared valid (Sugiyono, 2012). All variables used in this research in form of 24 questions had high significant value or less than (<) 0.05, so it can be stated that all questions were valid. While the reliability test results showed the Cronbach's Alpha value for variable X_1 was 0.830, variable X_2 was 0.777, variable X_3 was 0.839, and variable Y was 0.789. Since all variables used in this research had Cronbach's Alpha value greater than (>) 0.7, then all variables were reliable.

Description of Classic Assumption test on normality test showed that the significance value of Kolmogorov-Smirnov was 0.200 or greater than 0.05 so it can be concluded that residual was normally distributed. Supriyono, Fathoni, and Hasionaln (2016) already state that the residual is normally distributed if the significance value is greater than (>) 0.05. A good regression model is normally distributed or close to normal. As for the multicollinearity test, it was known that the VIF value of variable X1 was 1.135,the VIF value for variable X2 was 1.113, and the VIF value for variable X3 was 1.020. The overall VIF value of each variable was less than (<) 10 which are in accordance with the requirement. Additionally, the tolerance value of variable X1 was 0.881, of variable X2 was 0.898, and of variable X3 was 0.980. Since all three variables met the requirement of more than 0.1, it can be concluded that there was no relationship among the independent variables or the multicollinearity did not occur.

For heteroscedasticity test results, the significance value resulted by variable X1 was 0.433, the significance value of variable X2 was 0.675, and the significance value of variable X3 was 0.979, so all values were greater than 0.05, concluding that there was no heteroscedasticity on the regression model of this study. And then, for autocorrelation test, the obtained Durbin Watson value (dw) was 2.278, while the dU value in Durbin Watson table was 1.660, so the equation obtained was 1.660<2.050<2.340 or met the requirement. Meanwhile, for linearity test, it is known that the significance value of variable X1 was 0.006, of X2 was 0.015, and of X3 was 0.045. Since all three independent variables in this research had a significance value and met the requirement, it can be concluded that these three independent variables had linear relationship with the dependent variable.

From the results of multiple linear regressions analysis, a multiple regression equation was obtained as follows: $Y = 4.779 + 0.280\,X_1 + 0.263\,X_2 + 0.317\,X_3$, so it can be seen that the coefficient regression of variable X1 was 0.280, concluding that if the variable Organizational Culture increased for 1 unit, then the Job Satisfaction increased by 28%. The coefficient

regression of variable X2 was 0.263, concluding that if Incentive, which amount was previously yet known, increased for 1 unit, then the Job Satisfaction increased by 26.3%. Next, the coefficient regression of variable X3 was 0.317, showing that if Working Environment increased for 1 unit then the Job Satisfaction increased by 31.7%. The F test results showed that the significance value of 0.000 met the requirement of significance value must be less than (<) 0.05, therefore it can be concluded that all independent variables in this research have significant effect on the dependent variable. The results of t test showed that the significance value of variable X1 was 0.017 which also met the requirement of significance value less than (<) 0.05, so it can be concluded that the Organizational Culture had partially significant effect on Job Satisfaction.

For variable X3, its significance value was 0.004 and met the requirement of significance value must be less than (<) 0.05, so it can be concluded that the Working Environment had partial effect on Job Satisfaction. The data obtained by the value of correlation coefficient (R) was 0.550, meaning that the direction and closeness relation between independent variables had positive and strong effect. According to the requirement in this research, the R value is declared as strong if the value is close to 1. Meanwhile, the determinant coefficient resulting from this test was 0.266 or 26.6%. The contribution given by these three independent variables in this research on the dependent variable was 26.6%, and that means that the Organizational Culture, Incentive and Working Environment influenced 26.6% on job satisfaction variable, while the rest 73.4% was unexamined variable.

Based on the results of t-test, Organizational Culture had effect on Job Satisfaction variable. The test showed that the significance value of Organizational Culture (variable X1) was 0.007, met the requirement of significance value. So, it can be concluded that Organizational Culture had partially significant effect on Job Satisfaction. In this research, the indicator (answer of questions) with the highest mean score was the first question, which is "Employees can think innovatively and initiatively in making decisions", because according to the respondents, the employees of HarapanMaulina Sejahtera Company always think innovatively and initiatively since the company is engaged in fashion industry so they must keep up with the desired trend in the market. This finding confirms the research carried out by Al-Sada *et al.*, (2017), Parimita *etal.*,(2013) and Chong and Law (2016) with the similar result that Organizational Culture has positive effect on Job Satisfaction.

Next, Incentive also had effect on Job Satisfaction, as proven by the results of t test showing that the significance value of Incentive (variable X2) was 0.037 and already met the requirement of significance value. Therefore, it can be concluded that Incentive had partially significant effect on Job Satisfaction. This finding confirms the research conducted by Chong and Law (2016)and Andini (2017) who also get similar result, that Incentive has positive effect on Job Satisfaction. Meanwhile, the result of t-test on Working Environment indicated that this variable also had effect on Job Satisfaction, since the significancevalue of this Working Environment (variable X3)was 0.010 and already met the requirement of significance value, showing that Working Environment had partially significant effect on Job Satisfaction. A positive t-value indicates that Working Environment has a direct effect on Job Satisfaction. In this research, the indicator (answer of questions) with the highest mean score was the third question, which is "Supporting facilities are provided, such as bathrooms, parking, canteen, and musalla". According to the respondents, facilities provided by the company areappropriate and supporting their daily production and working. This finding also confirms the research by Lantara and Utama(2014), Andini (2017), and Abian and Ibrahim (2016) with the similar result that Working Environment had significant effect on Job Satisfaction.

CONCLUSIONS AND SUGGESTIONS

Based on the results of statistical data analysis and descriptive analysis, it can be concluded that: a). Organizational Culture (X1) has a partially positive and significant effect on Job Satisfaction, so the first hypothesis (H1) is accepted since the result accepts the hypothesis; b). Incentive (X2) has a positively significant effect on Job Satisfaction, so the second

hypothesis (H2) is accepted since the result accepts the hypothesis; c). Working Environment (X3) has a positively significant effect on Job Satisfaction,so the third hypothesis (H3) is accepted since the result accepts the hypothesis. d). Organizational Culture (X1), Incentive (X2), and Working environment (X3) all have simultaneously positivesignificant effect on Job Satisfaction.

The researchers suggest the company as follows: a). Maintaining the convenience of facilities to make employees satisfied in working and can achieve production targets; b). designing a clear SOP for the employees, such as presence, production, and others in order to create organizational culture as expected. For future researches, the researchers suggest as follows: a). research on the future can be expanded by adding variables others than what are examined in this research, such as Working Motivation, Leadership Style, and many more. Therefore, the next research can contribute on improving Job Satisfaction. Additionally, future research can use similar variables with this recent research but with different methods such as qualitative methods in order to deepen the results or research findings.

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